



ZAMBIA RAILWAYS LIMITED

(A Member of **IDC** Industrial Development Corporation Group of Companies)



STRATEGIC BUSINESS PLAN 2024 – 2028

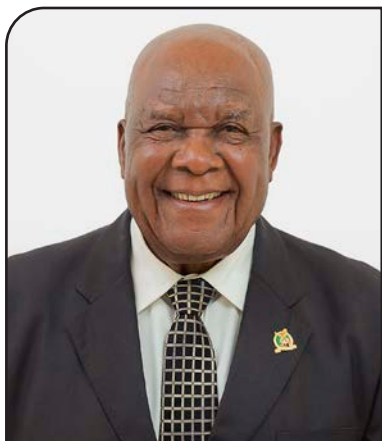
Wheels of the Nation

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MESSAGE FROM THE CHAIRPERSON OF THE BOARD



On behalf of Zambia Railways Limited (ZRL)'s Board of Directors, I am delighted to present ZRL's Strategic Business Plan (SBP) covering the period 2024 to 2028. The plan outlines the company's strategic direction as it attains its vision, which is ***"a must for our national transportation of bulk and heavy cargo."*** The mission and core values guiding the company during the five-year period are also presented in the plan. The plan further outlines the strategic perspectives, objectives, and key activities to be implemented with the Key Performance Indicators (KPIs) to help track the progress being made.

The Strategic Business Plan has been developed through an interactive process and engagement involving the Board of Directors of ZRL, management and the workers' unions. The process considered the Zambia's vision 2030, the Eighth (8th) National Development Plan (8NDP) and strategies by ZRL's shareholders.

The 2024 to 2028 SBP is based on five (5) strategic perspectives which will be the areas of primary focus by ZRL, namely:

1. Corporate governance and organizational leadership.
2. Human resource development.
3. Internal business processes and innovation.
4. Customer growth and market development.
5. Business sustainability and capitalization.

As we look ahead, it is essential for us to acknowledge the challenges that lie ahead while also recognizing a myriad of opportunities that await us. The railway industry is undergoing rapid transformation driven by technological advancements and changing consumer preferences. While these changes present challenges, they also offer ZRL a chance to innovate, diversify its services, and expand its market reach.

Considering these dynamics, the SBP not only addresses the current challenges but also positions ZRL as a leader in the future of rail transportation. The plan encompasses key areas such as infrastructure development, technology integration, customer experience enhancement, sustainability initiatives, and employee development. Aligning ZRL's strategies to these critical areas will enable ZRL to remain agile, competitive, and responsive to the evolving needs of its stakeholders.

I would like to thank ZRL's management, staff, shareholders and the Board of Directors for their unwavering dedication and commitment. Together, I am confident that we will navigate the challenges ahead and emerge as a stronger and more resilient railway company.

EMMANUEL M. HACHIPUKA
BOARD CHAIRPERSON
ZAMBIA RAILWAYS LIMITED

ABBREVIATIONS AND ACRONYMS

AGM	Annual General Meeting
AWP	Annual Work Plans
BOZ	Bank of Zambia
EIZ	Engineering Institute of Zambia
EBITDA	Earnings, Before, Interest, Taxes, Depreciation and Amortization
GIR	Government Inspector of Railways
GRZ	Government of the Republic of Zambia
ICT	Information Communication Technology
IDC	Industrial Development Corporation
KPIs	Key Performance Indicators
LOG FRAME	Logical Framework
M&E	Monitoring and Evaluation
MMS	Maintenance Management System
MoFNP	Ministry of Finance and National Planning
MoTL	Ministry of Transport and Logistics
NAPSA	National Pension Scheme Authority
PMS	Performance Management System
PESTEL	Political, Economic, Social, Technological, Environment, and Legal
PP&E	Property Plant and Equipment
RSA	Republic of South Africa
RAs	Railway Administrations
SADC	Southern African Development Community
SARA	Southern Africa Railways Association
SBP	Strategic Business Plan
SP	Strategic Plan
SGs	Strategic Goals
SOs	Strategic Objectives
SWOT	Strength, Weakness, Opportunities and Threats
TAZ	Truckers Association of Zambia
TAZARA	Tanzania Zambia Railways Authority
TSRs	Temporal Speed Restrictions
TV	Television
USD	United States of America Dollar
ZEMA	Zambia Environmental Management Agency
ZCILT	Zambia Chartered Institute of Logistics and Transport
ZPPA	Zambia Public Procurement Authority
ZRA	Zambia Revenue Authority
ZRL	Zambia Railways Limited
8NDP	Eighth National Development Plan

DEFINITION OF KEY STRATEGY TERMS

The following words are used in this Strategic Plan regarding the provided respective definitions here below:

TERM	DEFINITION
Baseline	The existing metrics or situation of the quantitative or qualitative indicator in the planned activities that will be used as the basis for tracking and measuring progress.
Cooperating Partner	An individual or institutional partner providing financial or technical support towards the realization of strategic objectives of ZRL.
Driver/Responsible Officer	An individual within ZRL leadership or management system who will be assigned and be held accountable for carrying out a prescribed objective or any of its activities for attainment of desired results.
Institutional Governance	The style of organizational order which ZRL will use during the implementation of the Strategic Plan to ensure unity of purpose towards achievement of the planned activities.
Key Activities/ Strategic Initiatives	Broad and detailed actions that will be undertaken in order to realize the strategic objectives.
Key Performance Indicator or Target	A defined measure of performance towards which individual or group effort will be directed during the implementation of the Strategic Plan.
Key Result Area	Grouping of several activities or areas from which a main result is expected.
Mission	The fundamental purpose of ZRL that describes the reason for its existence, what it does and how it conducts its business to achieve its vision.
Outcome	A tangible result, product or service from the implementation of the strategic objectives.
Pre-conditions/	Conditions which are internal in nature that will need to be put in place for effective implementation of ZRL's Strategic Plan.
Performance Indicator	A pointer that will be used to measure the attainment/achievement of strategic directions and objectives.
Republic	Government of the Republic of Zambia.
Strategic Assumptions/ Risks/Success Factors	Extenuating factors outside the control of ZRL that need to be present for ZRL to be able to effectively implement the Strategic Plan.
Strategic Direction	Area of focus which defines the direction ZRL will take in order to realize the mission and vision as described for the period 2024-2028.
Strategic Objective	A measurable statement of intent that will be implemented within a given timeframe.
Strategic Plan /Strategic Business Plan	The compilation of situational analysis outcomes, all the strategic objectives and their respective desired outcomes, key activities, performance indicators, means of verification and respective timelines; and budgetary information for organizational implementation.
Theme	The approach/thrust/area of emphasis that will guide the operations and programmes of ZRL during the Strategic Plan period.
Values	Used synonymously with ZRL core and governing beliefs through which ZRL will behave, make decisions, and relate with its clients and society at large during the implementation of the Strategic Plan.
Vision	A long-term projection of desired contribution that ZRL would like to make in the transport, logistics and related sectors in Zambia and beyond.

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EXECUTIVE SUMMARY

Zambia Railways Limited (ZRL) is wholly owned by the Government of the Republic of Zambia through the Industrial Development Corporation (IDC). The Company was incorporated in 1982 and is mandated under the Railways Act of 1984 to operate both passenger and freight trains. ZRL's main operations domain is Livingstone to Chililabombwe, Livingstone to Mulobezi, and Chipata to Mchinji.

ZRL is governed by the Railways Act, Cap 453 of the Laws of Zambia, and is incorporated under the Companies Act, Cap 388 of the Laws of Zambia. Furthermore, the Company is also governed by its Articles of Association and has to comply with its provisions at all material times. Article 78 of the ZRL Articles of Association provides that the composition of the Board of Directors of the Company shall be seven members appointed by the Shareholder.

ZRL had been implementing its 2021 -2025 Strategic Plan whose closure would have been end of 2025. However, as performance of the Company against the SBP appeared extremely unattainable or unachievable with the ushering in of a new Board of Directors, the Company found it prudent for the new strategic imperatives for the period 2024-2028 to be developed.

ZRL 2024-2028 SBP is therefore consistent with GRZ developmental aspirations of positioning Zambia as a regional transport and logistics hub as outlined in Strategy No. 5 of the 8NDP program focused on undertaking rail development and maintenance to drive Economic Transformation and Job Creation as informed by the following ZRL purpose statements:

Purpose Statements

Our Mandate	To operate both passenger and freight trains.
Our Motto	<i>Wheels of the Nation.</i>
Our Vision	<i>A must for our national transportation of heavy and bulk cargo.</i>
Our Mission	<i>To provide competitive and sustainable rail transport and logistics solutions to the satisfaction of our stakeholders.</i>

Core Values

Value Concept	Value Proposition
Service	We create value that meets our clients at the point of their need.
Teamwork	We engage and involve every stakeholder in the execution of our mission.
Integrity	We are honest and authentic in delivery of our services.
Innovation	We explore new and better ways to add value to our services.
Professionalism	We deliver our services based on knowledge, skills and right attitude.
Enterprise	We are conscious of creating value in the company and driving the business forward.

The new Strategic Business Plan (SBP) is therefore envisaged to give the new Board an opportunity to set the direction for ZRL for the next 5 years effective January 2024 as outlined in the following 5 Strategic perspectives and related Strategic Objectives captioned here below:

STRATEGIC PERSPECTIVES	STRATEGIC OBJECTIVES
A. Corporate Governance & Organizational Leadership	<ol style="list-style-type: none"> 1. To have the National Transport Policy reviewed in relation to open access by 31st December, 2024. 2. To achieve fuel levy exemptions by 31st December, 2024. 3. To attain passenger train support from the GRZ implemented by 31st December, 2025. 4. To have the Railways Act reviewed by GRZ by 31st December, 2026 5. To have the railway fund established by GRZ by 31st December, 2026. 6. To ensure effective shareholder, customers and stakeholder engagement throughout strategy timeline. 7. To enhance good corporate governance and best practices in ZRL by 31st December, 2026. 8. To develop and implement effective leadership programs at all levels in ZRL to achieve higher productivity by 31st December, 2025. 9. To achieve enhanced public image by 31st December, 2025. 10. To develop and implement an effective Environmental, Social and Governance (ESG) framework by 31st December, 2026.
B. Human Resource Development	<ol style="list-style-type: none"> 1. To design and implement a comprehensive human capital development program to improve human capital skills, knowledge, and competencies by 31st December 2028. 2. To restructure and align the organizational structure to the company strategy by 30th June, 2025. 3. To design and implement staff retention program by 31st December 2027. 4. To enhance Management and staff communication and engagement by 30th September, 2025. 5. To develop & implement a corporate cultural transformation program by 30th September, 2025. 6. To review, update and reinforce the implementation of human resource policies by 31st December, 2024. 7. To develop and implement employee wellness program by 30th September, 2024. 8. To review, enhance and implement safety procedures and policies by 30th September, 2025. 9. To review and enhance security procedures and policies by 31st December, 2024.

STRATEGIC PERSPECTIVES	STRATEGIC OBJECTIVES
C. Internal Business Processes and Innovation (Operations)	<ol style="list-style-type: none"> 1. To increase annual freight cargo hauled from 800,000 tonnes to 2,600,000 tonnes by 31st December, 2028. 2. To increase average mainline locomotive availability from four (4) to thirteen (13) by 31st December, 2028. 3. To eliminate all current Temporary Speed Restrictions on the mainline by 31st December, 2026. 4. To improve Mainline Freight Transit Times from 74hrs to 43hrs by 31st December, 2028. 5. To improve wagon utilization from baseline of 1.5 per month to 3 per month by 31st December, 2028. 6. To improve locomotive reliability from the baseline of 3,500km per failure to an average of 10,000km per failure by 31st December, 2025. 7. To improve wagon availability from 800 to at least 1,500 to meet targeted freight haulage volumes by 31st December, 2026. 8. To improve and integrate information, communications, and technology (ICT) infrastructure. 9. To enhance Railway line capacity at key stations by 31st December 2026. 10. To achieve 100% availability of critical spares in ZRL workshops by December 2026. 11. To develop and implement a new Pricing Policy by 31st December 2024. 12. To develop and implement Monitoring and Evaluation system by 31st December 2024. 13. To enhance returns from ZRL Real Estate Investments by 31st December, 2027.
D. Customer Growth & Market Development	<ol style="list-style-type: none"> 1. To grow freight tonnage and revenue an average of by 36% and 39% respectively annually throughout the strategy timeline. 2. To broaden the customer base by an average of 9% annually up to 31st December, 2028. 3. To revitalise rail freight services on the Inter - mine Region by 31st December, 2026. 4. To offer customs clearance and warehousing services within the logistics chain to freight customers by 31st December, 2026. 5. To operationalise corridors (through intermodal) where ZRL is currently not participating by 31st December 2026. 6. To increase passenger revenue by an average of 12% annually up to 31st December, 2028. 7. To increase non-ticket revenue from 43% of total passenger revenue to 60% of total passenger revenue by 31st December, 2028. 8. To develop and utilise ZRL land through Public Private Partnerships by 31st December, 2026. 9. To grow tenant asset base by an average of 10% annually throughout the strategy timeline. 10. To review the current ZRL Real Estate Rental Rates and implement new rates by 31st December, 2025. 11. To enhance ZRL workshop commercialization and grow revenue generated from workshop by 5% annually throughout strategy timeline.

STRATEGIC PERSPECTIVES	STRATEGIC OBJECTIVES
E. Business Sustainability & Capitalization	<ol style="list-style-type: none"> 1. To increase freight turnover by 39% driven by 36% increase in tonnage on average annually throughout strategy timeline. 2. To increase passenger, Real Estates, and other income by an average of 12%, 16% and 5% respectively annually throughout strategy timeline. 3. To pay off all outstanding remunerations and benefits arrears by 30th June, 2024 and set aside resources for terminal benefits and gratuity to be accrued in five (5) years. 4. To develop and implement a policy for the valuation of core assets of ZRL and increase the current PP&E to ZMW2.7Billion by 30th June, 2025. 5. To secure adequate capitalization of USD248million towards operational and capital expenditures throughout the strategy timelines. 6. To grow EBITDA by an average of 35% annually over the next five (5) years.





CHAPTER 1

INTRODUCTION



1.0 INTRODUCTION

This Chapter focuses on the background and institutional mandate of Zambia Railways Limited (ZRL), justification for the development of the Strategic Plan and participatory methodology that was adopted in facilitating the processes which led to the review of ZRL's 2021-2025 Strategic Business Plan and the subsequent development of the 2024-2028 Strategic Plan.

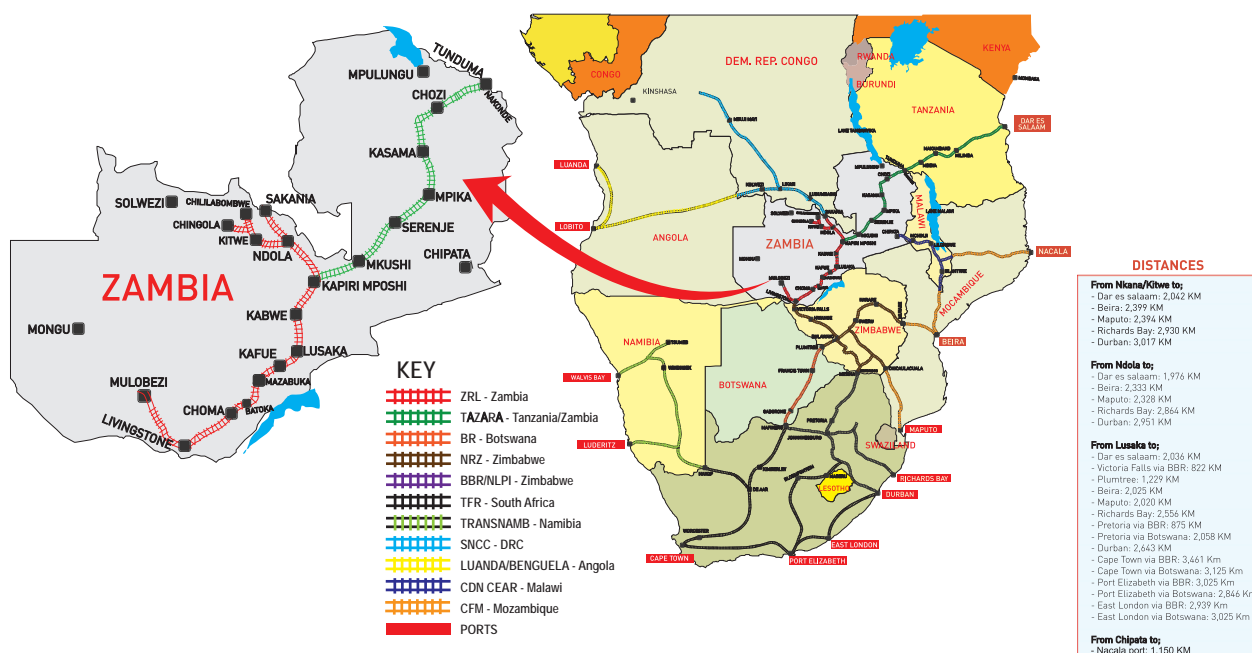
1.1 ABOUT ZAMBIA RAILWAYS LIMITED

1.1.1 BRIEF BACKGROUND

ZRL is wholly owned by the Government of the Republic of Zambia through the Industrial Development Corporation (IDC). The Company was incorporated in 1982 and is mandated under the Railways Act of 1984 to operate both passenger and freight trains. ZRL's main operations domain is Livingstone to Chililabombwe, Livingstone to Mulobezi, and Chipata to Mchinji.

The Company also provides rail transportation of goods beyond its borders, through the respective adjoining Railway Administrations (RAs) and connects to nearly all the ports in the SADC region. This enables the Company to provide Local, Import, Export and Transit rail transportation services. Through its strategic partnerships, ZRL provides an end-to-end logistics service for local traffic.

In the sub-region, ZRL is linked to almost all the ports in Southern Africa (SADC region) as shown in the figure below.



Furthermore, ZRL owns land and buildings developed to support train operations, and for potential business development. The company generates revenue from some of the rented-out property.

1.1.2 ZRL'S BUSINESS

ZRL has four (4) business units namely Freight, Passenger, Real Estate, and Engineering Services. The Freight Business Unit is the main contributor towards ZRL's total revenue.

1.1.2.1 FREIGHT BUSINESS

This is ZRL's main revenue generator. The company provides freight train services on the mainline and branch lines from Victoria Falls to Kitwe, the Inter-mine region and the Nacala Railway Corridor. The railways were initially constructed to service the Mining Sector in the region. However, due to industrialization, there has been diversification to also service the Agricultural, Manufacturing, Construction, Energy sectors and other sectors.



To ferry over border traffic, the Company has business agreements with contiguous railway administrations in the sub-region. The agreements describe the mode of train operations among the respective railway administrations. For instance, ZRL has business agreements with National Railways of Zimbabwe (NRZ), Tanzania Zambia Railway Authority (TAZARA), Transnet Freight Railways (TFR) of South Africa and Beit Bridge Railways (BBR) of Zimbabwe.

Freight train operations enable the economy to be efficient and competitive for increased trade by providing bulk cargo transportation and low-cost logistics solutions.

1.1.2.2 PASSENGER SERVICES

Currently ZRL operates two (2) passenger trains per week on the mainline between Livingstone and Kitwe and Two (2) mixed trains per week between Livingstone and Mulobezi. Presently, the company provides long distance passenger services to over 100,000 people per year.



1.1.2.3 REAL ESTATE BUSINESS

ZRL owns buildings and bare land in different locations from Livingstone to Chililabombwe. The company generates revenue from some of the rented-out property.



1.1.2.4 ENGINEERING SERVICES

ZRL provides engineering and workshop services to support train operations for both its operations and other rail operators. Further, ZRL provides engineering services to various clients to generate revenue. In this plan, ZRL intends to expand its engineering services, clientele base and increase revenue generation.



1.2 GOVERNANCE & MANAGEMENT OF ZRL

ZRL is governed by the Railways Act, Cap 453 of the Laws of Zambia, and is incorporated under the Companies Act, Cap 388 of the Laws of Zambia. Furthermore, the Company is also governed by its Articles of Association and has to comply with its provisions at all material times. Article 78 of the ZRL Articles of Association provides that the composition of the Board of Directors of the Company shall be seven (7) members appointed by the Shareholder.



The Board provides strategic and tactical input to the ZRL senior management, in determining the scope and relevance of ZRL's mandate, vision as well as its mission. The Company is governed by a Board Charter.

The Board is responsible to the shareholder, Industrial Development Corporation (IDC), and policy maker, the Ministry of Transport and Logistics (MoTL) for:

- a) Firm value creation and payment of dividends;
- b) Setting of strategic direction, monitoring of operational performance and management processes and policies and compliance levels;
- c) Integrity and quality of communication with stakeholders; and
- d) Appointing the ZRL Managing Director/Chief Executive Officer.

The Board is assisted in its functions by the following four (4) Board Committees:

- i. Finance and Administration Committee;
- ii. Technical and Projects Committee;
- iii. Audit and Risk Committee; and
- iv. Real Estate Committee.

1.3 RATIONALE FOR THE STRATEGIC BUSINESS PLAN

ZRL had been implementing its 2021 - 2025 Strategic Business Plan whose closure would have been end of 2025. However, as performance of the Company against the SBP appeared extremely unattainable or unachievable, with the coming in of a new Board of Directors, the Company found it prudent for the new strategic imperatives for the period 2024 - 2028 to be developed. The new Strategic Business Plan is therefore envisaged to give the new Board an opportunity to set the direction for ZRL for the next 5 years effective January 2024.

The development of ZRL 2024-2028 SBP is also consistent with GRZ's developmental aspirations of positioning Zambia as a regional transport and logistics hub as outlined in the 8NDP.

1.4 METHODOLOGY

An interactive and participatory process was adopted to facilitate the review of ZRL's past performance and to guide the integration of key findings from this review exercise, in order to enrich the design and development of the ZRL's Strategic Plan for the period 2024 - 2028.

The ZRL Board, Management, staff, the workers' unions, and various stakeholders reviewed the previous Strategic Business Plan, Company performance documents and related national policies and plans. The outcomes thereof formed the fundamental basis for the design of the new Strategic Business Plan.

Further, the situational analysis, review of the external and internal environments, stakeholder analysis, resource analysis, and risk analysis of ZRL were conducted. This was aimed at drawing lessons and pointers for the formulation of the new Vision, Mission, Goals, Strategic Objectives, Key Activities and Key Performance Indicators (KPIs) of ZRL for the next five (5) years starting January 2024.



ZAMBIA RAILWAYS LIMITED



STRATEGIC BUSINESS PLAN

2021- 2025

Wheels of the Nation

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CHAPTER 2

REVIEW OF 2021-2025 STRATEGIC PLAN



2.0 REVIEW OF 2021-2025 STRATEGIC PLAN

This Chapter focuses on the outputs of the review of ZRL 2021 - 2025 Strategic Business Plan (SBP) based on the four (4) Strategic Goals (SGs) that were set for that period. The detailed analyses in the attainment of the four (4) SGs and their respective activities based on their guiding KPIs are provided alongside the overall performance in the stewardship of organisational finances during the period. Review of the related sector policies, their linkages and integration in ZRL's performance for the period 2021 - 2023, are also presented in this Chapter.

2.1 STRATEGIC FOCUS OF ZRL's 2021-2025 STRATEGIC BUSINESS PLAN

ZRL 2021-2025 Strategic Business Plan was based on, and aligned to the following four (4) Strategic Goals:

- i. Improve financial position;
- ii. Operational efficiency;
- iii. Enhanced public image and good stakeholder relationship; and
- iv. Enhance human capital and capacity.

2.2 HIGHLIGHTS OF ZRL's PERFORMANCE REVIEW FOR THE PERIOD 2021 - 2023

2.2.1 REVIEW METHODOLOGY

An in-depth review of ZRL's performance for the period 2021 - 2023 was undertaken using a participatory process involving the analysis and rating of attainment of each of the key activities at the end of the strategic period. The rating was based on the Likert Performance Scale of 1 to 5 with 1=Poor Performance; 2=Average Performance; 3=Good Performance; 4=Very Good Performance; and 5=Outstanding or Excellent Performance. The detailed explanations and ratings of ZRL's 2021-2023 review are presented in the following subsections on review highlights.

2.2.2 REVIEW HIGHLIGHTS OF STRATEGIC GOALS AND OBJECTIVES FOR 2021 - 2025 SBP

Analysis and rating of the performance of individual strategic activities under each of the Objectives was conducted. Source documents were the Annual Reports, Management Accounts and Commercial reports. This performance review led to the rating, ranking and interpretation of the achievement in each of the overall Strategic Objectives under review.

The detailed review of each of the 2021 - 2025 Strategic Goals (SGs) and Strategic Objectives (SOs) are presented in Appendix 6.1. The associated summary highlights of SGs performance for the period 2021 - 2023 under review are presented in Table 1 below, with the following performance highlights:

- i. Improve Financial Position: 49.9% (Average performance)
- ii. Operational Efficiency: 33.3% (Below average performance)
- iii. Enhanced public image and good stakeholder relationship: 57.5% (Good performance)
- iv. Enhance human capital & capacity: 45.3% (Average performance).

Table 1: ZRL Performance Review of Strategic Goals Number 1-4 of 2021 - 2025 SBP

Strategic Goal		Strategic Objectives	Score Scale Of 1 =Poor 5 =Excellent)	Performance Rating (%)
1	Improve Financial Position	1. Increase freight revenue generation by an average of 17% annually	3.13	62.6% = Good performance
		2. Optimization of resources	1.35	27% =Poor performance
		3. Improve cash flow position	3	60% =Good performance
		4. Reduce exposure to enterprise risk	2.5	50% = Average performance
	Average score		2.495	49.9% = Average performance
2	Operational Efficiency	1. Improve transit time between Ndola and Livingstone	1	20% = Poor performance
		2. At least 90% rolling stock availability and reliability	2	40% = Average performance
		3. Improved ICT systems	2	40% =Average performance
		4. Improve track infrastructure by uplifting Temporal Speed Restrictions (TSR) by at least 70% by 2025	1	20% = Poor performance
		5. Enhance Strategic Partnerships	2.3	46.67.% =Average performance
		6. Improve Human Capital	1	20% = Poor performance
	Average score		1.66	33.2 % = Below average performance
3	Enhanced public image and good stakeholder relationship	1. Enhanced Corporate reputation and increase visibility of ZRL	3.25	65% = Good performance
		2. Increased Strategic Partnerships	1.5	30% = Poor performance
		3. Reduce litigation exposure	3	60% = Good performance
		4. Attain at least 80% of customer satisfaction each year	3.75	75% = Very good performance
	Average score		2.875	57.5% = Good performance
4	Enhance human capital & capacity	1. Improve staff recruitment	3.5	70% = Very good performance
		2. Retain technical skill	1.5	30% = Below average performance
		3. Enhance staff productivity and improve work culture	1.8	36% = Below average performance

Strategic Goal	Strategic Objectives	Score Scale Of 1 =Poor 5 =Excellent)	Performance Rating (%)
	Average score	2.27	45.33% = Average performance
	Overall Average Score for all Objectives	2.33	46.5% = Average Performance

2.2.3 OVERALL PERFORMANCE REVIEW OF THE 4 STRATEGIC GOALS OF 2021- 2023 STRATEGIC PLAN

The overall cumulative performance across all the four (4) Strategic Goals was an average score of 2.33 out of 5 (46.05%) representing an 'AVERAGE PERFORMANCE' rating. Based on the overall score, attention was given to some activities that needed to be carried over. Therefore, these were incorporated in the Strategic Plan for the period 2024-2028.

2.3 REVIEW OF FINANCIAL PERFORMANCE FOR THE PERIOD 2020- 2023

A comprehensive financial review was undertaken for the period 2021- 2023, using budgetary and actual financial information provided as outlined in Table 2 and Table 3 and associated bar charts below showing an overall performance rating of 3.79 out of 5, representing 75.75% translating into categorization of 'GOOD PERFORMANCE'.

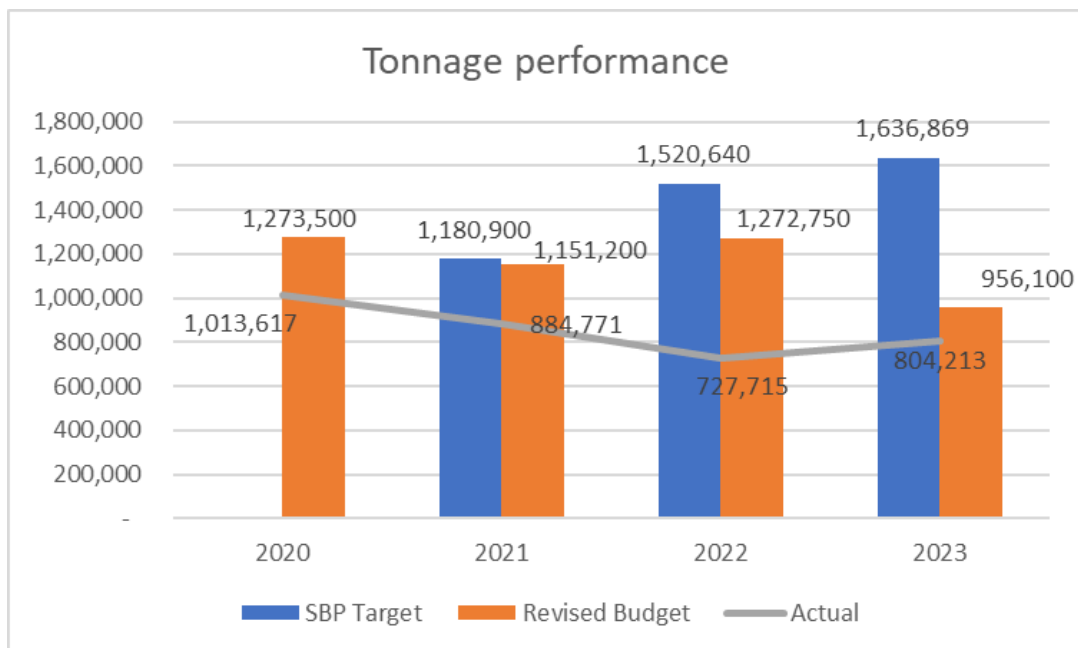
Table 2: Review of ZRL Financial Performance 2020- 2023

	2020	2021	2022	2023
Tonnage Performance				
SBP Target		1,180,900	1,520,640	1,636,869
Revised Budget	1,273,500	1,151,200	1,272,750	956,100
Actual	1,013,617	884,771	727,715	804,213
% Achievement				
Actual Vs SBP Target		75%	48%	49%
Actual Vs Revised budget	80%	77%	57%	84%
	2020	2021	2022	2023
Revenue performance				
SBP Target-ZMW'Million		538.69	709.63	781.44
Revised Budget-ZMW'Million	468.48	535.24	439	444.58
Actual-ZMW'Million	411.59	343.02	371.99	481.75
% Achievement				
Actual Vs SBP Target		64%	52%	62%
Actual Vs Revised budget	88%	64%	85%	108%
Operating costs				
	2020	2021	2022	2023
SBP Target-ZMW'Million		437	447.05	491.23
Revised Budget-ZMW'Million	498.04	517.23	478.96	561.36
Actual-ZMW'Million	545.65	512.07	592.89	464.39
% Achievement				
Actual Vs SBP Target		117%	133%	95%
Actual Vs Revised budget	110%	99%	124%	83%

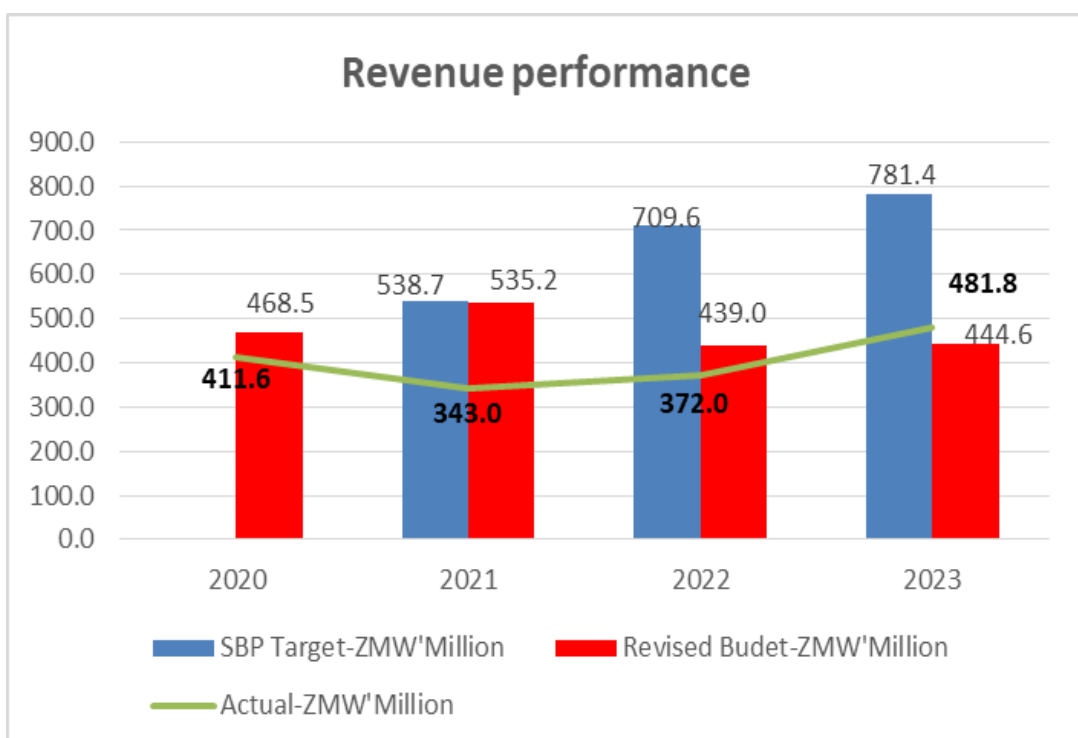
Notes

- Only operating costs were considered and costs such as impairments, depreciation etc., were not included.
- In 2022, the fuel pricing was restructured to monthly reviews by the GRZ. This had negatively impacted the operating costs as ZRL was unable to review its tariffs monthly due to contractual obligations and resistance from the clients.
- The SBP figures assumed improved efficiency and were not premised on monthly fuel escalations in upward adjustments.

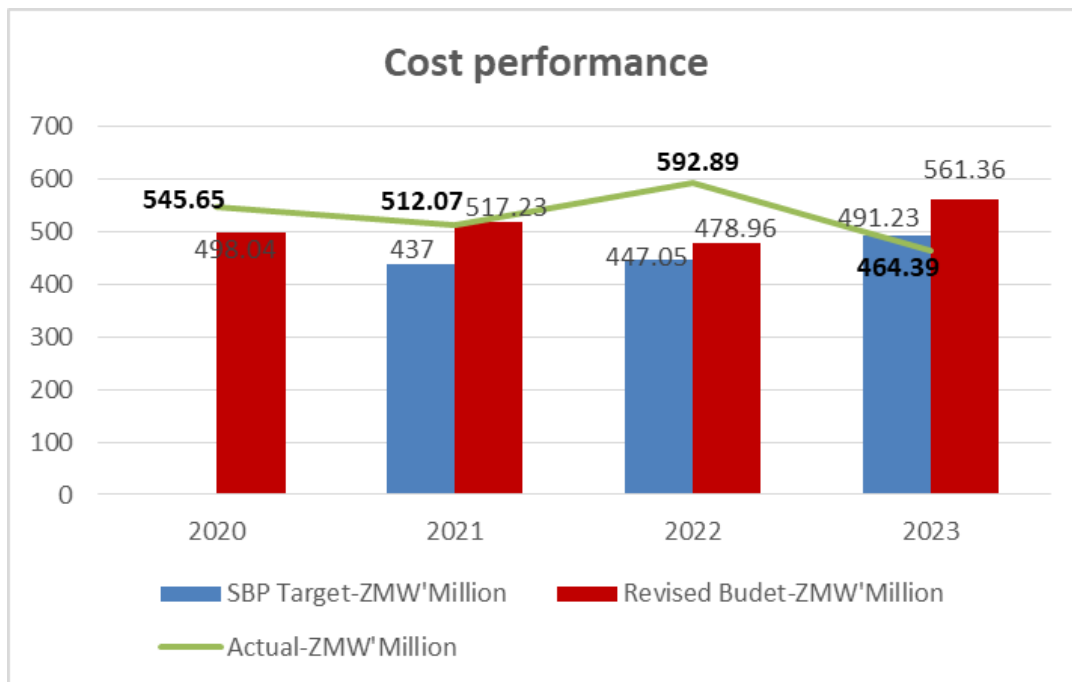
REVENUE, COSTS & TONNAGE TREND: SBP, REVISED BUDGET AND ACTUAL



Graph 1: Tonnage Performance 2020-2023



Graph 2: Revenue performance 2020-2023



Graph 3: Cost performance 2020-2023

Table 3: Review of ZRL Financial Performance Ratios for 2021-2023 SBP

Key Financial Variables/Ratios	End Term Performance Rating (Score Scale of 1 Poor 5 Excellent)	Comment: Brief Justification for the Rating/Scores
Revenue performance: SBP targets Vs Actual Revised budget Vs Actual	2.9 4.2	ZMW 677.00 million was the target in the SBP and ZMW 399.00 million was achieved due to: -lack of capacity due to non-actualization of USD 75.00 million loan. -Intermittent closure of TAZARA operations & floods in RSA.
Operating costs: SBP target Vs Actual Revised budget Vs Actual	4.4 4.9	-SBP operating costs assumed improved efficiency from investment in equipment, track and did not incorporate monthly fuel escalation. -Actual operating costs were also negatively affected by monthly fuel adjustments.
Operating cash flow ratio	2.4	0.5 was achieved against the target of 1.1 and this is due to non-achievement of projected revenue. Capacity was constraint to grow revenue as the investment in equipment was not achieved coupled with operation disruptions in RSA, TAZARA and Zimbabwe.
Receivable days	5	35.77 days were achieved against 45 days. Majority of freight clients pay in advance.

Key Financial Variables/Ratios	End Term Performance Rating (Score Scale of 1 Poor 5 Excellent)	Comment: Brief Justification for the Rating/Scores
Payable days	5	46.97 days were achieved against a target of 60 days. This is based on the current debt; outstanding debt is affected by cash flow challenges.
Current ratio	1.5	0.3 was achieved against the target of 1.8 & standard of 1 due to outstanding debt that must be supported by constraint cash flow.
Average Score	3.79 = 75.75%	Good Performance

Note:

Source documents for the preparation of the above financial reviews included the following:

- i. Annual reports;
- ii. Management accounts; and,
- iii. Commercial reports.

2.3.1 OVERALL COMMENTS AND RECOMMENDATIONS ON ZRL FINANCIAL PERFORMANCE

- Non- realisation of USD25.00 million funding from the local banks as stipulated in the SBP 2021-2025, was due to the poor ZRL balance sheet. Cleaning and enhancement of the ZRL balance sheet is a major strategic consideration that will make ZRL bankable to the funding institutions.
- Non-realization of the USD25.00 million funding led to non-capitalization of ZRL which eventually led to poor performance of ZRL.
- Even though the external funding was not realized, ZRL still managed to mobilize internally generated revenue to cover for the recurrent and one-off operational expenditures.
- The search for external funding will remain a major consideration to help unlock the operational and profitability potential of ZRL.

Harnessing more internally generated revenues and cash flow will continue to be a major consideration in ensuring financial and operational stability of ZRL.

2.4 REVIEW OF ZRL POLICY & REGULATORY COMPLIANCE FOR 2021 - 2023

The review of ZRL's compliance to regulatory requirements was done inclusive of other related policy expectations that would have significant relevance to the operations of ZRL during the period under review and beyond.

The key outcomes deduced, as regards the performance of ZRL, with specific reference to selected policy and regulatory provisions during the period under review are as indicated in Table 4 and Table 5 below, with the following performance highlights:

- i. Legal and regulatory policy compliance of ZRL for 2021-2023: 54% (average performance); and
- ii. MOUs and other Agreements: 46.67% (average performance).

Overall, an average performance rating of 2.52 out of 5 (50.4 %) was scored, translating into an 'average' performance.

Table 4: Review of Legal and Regulatory Policy Compliance of ZRL for 2021-2023 SBP

Associated Regulatory Act/Agency	End Term Performance Rating of ZRL (Score Scale of 1 Poor-5 Excellent)	Comment: Brief Justification for the Rating/Scores Based on Performance of ZRL against the regulatory Policy Requirements/Provisions
A. LEGAL COMPLIANCE		
1. NAPSA ACT, No. 40 of 1996 - Monthly payment of employer and employee pension contributions to NAPSA	2	<ol style="list-style-type: none"> 1. Current with the contributions. 2. Owing ZMW 198.00 million in penalties (legacy compliance issues) as of 31st January, 2024. 3. Currently not paying anything towards (2) above owing to the pending waiver application approval from NAPSA. <p>Strategies to liquidate the debt in (2) above:</p> <ul style="list-style-type: none"> • Advocating for a waiver (about 75 %.) • Debt to equity swap with MoFNP.
2. Tax laws a) Income Tax – We owe ZMW 28.00 Million b) PAYE – We owe ZMW 189.00 Million	1	<ol style="list-style-type: none"> 1. ZRA total debt is ZMW 217.00Million) as of 31st January, 2024 i.e. <ol style="list-style-type: none"> a) PAYE – ZMW 189.00Million, and b) Income Tax – ZMW 28.00Million). <ul style="list-style-type: none"> • Currently paying ZMW 1.80 million per month to ZRA towards the debt. • Company income is less than expenditure i.e. ZMW33.00million and ZMW55.00million respectively giving a negative variance of ZMW22.00Million.
3. The Workers Compensation Act Cap 271 - Monthly payment of Assessment Payments (contributions) to the Workers Compensation Fund	5	<ul style="list-style-type: none"> • Up to date.

Associated Regulatory Act/Agency	End Term Performance Rating of ZRL (Score Scale of 1 Poor-5 Excellent)	Comment: Brief Justification for the Rating/Scores Based on Performance of ZRL against the regulatory Policy Requirements/Provisions
4. National Health Insurance Act No 2 of 2018 - Payment of monthly contributions (i.e. 1% of an employee's salary by employer and 1% of an employee's salary by employee) to the National Health Insurance Scheme to provide for a universal access to insured health care services.	5	<ul style="list-style-type: none"> Up to date
5. Asset Insurance – SI 97 of 2020	2	<ol style="list-style-type: none"> Compliant on buildings; and Not Compliant on Locomotives.
6. The Railways (Transportation of heavy Cargo) Regulations, 2018 (SI No 7 of 2018)	1	Only moving 4% of heavy and bulk cargo, against the provision of 30% in the SI.
7. The Railways Act Cap 453	1	Poor condition of the track, signaling and rolling stock. Also, poor safety standards.
8. The Public Finance Management Act no. 1 of 2018	3	<ul style="list-style-type: none"> 100% compliant on financial reporting. Legacy debt of ZMW959million.
9. The Public Procurement Act No. 12 of 2018	4	Compliant with regard processes and procedures with room for improvement to achieve value for money.
10. Companies Act, No. 10 of 2017	3	<ul style="list-style-type: none"> Compliant on stipulated Corporate Governance provisions. Missing policies.
Average score	2.7 = 54%	Average performance

Associated Regulatory Act/Agency	End Term Performance Rating of ZRL (Score Scale of 1 Poor-5 Excellent)	Comment: Brief Justification for the Rating/Scores Based on Performance of ZRL against the regulatory Policy Requirements/Provisions
B. MOUs AND OTHER AGREEMENTS		
1. Interchange Agreements a) BBR b) TFR c) SNCC d) TAZARA e) NRZ	2	a) BBR – <ul style="list-style-type: none"> Valid contract in place. Compliant to terms and conditions. b) TFR – <ul style="list-style-type: none"> Contract expired (but new one being negotiated). Need to formally renew. c) SNCC – <ul style="list-style-type: none"> Contract expired (but new one being negotiated) d) TAZARA <ul style="list-style-type: none"> Valid Contract Generally compliant with terms and conditions e) NRZ <ul style="list-style-type: none"> Valid Compliant to terms and conditions
2. Locomotive hire	2	1. TFR <ul style="list-style-type: none"> Expired (currently negotiating new terms and conditions for new contract). Still having their equipment. 2. Trans Zambezi <ul style="list-style-type: none"> Valid contract
3. Freight contracts	3	<ul style="list-style-type: none"> Twenty-four (24) in number and all valid Standard Contracts (just a few variations) Validity to terms: <ul style="list-style-type: none"> Not fully compliant i.e. lack of capacity to haul, particularly for clients that pay upfront. Transit times – too many dropped loads (traffic) have an impact of lengthened transit times.
Average score	2.33 = 46.67%	Average performance

Table 5. Review of ZRL Performance against the aspirations of 8th NDP during 2021-2023

Associated Relevant Provisions/Requirements/ Aspirations of the 7 th NDP	End Term Performance Rating (Score Scale of 1 Poor-5 Excellent)	Comment: Brief Justification for the Rating/Scores Based on Performance of ZRL against the Relevant Aspirations of 7 th NDP
<p>Thematic area No.1: Economic Transformation and Job creation.</p> <p>Strategy Number 5: Improve Transport and Logistics; move traffic from road to rail i.e. at least 30%.</p>	2	<p>a) According to the market study done under Phase 1 of the TSR Project in 2022, the market size for heavy and bulk cargo along the line of rail is 21 million tons. ZRL currently moves about 800,000 metric tons per annum. This represents 4% of the market share.</p> <p>b) This poor performance was primarily due to lack of capacity.</p> <p>c) ZRL moves various cargo covering Zambia's many economic factors e.g. the agricultural sectors (sugar and wheat – approximately 120,000 metric tons per year)</p> <p>d) Mining (Copper, Zinc, Sulphur, Limestone, Concentrates, etc.) - approximately 432,000 metric tons per year; Energy (Fuels, Coal, etc.)-approx. 204,000 metric tons per year; Construction (Cement, Steel, etc.)-approximately. 24,000 metric tons per year; Manufacturing (Gypsum, etc.) -approx. 12,000 metric tons per year. Statistics captured from the 2022 performance shows the critical role ZRL plays in the economy of Zambia.</p> <p>e) ZRL currently directly employs 800 employees and 500 indirect employees.</p>
Average score	2/5 = 40%	Poor performance



CHAPTER 3

SITUATIONAL ANALYSIS



3.0 SITUATIONAL ANALYSIS

This Chapter focuses on the findings of the situational and contextualised analyses of ZRL. Due attention was given to ZRL's performance covering the period 2021 to 2023 against the SWOT analysis which emphasised on Strengths, Weaknesses, Opportunities and Threats; PESTEL (External Factors); Resource Analysis and Stakeholder Analyses; as well as the analyses of Risk and Critical Issues that would impact on its performance during the new strategy timelines.

3.1 ANALYTICAL PROCESS AND SITUATIONAL ANALYSIS

The various facets and results from the analytical techniques which were adopted and used to conduct ZRL's situational analyses are presented below, in a multi-stage approach.

Both internal and external changes and trends globally and in Zambia, which had influenced ZRL's historical performance, and were likely to have a significant impact on it over the next 5 years, were taken into consideration.

3.1.1 SWOT ANALYSIS

A review of previous progress reports and other documents was followed up with formal assessment of Strengths, Weaknesses, Opportunities and Threats (SWOT) to bring out in a systematic way, the external and internal factors that impinged on the operations of ZRL. The SWOT analysis unpacked the internal strengths and weaknesses and examined the structures, processes and operations of ZRL.

The areas of focus included personnel and staffing, physical facilities, equipment, use of technology, location, financial status, management, Board governance, special programmes, products and services, markets and market position. The analyses were focused on the core mandate, operations, practices and performance of ZRL. Staff representatives were also provided with an opportunity for self-assessment on all core mandate areas and performance indicators.

The findings of the SWOT Analysis are presented in Table 6 below.

Table 6: ZRL SWOT Analysis

Internal Factors	
Strengths	Weaknesses
<ul style="list-style-type: none"> i. ZRL owns the railway infrastructure and therefore retains high bargaining power for private train operators. ii. More bulk carrying capacity than any other competitor. iii. Employees with rail sector experience. iv. Existing property (land, buildings, warehouses, telecommunication towers, etc.) and unutilized land. v. ZRL's Board of Directors has diverse and vast experience. vi. ZRL does not experience major border delays when traversing between countries. vii. Good relations with contiguous railways. viii. Membership to regional bodies such as SARA, SADC, and COMESA. ix. ZRL has a strategic geographic location (Linking the most economically active towns). x. Rail transport offers competitive rates. xi. Linkage to ports in the sub region. xii. Security and insurance of customer's goods. xiii. Good knowledge of customer needs through commercial representatives at customer premises. xiv. Presence in major towns along the line of rail. xv. Known brand in the transport industry. xvi. Low carbon emissions in comparison to road transport. 	<ul style="list-style-type: none"> i. Lack of a succession plan policy. ii. Resistance to change. iii. Limited railway training facilities. iv. Lack of funds for capital expenditure. v. High operating costs. vi. Capital intensive industry. vii. Passenger train operations are a loss-making venture for ZRL. viii. Low rental rates compared to the market value. ix. Underutilized land for revenue generation. x. Legacy debts (NAPSA, ZRA). xi. Inadequate ICT infrastructure and integrated systems e.g. signalling and telecommunications system. xii. Inadequate capacity to offer total logistics solutions. xiii. Low operating speeds leading to long transit times. xiv. Dilapidated railway track infrastructure and aged and inadequate rolling stock. xv. Limited cash flow. xvi. High employee turnover. xvii. Inadequate safety compliance. xviii. Generic contracts/MoUs that are not tailored to specific clients. xix. Overdependence on the movement of mining products. xx. Overdependence on leased rolling stock. xxi. Continued vacancies in substantive positions. xxii. Lack of equipment specific to service inter-mine needs (side tipping wagons).

External Factors	
Opportunities	Threats
<ul style="list-style-type: none"> i. Being a State-Owned Enterprise, ZRL has access to government goodwill and support. ii. Open access policy as an opportunity for viable and beneficial partnerships. iii. Revamp inter-mine operations for revenue generation. iv. Formation of strategic partnerships, e.g., PPPs to develop ZRL's underutilized land. v. Increase in way leaves income. vi. SI No. 98 of 2020 which compels the movement of 30% of bulk and heavy import and export cargo by rail. vii. Commercialization of ZRL's workshops. viii. Most of ZRL's earnings are in USD. ix. Repealing and replacement of the Railways Act. x. Competitive rates. xi. New technological developments. xii. Greenfield railway projects. xiii. Leveraging workshops maintenance facilities for revenue generation. 	<ul style="list-style-type: none"> i. Emerging routes leading to potential diversion of commodities. e.g., the Lobito corridor. ii. Global events (wars, pandemics, natural disasters, etc.) in places where some of ZRL's cargo originates can impact ZRL's freight performance. iii. Political instability within the region. iv. Massive investment in the road furniture leading to neglecting of the railway sector. v. Increasing number of trucks on the road. vi. Delays in the decision-making process to conform to governing processes. vii. Long and extended lead time for equipment and spares. viii. Policy changes that threaten ZRL's business environment such as open access where private operators compete with ZRL for the movement of cargo. ix. Encroachment, vandalism, and theft of ZRL's assets. x. National indebtedness can affect ZRL's ability to attract investments. xi. Climate change affecting ZRL's operations. e.g., floods.

3.1.2 PESTEL ANALYSIS

To examine the external opportunities and threats posed by trends in macro level factors, the PESTEL Analysis was undertaken under the categories and the findings are presented in Table 7 below:

Table 7: ZRL PESTEL Analysis

Analytical Aspect	Positive Factors on ZRL Operations and Aspirations	Negative Factors on ZRL Operations and Aspirations
Political	<ul style="list-style-type: none"> ▪ Zambia's political stability: <ul style="list-style-type: none"> ✓ Attraction for investment to ZRL and other transport linked companies. ✓ The peace resulting from the political stability creates an enabling environment for ZRL operations. ▪ Good political will from the government to increase traffic volumes being hauled on rail through statutory instruments such as, SI No.7 of 2018 and the now amended SI No. 98 of 2020. ▪ Strategy No. 5 of the 8NDP to maintain develop, modernise the railway infrastructure and make Zambia a rail regional hub. <ul style="list-style-type: none"> ✓ Expansion of operations of ZRL. ▪ Goodwill from the government to streamline Public Private Partnership (PPP) framework. ▪ Government support in ICT – Smart Zambia master plan and SDG No. 9. 	<ul style="list-style-type: none"> ▪ Open Access/ multiple operator's policy: <ul style="list-style-type: none"> ✓ ZRL's customers are now competitors and reducing our traffic volumes. ✓ Staff attrition – ZRL is losing the best staff members. ▪ Election cycles may disrupt the company's continuity on operations.

Analytical Aspect	Positive Factors on ZRL Operations and Aspirations	Negative Factors on ZRL Operations and Aspirations
Economic	<ul style="list-style-type: none"> ▪ Average projected GDP growth rate of 4.2% for the period 2024-2026 whose benefits spill over to ZRL i.e., agricultural and manufacturing sectors. ▪ Good business and investment environment e.g., Support from the government to increase copper production to 3 million tons in 10 years and increased support in the agriculture sector. ▪ Implementation of the 8th National Development Plan, which is leading to development of green field projects such as the Lobito Corridor, Nseluka, Mpulungu etc. 	<ul style="list-style-type: none"> ▪ The country's external debt as at December, 2022 stood at USD 28.70 billion. This negatively affects investments in railway and railway supporting sectors. ▪ Over dependence on copper mining. Low production of copper will have an impact on mining inputs and outputs, both of which ZRL depends on. ▪ Monthly unpredictable fuel price variations. ▪ ZRL's inability to borrow due to: <ul style="list-style-type: none"> ✓ Poor balance sheet. ✓ Servicing of EUR 3 million loan from ZANACO to finance TSR Phase 1 works. ▪ Road skewed investment support: <ul style="list-style-type: none"> ✓ Fuel levy does not support rail line maintenance despite ZRL being one of the biggest consumers of fuel.
Social	<ul style="list-style-type: none"> ▪ Good Corporate Citizen (CSR): <ul style="list-style-type: none"> ✓ ZRL participation in CSR sponsorship i.e., Passenger Services, Kabwe Warriors FC, and golf tournaments. ✓ Partnerships with communities along the line of rail. 	<ul style="list-style-type: none"> ▪ Heavy population concentration of communities along the line of rail leading to encroachments with some people occupying railway reserve land and vandalism of ZRL infrastructure. ▪ No financial benefit or Tax relief from CSR activities.
Technological	<ul style="list-style-type: none"> ▪ ICT access and advancements: <ul style="list-style-type: none"> ✓ Online passenger services ✓ Cost reduction e.g., paper. ✓ Efficient and real time train monitoring systems. ✓ Reduced dependency on outsourced telecommunication services. 	<ul style="list-style-type: none"> ▪ Associated risk in cyber security. ▪ Dependence on the vendor for smooth operation of systems. ▪ Outdated and Expired Track Warrant System (TWS). ▪ Reduced competitiveness due to outdated wagon braking system.

Analytical Aspect	Positive Factors on ZRL Operations and Aspirations	Negative Factors on ZRL Operations and Aspirations
Environmental	<ul style="list-style-type: none"> Government involvement through the Sustainable Development Goals (SDGs) i.e., SDG No. 6, 7 and 13. Formation of the new Ministry of Green Economy and Environment, global clean energy campaign. Low carbon footprint because of locomotives as opposed to other modes of road transport. Carbon credits from environmentally sustainable business practices. 	<ul style="list-style-type: none"> Climate change: <ul style="list-style-type: none"> -Droughts and floods could affect agricultural sector, which could impact farmers who are part of ZRL's customer base. -Floods could cause rail wash ways Noise pollution from moving trains. Air pollution from ZRL's neighbouring factories i.e., Kabwe workshops, Chingola and Kitwe. Outdated and Expired Track Warrant System (TWS).
Legal	<ul style="list-style-type: none"> Revision of SI No. 7 of 2018 to SI No. 98 of 2020 to incorporate more bulk and heavy commodities to be moved by rail. Formation of the Emoluments Commission: <ul style="list-style-type: none"> ✓ Fairness in remuneration vis-à-vis productivity. ✓ Independence in union-management negotiations for employees' remuneration and conditions of service. Introduction of the NHIMA Act. Waiver of penalties from NAPSA translating to ZRL's improved cash flow. 	<ul style="list-style-type: none"> The Participation of private operators in the rail subsector outlined in the National Transport Policy of 2019. Taxation on minerals: <ul style="list-style-type: none"> - 5% tax on Import copper concentrates The Railway Act gives all authority to the Minister of Transport and Logistics to adjust passenger tariffs through recommendation. No laws prohibiting backhaul. Litigation arising from encroachment on ZRL's land.

3.1.3 STAKEHOLDER ANALYSIS

Stakeholder analysis is necessary to identify the key stakeholders that have an impact on the organisation, in order to use their influence to establish goals, targets, gain their support and make them aware of intended objectives.

Major stakeholders were identified and grouped in main categories as shown in table 8 with their expectations presented in table 9 below. The outcome of the stakeholder mapping with regards to their respective interests and powers were as outlined in table 10 below.

Table 8: Categories of ZRL key stakeholders

Stakeholders		Examples
1	Policy Makers	<ol style="list-style-type: none"> Ministry of Transport and Logistics (MoTL) Industrial Development Corporation (IDC) ZRL Board

Stakeholders		Examples
2	Customers	<p>A. Freight services</p> <ol style="list-style-type: none"> 1. Mining (Chambeshi Copper Smelters (CCS), Konkola Copper Mines (KCM), Mopani) 2. Logistics Companies (Impala, Reload Logistics, C. Steinweg Bridge, Smart Logistics Solutions, Zambian Furnace Supplies) 3. Traders (ZMART, African Inland Container Depot, Sinoma, Sunline) 4. Agriculture (e.g. Zambia Sugar, Food Reserve Agency, Transchem) 5. Manufacturing (Chilanga Cement, Dangote, Handyman) <p>B. Passenger and courier services</p> <ol style="list-style-type: none"> 1. Passengers 2. Small and medium scale business (Courier) <p>C. Engineering</p> <ol style="list-style-type: none"> 1. KCM 2. Mopani 3. Sable Zinc 4. ZAMPALM 5. Private train operators (Repair of wagons and locomotives) 6. Agriculture implements <p>D. Real estate</p> <ol style="list-style-type: none"> 1. Warehouse tenants and owners 2. Siding tenants and owners 3. Potential PPP partners
3	Regulators	<ol style="list-style-type: none"> 1. Ministry of Transport and Logistics (Government Inspector of Railways) 2. Zambia Environmental Management Agency (ZEMA) 3. Zambia Public Procurement Agency (ZPPA) 4. Local authorities 5. Engineering Institute of Zambia (EIZ)
4	Cooperating Partners	<ol style="list-style-type: none"> 1. Southern Africa Railway Association (SARA) 2. Regional Railway Administrations [National Railways of Zimbabwe (NZR), Tanzania Zambia Railway Authority (TAZARA), Transnet Freight Rail (TFR), Beitbridge Bulawayo Railways (BBR), Societe Nationale de Chemins de fer du Congo (SNCC)] 3. Learning institutions (The Copperbelt University/Trade Schools)
5	Shareholders	<ol style="list-style-type: none"> 1. Industrial Development Corporation
6	Others	<ol style="list-style-type: none"> 1. Suppliers (e.g. Puma, Total, Infraset) 2. Media 3. Financial institutions 4. Employee unions 5. Political players 6. Employees 7. Potential investors 8. Community 9. Kabwe Warriors

Table 9: ZRL Stakeholder Expectations & Power

Stakeholder	Power and Resources they control that can benefit ZRL	Services/Results they expect from ZRL
Policy Makers	MoTL (Policy and regulatory)	Compliance to policy and regulation
	IDC (policy formulation and supervisory)	<ul style="list-style-type: none"> - Profit and shareholder value - Service efficiency - Value addition - Contribution to industrialization
	ZRL Board (strategy/control)	Profit and shareholder value
Customers	Financial	Good and efficient service
Regulators	Regulatory	Compliance
Cooperating partners	<ul style="list-style-type: none"> - Lobbying (SARA) - Business Extension (RA) - Training institutions 	<ul style="list-style-type: none"> - Interconnectivity - Efficient railway and engineering service - Employment of trainees
Shareholders	Capitalisation (resource mobilisation), performance review (supervisory)	<ul style="list-style-type: none"> - Profit and shareholder value - Service efficiency - Value addition - Contribution to industrialization
Others		
1. Suppliers (Puma, Total, Infraset)	Resource availability/business continuity	Timely payments/business certification
2. Media	Brand promotion	Access to information
3. Financial Institutions	Funding	Business continuity/ability to pay
4. Unions	Industrial harmony	Rewards and employment continuity
5. Political Players	Influence policy and lobby	Viability
6. Employees	Productivity	Job security/Reward
7. Potential investors	Potential business	Return on investment
8. Kabwe Warriors	Corporate Social Responsibility	Sponsorship

Table 10: ZRL Stakeholder Power and Interest Matrix

High Power/Low Interest	High Power/High Interest
<ul style="list-style-type: none"> Suppliers Contractors Financial Institutions Community <p>Keep Satisfied</p>	<ul style="list-style-type: none"> Policy makers (Ministry of Transport and Logistics) Customers Employees Shareholders (IDC) ZRL Board Employee unions Regional railway operators Regulatory bodies (ZEMA, GIR, ZPPA, Auditor General, Local Councils) Media Political players <p>Exceed Their Expectations</p>
Low Power/Low Interest	Low Power/High Interest
<ul style="list-style-type: none"> Non-Governmental Organisations <p>Monitor</p>	<ul style="list-style-type: none"> Potential investors Provincial government offices Security wings SARA <p>Keep Informed</p>

3.1.4 RESOURCE ANALYSIS

Comprehensive analysis of ZRL's resource status was guided by specific analysis frameworks leading to the results as presented in table 11 and table 12 below.

Table 11: Categorization of ZRL Resources

Category	Sub-Categories	Units: Actual	Comments
Human Resources	Board or Directors	6	Highly qualified directors with relevant experience.
	Board sub-committees	12	Each committee has three external members.
	Senior Management	20	Appropriately qualified with relevant experience. Four (4) positions are vacant.
	Middle Management: Non-Union	68	The budgeted staff establishment under this category is 101. There are 68 filled positions and 33 vacancies. However, a job evaluation and restructuring exercise needs to be conducted to ascertain the optimal structure.
	Middle Management: Union (ZRPWU)	143	The budgeted staff establishment under this category is 145. There are 143 filled positions and 2 vacancies. However, a job evaluation and restructuring exercise needs to be conducted to ascertain the optimal structure.
	Support Staff: Union (RWUZ)	464	The budgeted staff establishment under this category is 494. There are 464 filled positions and 30 vacancies. However, a job evaluation and restructuring exercise needs to be conducted to ascertain the optimal structure.
	Operative contracts	64	These are technical staff in non-management positions such as train drivers, train assistants, artisans, and police on contract.
	Develop and implement a succession plan for all levels.		

Category	Sub-Categories	Units: Actual	Comments
Monetary Resources	Operational Revenue	Freight revenue ZMW 466.37 million	Freight revenue has been growing at an average rate of 12%. It is projected to grow to ZMW 554.49 million in 2024, recording a growth of 19% based on the approved budget.
		Passenger revenue: ZMW15.39 million	Passenger revenue is planned to grow to ZMW 20.41 million, recording a growth of 33%. 2023 performance was affected by the closure of the Mulobezi line due to closure of the Bombwe bridge. This is run mainly as a social responsibility and is loss making. The service should be improved as it is not only a social service but serves as a developmental tool for the population in the serviced areas.
	Other Revenue	Disposal of assets Workshop revenue ZMW 17.94 million	The other income includes workshops revenue, disposal of assets, interchange. In 2024, assets worth ZMW10.00 million is planned to be disposed of. The financial reporting for all income needs to be enhanced to reduce time spent on manual data mining.
	Investment Revenue:	Real Estates ZMW 23.36 million	Revenue planned for 2024 is ZMW19.88 million. The current state of ZRL's real estate property is dilapidated and affects revenue growth.
		Fixed Deposits: ZMW 5.00 million	In 2024 the plan is to increase to ZMW 20.00 million to cover for the fuel price adjustments.
		ERP Shares ZMW 1.5 million	Shares are valued at ZMW 173.00 million and the 2022 dividend income was ZMW 1.5million
		ZANACO shares: ZMW 23.75 million	To be sold in 2024 to pay off all retiree pension claims.
	Liabilities	Total liability ZMW 1.423 billion	Liabilities keep increasing due to non-settlement of outstanding legacy debts.
		Current liabilities (ZMW 1.212 billion)	Legacy debt standing at ZMW 958.723 million which falls under current liabilities of ZMW 1.212 billion. There are payment plans to stagger the major creditors including applications for waivers of penalties for statutory liabilities.
		Non-Current liabilities (ZMW 211.58 million)	Non-current liabilities are valued at ZMW 211.58 million.
	Total assets	Total assets ZMW 2.014 billion	Current assets of ZMW 431.83 million cannot support the current liabilities. Non-current assets ZMW 1.583 billion.
	Equity	Total equity ZMW 591.49 million	Equity is being eroded by the negative retained earnings which have been experienced since 2016.
		Retained earnings (ZMW 1.272 billion)	

Category	Sub-Categories	Units: Actual	Comments
Infrastructure Resources	Land and Buildings	ZMW 664,285,018	There is land and buildings dotted along the system. Some properties are used by ZRL and others are on lease. Maintenance on properties is poor and this has affected revenues on leased properties and the state of ZRL offices. Need to lease all unused land to ward off squatters and where possible seal off non-core estates.
	Track	ZMW 224,361,747	TRACK of 1,248 km (848 Mainline, 214 km Branch Line, 24 km Mchinji Line, 162 km Mulobezi Line. The track is old and in a poor state due to lack of investment. This valuation was last done in 2014.
	Rolling Stock	ZMW 240,423,770	Total ZRL wagon holding = 1,527 (GO 871, BO 656) GO By Type = 551I, 1DZ, 143K, 3TP, 102FC, 57H, 1TM, 6SV, 1NT, 3L and 3BVK Total locomotive holding = 44 mainline leased/own 11 Leased (5TFR, 4 TZRS, 2 BBR) 33 ZRL owned Shunt locomotive = 20 in total, the ones in use = 8 Total locomotive required per day averaging 39, available 14, deficit 25.
	Signaling and Telecommunications system	ZMW124,746,804	The system is nonexistent and requires complete replacement. A modern digitized signaling system would reduce transit times, reduce pilferage and tardiness. Telecommunications equipment was purchased and installed in 2013 using the Eurobond.

Note

The above financial figures were based on ZRL 2023 Management Accounts.

Table 12: Status of ZRL Resources

A. Tangible Resource				
A1. Physical Resources				
	Weak	Sufficient	Strong	Comments/Observations
1.1 Property, Facilities, Location	Weak			<p>Operational infrastructure requires rehabilitation and modernization. Development/ establishment of additional infrastructure to improve efficiency in key revenue points to grow revenue and align to production demand.</p> <p>Develop infrastructure capacity at Bwana Mkubwa and Batoka stations to increase revenue points. Establishment of weigh bridge owned by ZRL at Livingstone, Lusaka, Bwana M'kubwa, and Kitwe. Increase operational hours in Livingstone to reduce turnaround times.</p> <p>Real estate's infrastructure requires maintenance, modernization, and non-core estate to be disposed of. This will give ZRL bargaining power and ability to secure market rental rates.</p>
1.2 ICT Infrastructure – Hardware, Software, Networking	Weak			<p>Improvement of ICT facilities for both operations and support is required as systems are missing and obsolete. Further, Centralized Train Control (CTC) is non-existent.</p>
1.3 Office space, Tools, Equipment, Plant and Machinery	Weak			<p>Station buildings require maintenance. Real estate's infrastructure requires maintenance, modernization, and non-core estate to be disposed of. This will give ZRL bargaining power and ability to secure market rental rates.</p> <p>Equipment, plant, and machinery require an overhaul and upgrade.</p>
A2. Monetary Resources				
2.1 Operational Funds	Weak			<p>Inadequate operational funds. Using current income to service legacy liabilities and lack of adequate capacity in terms of rolling stock.</p>
2.2 Capital and Investment Funds	Weak			<p>Lack of capital injection from the shareholders. Last investment fund received was in 2012 as a Eurobond loan (EUR 80.00 million).</p>

2.3 Internally Generated Revenue	Weak			Using current income to service legacy liabilities and lack of adequate capacity. It fails to cover needed liabilities. The organisation generates an average of 80% of the revenues required to breakeven.
2.4 Donor Revenue	Weak			As a private limited company there is no provision for donor revenue.
2.5 Government grants	Weak			The grant is not sufficient. However, it is anticipated that GRZ will release the ZMW 25,000,000.00 which is provided in the 2024 national budget through MoTL. There is need to engage GRZ to release the funds early in the year.
2.6 Networking Revenue	Weak			On average, USD183,242 per month is generated by ZRL from open access out of which 72% is for directed track maintenance and emergency works.
2.7 Resource mobilisation capacity or potential	Weak			There have been efforts though to mobilise enough financing by way of implementing the following, for example, Wagon repair by Clients, BBR Locomotive Injection on Revenue Share model, Private Train operators coming on board.
B. Intangible Resources				
B1. Human Resources				
1.1 General education levels (staff and management)	Weak			30% did not meet the education levels while 70% met the necessary education levels. The percentages are based on the audit conducted by auditors from the MoTL in 2022.
1.2 Specialist skills (management and staff)		Sufficient		Majority of the technical staff have the requisite qualification.
1.3 Relevant experience (management and staff)		Sufficient		Management has the relevant qualifications and experience
1.4 In-service staff training opportunities	Weak			We need more training programs; however, this has not been done due to cash flow challenges.
1.5 Staff Creativity and Innovation	Weak			Technical teams coming up with innovations to rehabilitate the track e.g. Rail Bearer, Gauge Ties and the presentation of diverse ideas to improve service delivery in the short term.

1.6 Staff Attitudes, Motivation and Commitment	Weak			<p>There is need to improve staff attitudes and morale. The weakness is seen in the wake of another union to meet the needs of the professional staff who felt unsupported.</p> <p>The recent report from the Emoluments Commission is expected to harmonise these challenges and assist the company maintain a healthy employee climate. Need to conduct regular employee satisfaction surveys to have current assessments.</p>
B2. Relational Resources				
2.1 Relationship with potential Customers and Clients - Accreditation			Strong	Evidenced by relationships that have materialised into contracts. They exercise loyalty and understanding even when ZRL brings up drastic changes to remain afloat.
2.2 Relationship with Service Providers – Firms and employers			Strong	Most firms have a good understanding of ZRL operations and do accommodate when presented with challenges that may delay service delivery or payments
2.3 Contractual Relationships (MoUs and Agreements)		Sufficient		Valid contracts with neighbouring RAs, freight customers, locomotive suppliers etc.
2.4 Reputation and Image	Weak			There is need to take deliberate action to enhance ZRL image through various avenues including development of a support strategy for Kabwe Warriors Football Club.
2.5 Internal Trust (Staff, Management and Board)			Strong	The board, management and staff having a cordial working relationship.
2.6 Strategic Conversation and Dialogue - AGMs			Strong	Consistent with the provisions of the Collective Agreements and the Company's Act.
2.7 Benevolent Fund for members	Weak			Payments lagging.
B3. Structural Resources				
3.1 Laws and Mandate		Sufficient		Adherence to some laws is not at 100% due to challenges such as cashflow, e.g. NAPSA penalties and ZRA debt.

3.2 Processes and tacit routines			Strong	We have standard operating procedures in place.
3.3 Codified Information and Manuals			Strong	Operating manuals are available. However, they need regular review to meet the changing environments
3.4 Organisational structure and link to operational plan		Sufficient		Operating manuals are available. However, they need to be reviewed to ensure that they are alignment with the Company's strategy to meet the rapidly changing environments
3.5 Corporate Governance- Board Structure and Procedures			Strong	There are documented governance guidelines and there is adherence.
3.6 Management Approaches – flexible initiatives, efficiency of meetings			Strong	Departmental meetings, union/ management consultative meetings, staff meetings regularly conducted at all levels, etc.
3.7 Organisational culture and values		Sufficient		Employees and Board generally act in consistence with the core-values
3.8 Compliance to Acts	Weak			ZRL is not fully compliant due to cash flow constraints. (refer to table 4 above).
3.9 Teamwork		Sufficient		Employees are encouraged to work as a team. Team building activities will be conducted effective 2024 to foster a spirit of teamwork among ZRL employees.
3.10 Decision Making Processes		Sufficient		The board and management understand the sphere of their decision-making roles. There is need to manage the different oversight roles that Ministry of Transport and Logistics and Industrial Development Corporation have over the organisation.
3.11 Performance evaluation system (staff, management, and board)	Weak			This has just been implemented and is yet to be rolled out across the organisation. Currently only being used by senior management.

3.1.5 COMPETITIVE AND MARKET ANALYSIS

The Competitive Analysis of ZRL was done based on the mandate as well as other related transport and logistical services against the estimated respective market share, with the outcomes being as shown in table 13 below.

Table 13: ZRL Competitiveness and Market Analysis

Competitors within Local and Regional Market Niches		Core Mandates	Estimated Market Share Performance (%)	Justification for ZRL's Estimated Market Share
1	Truckers	Bulk cargo transport	96%	ZRL moved 804,214 metric tons of cargo in 2023 from an estimated bulk cargo of 21 million. This translates into 4% market share. This is due to capacity constraints, deplorable track condition which have resulted in inefficient service levels.
2	Private train operators	Bulk cargo transport		
3	Logistics companies	Bulk cargo transport		
4	Bus operators	Passenger transport	2%	ZRL has reduced capacity due to limited number of coaches. The ZRL's estimated passenger market share of 2% is based on reduced capacity of coaches.
5	Courier Services	Courier (small to medium parcels) services	4.5%	ZRL is estimated to have 4.5% market share of the small to medium courier services. This market share is driven by the convenience of the location of the ZRL station in relation to the clients who seek such courier services.

3.1.6 ANALYSIS OF CRITICAL ISSUES AND RISK FACTORS

Based on external and internal analysis, critical strategic issues, risks and challenges facing ZRL were identified, focusing on the related fundamental policies and concerns that defined the most important situations and choices the organisation faces both now and in the future. The applicable mitigation measures were recommended based on the perceived degree of negative impact each risk could have on ZRL operations, as presented in table 14.

Table 14: ZRL risk and mitigation analysis

Risk		Potential Of Occurrence (Low/High)	Impact on ZRL (High/Medium/Low)	Mitigation Strategy
1	Financial Risk			
	Recapitalization	Medium	High	<ul style="list-style-type: none"> ▪ Immediate focus on efficiency improvement to enhance equipment turnaround, revenues, and cash flow. Enhanced efficiencies will immediately result in increased tonnage utilising the same rolling stock. ▪ Liquidation of non-core assets to redeploy into track rehabilitation. ▪ Balance Sheet Restructuring to enhance solvency and debt carrying capacity. ▪ Engage shareholder (IDC) and the GRZ for funding in form of equity and grants respectively. ▪ Secure commercial and concessional loans from debt lenders such as commercial banks, development banks, multilateral institutions, etc. ▪ Partner with existing customers to rehabilitate wagons and sale of selected properties to purchase equipment.
	Liquidity	Medium	High	<ul style="list-style-type: none"> ▪ Review of cost structure to streamline and reduce expenditure on non-essential elements. ▪ Restructure profile of subsisting debts to allow room for respite. ▪ Enter into long term offtake agreements that can be utilised for purposes of raising short term operational financing. ▪ Utilise trade and structured finance instruments to finance applicable operational costs such as fuel & lubricants and equipment including forward contracts to improve certainty. ▪ Leverage bulk purchase to negotiate better contracts with suppliers of key inputs such as fuel and lubricants. ▪ Better working capital management in stretching payment days and enhancing collection turnaround.
	Interest Rate	Low	Medium	<ul style="list-style-type: none"> ▪ Monitor as and when the risk becomes more prominent.

Risk		Potential Of Occurrence (Low/High)	Impact on ZRL (High/Medium/Low)	Mitigation Strategy
	FX Risk	High	High	<ul style="list-style-type: none"> ▪ Leverage bulk purchase to enter medium term forward contracts when cost outweighs benefit. ▪ Consider possibility of FX swaps with other IDC group companies. ▪ Enhance the extent of the customer contracts whose pricing is in US\$.
	Solvency	Low	High	<ul style="list-style-type: none"> ▪ Immediate focus on track and rolling stock rehabilitation as well as uplift in tonnage hauled by ZRL. ▪ Revaluation of core ZRL assets, particularly track, as input into balance sheet restructuring.
2	Strategic Risk			
	Policy	Low	High	<ul style="list-style-type: none"> ▪ Review open access policy and engage MoTL for congruence on impact and steps to be taken for orderly implementation. ▪ Develop open access framework that outlines procedures for operationalisation, including pricing, rights and obligations of operators in consultation with all stakeholders.
	Competition	High	High	<ul style="list-style-type: none"> ▪ Leverage ZRL position as track owner to prioritise rolling stock movements. ▪ Review market study to assess ZRL's pricing in relation to road haulage. Develop real-time monitoring of the market. ▪ Leverage SI No. 98 of 2020 to enforce market leadership. ▪ Monitor development on Lobito/TAZARA/Nacala and ensure speedy actualization of rail connectivity projects, enhancement of existing track and rolling stock capacity to reduce the risk of traffic shifting to alternative corridors. ▪ Develop intermodal facilities through strategic partnerships/ customers at strategic locations such as Lusaka, Chipata, and Livingstone to operationalise corridors where ZRL is currently not participating. ▪ Engage contiguous railway administrations on improvement of their efficiencies.

Risk		Potential Of Occurrence (Low/High)	Impact on ZRL (High/Medium/Low)	Mitigation Strategy
	Reputational	Medium	High	<ul style="list-style-type: none"> Resolve all outstanding legal and industrial relations disputes. Prioritise track scheduled maintenance to reduce derailments – access fees to be dedicated to maintenance activities. Enhance adherence to operating procedures to reduce human error through continuous training and safety talks.
	Encroachments and vandalism	High	High	<ul style="list-style-type: none"> Undertake mapping of all servitudes and land to determine extent and devise strategies for each categorisation of encroachment. Leverage the GRZ grant (GRIP) to enhance community sensitization and engagement on the dangers of encroachment and vandalism. Engage dialogue with policy makers on the strategy for demolition, resettlement of encroachers, and introduction of stiff punishments to deter encroachments and vandalism. Engage local communities and traditional leaders to act and inherent custodians along the line of rail with options for use of ZRL land in close proximity for short term agriculture activities as an incentive.
3	Market Risk			
	Pricing and revenue optimization	Low	High	<ul style="list-style-type: none"> Review pricing policy to have best practice cost reflective structures for determining operational and capital costs in view of recapitalization. Devise strategy for client engagement with the view to introducing new pricing structure and enhance acceptance. Devise two-part tariff structure for customers that require capacity to be reserved with the first part of the tariff-based opportunity cost associated with reserved rolling stock and the other part based on actual usage in line with recapitalization. Install weighbridges at all key loading facilities to ensure accurate reconciliation of tonnages being hauled.

Risk		Potential Of Occurrence (Low/High)	Impact on ZRL (High/Medium/Low)	Mitigation Strategy
	Economic	Low	High	<ul style="list-style-type: none"> Enhance economic intelligence capacities of the Corporate Planning function to monitor key economic variables and utilise trends in planning for competitiveness.
	Supply Chain	High	High	<ul style="list-style-type: none"> Devise long term approach to planning and sourcing as revenue generating capacity and financial position improves.
4	Operational Risk			
	Compliance	Low	High	<ul style="list-style-type: none"> Maintain separate compliance register and ensure zero tolerance to non-compliance.
	Safety	Low	High	<ul style="list-style-type: none"> Review safety policy anchored on making safety and priority across all facets of the company's business.
	Maintenance and efficiency	High	High	<ul style="list-style-type: none"> Review and devise scheduled maintenance and prioritise critical track works maintenance in the allocation of limited resources. Improving efficiencies through recapitalization. Consider outsourcing loading and offloading activities with service level accountabilities as private sector has demonstrated greater efficiency. Create M&E Unit reporting to the Managing Director and leveraging on ICT tools and focussing on strategic, tactical and operational variables that will aid efficient decision making. Partnerships with clients for the repair of rolling stock and siding connectivity. Engaging the GRZ to enhance the annual railway improvement grant from ZMW25 million to at least ZMW50 million.

Risk		Potential Of Occurrence (Low/High)	Impact on ZRL (High/Medium/Low)	Mitigation Strategy
	ICT & Cyber Security	Medium	High	<ul style="list-style-type: none"> ▪ Leverage ICT innovations to install a signalling and rolling stock tracking system focussing on local home-grown solutions. ▪ Upskill ZRL ICT function to develop systems and enablers for core business operations. ▪ Leverage ICT to create a platform for real time data collection on operational performance variables such as dwell times, transit time, failure rates, reliability, availability, dropped loads, derailments, train movements, traffic volumes and cargo types all in real time.
	Insurance	High	High	<ul style="list-style-type: none"> ▪ Ensure compliance on all equipment is adequately covered for critical risks.
	Human Capital	High	High	<ul style="list-style-type: none"> ▪ Implementation of recommendations by the Emoluments Commission. ▪ Execution of benefits and compensation survey. ▪ Conduct and implement key recommendations from annual employee satisfaction survey. ▪ Review training and capacity building policy to ensure that staff are regularly upskilled to keep abreast with modern industry trends. ▪ Develop strategy to revive training facilities either owned by ZRL or in collaboration with academia and/or the private sector. ▪ Conduct cultural audit and devise appropriate interventions to influence cultural and mind-set change in ZRL.



CHAPTER 4

ZRL 2024-2028 STRATEGIC PLAN



4.0 ZRL 2024-2028 STRATEGIC PLAN

This Chapter presents the core of ZRL’s Strategic Plan for 2024-2028. This includes the specific details on ZRL’s Vision, Mission Statement, and Core Values; Strategic Objectives; Logical framework which outlines the Strategic specifics of action plans, performance indicators, and means of verification, the timelines as well as the concept of “Driver” for accountability in the delivery of each strategic objective.

4.1 OUR VISION

Vision can be defined as the dream of where an organization desires to go. It is aspirational and ambitious, yet practical and achievable. It is a state of accomplishment being experienced again; and it is all about how as business organization we would want to be ultimately perceived by our stakeholders.

Our Vision: *A must for our national transportation of heavy and bulk cargo.*

4.1.1 OUR MISSION STATEMENT

Our mission is the reason for our existence for the primary reason being relevant to our stakeholders. Our vision is the umbrella whereas our mission demonstrates the value creation we offer to our stakeholders.

Our mission: *To provide competitive and sustainable rail transport and logistics solutions to the satisfaction of our stakeholders.*

4.1.2 OUR CORE VALUES

Our core values are the guiding principles that govern the culture and philosophies and behavior of our organization as a whole, both internally and externally as outlined below in table 15.

Table 15: ZRL Core Values

Value Concept	Value Proposition
Service	We create value that meets our clients at the point of their need.
Teamwork	We engage and involve every stakeholder in the execution of our mission.
Integrity	We are honest and authentic in delivery of our services.
Innovation	We explore new and better ways to add value to our services.
Professionalism	We deliver our services based on knowledge, skills and right attitude.
Enterprise	We are conscious of creating value in the company and driving the business forward.

4.2 ZRL 2024-2028 STRATEGIC OBJECTIVES

In the development of the 2024 -2028 Strategic Objectives for ZRL, due consideration was made to ensure that the Strategic Objectives were congruent with the following four thematic areas of 8NDP for the Government of Republic of Zambia:

- i. Economic Transformation & Job Creation.
- ii. Human & Social Development.
- iii. Environmental Sustainability.
- iv. Good Governance Environment.

The development of ZRL 2024-2028 Strategic SBP is therefore consistent with GRZ's developmental aspirations of positioning Zambia as a regional transport and logistics hub as outlined in the 8NDP.

The highly synthesized fifty (50) Strategic Objectives for ZRL 2024-2028 strategy were eventually developed in accordance to the five contextualised thematic perspectives as presented in Table 16 below.

Table 16: ZRL 2024-2028 Strategic Objectives

Strategic Perspectives	Strategic Objectives
A. Corporate Governance & Organizational Leadership	<ol style="list-style-type: none"> 1. To have the National Transport Policy reviewed in relation to open access by 31st December, 2024. 2. To achieve fuel levy exemptions by 31st December, 2024. 3. To attain passenger train support from the GRZ implemented by 31st December, 2025. 4. To have the Railways Act reviewed by GRZ by 31st December, 2026 5. To have the railway fund established by GRZ by 31st December, 2026. 6. To ensure effective shareholder, customers and stakeholder engagement throughout strategy timeline. 7. To enhance good corporate governance and best practices in ZRL by 31st December, 2026. 8. To develop and implement effective leadership programs at all levels in ZRL to achieve higher productivity by 31st December, 2025. 9. To achieve enhanced public image by 31st December, 2025. 10. To develop and implement an effective Environmental, Social and Governance (ESG) framework by 31st December, 2026.
B. Human Resource Development	<ol style="list-style-type: none"> 1. To design and implement a comprehensive human capital development program to improve human capital skills, knowledge, and competencies by 31st December 2028. 2. To restructure and align the organizational structure to the company strategy by 30th June, 2025. 3. To design and implement staff retention program by 31st December 2027. 4. To enhance Management and staff communication and engagement by 30th September, 2025. 5. To develop & implement a corporate cultural transformation program by 30th September, 2025. 6. To review, update and reinforce the implementation of human resource policies by 31st December, 2024. 7. To develop and implement employee wellness program by 30th September, 2024. 8. To review, enhance and implement safety procedures and policies by 30th September, 2025. 9. To review and enhance security procedures and policies by 31st December, 2024.

Strategic Perspectives	Strategic Objectives
C. Internal Business Processes and Innovation (Operations)	<ol style="list-style-type: none"> 1. To increase annual freight cargo hauled from 800,000 tonnes to 2,600,000 tonnes by 31st December, 2028. 2. To increase average mainline locomotive availability from four (4) to thirteen (13) by 31st December, 2028. 3. To eliminate all current Temporary Speed Restrictions on the mainline by 31st December, 2026. 4. To improve Mainline Freight Transit Times from 74hrs to 43hrs by 31st December, 2028. 5. To improve wagon utilization from baseline of 1.5 per month to 3 per month by 31st December, 2028. 6. To improve locomotive reliability from the baseline of 3,500km per failure to an average of 10,000km per failure by 31st December, 2025. 7. To improve wagon availability from 800 to at least 1,500 to meet targeted freight haulage volumes by 31st December, 2026. 8. To improve and integrate information, communications, and technology (ICT) infrastructure. 9. To enhance Railway line capacity at key stations by 31st December 2026. 10. To achieve 100% availability of critical spares in ZRL workshops by December 2026. 11. To develop and implement a new Pricing Policy by 31st December 2024. 12. To develop and implement Monitoring and Evaluation system by 31st December 2024. 13. To enhance returns from ZRL Real Estate Investments by 31st December, 2027.
D. Customer Growth & Market Development	<ol style="list-style-type: none"> 1. To grow freight tonnage and revenue an average of by 36% and 39% respectively annually throughout the strategy timeline. 2. To broaden the customer base by an average of 9% annually up to 31st December, 2028. 3. To revitalise rail freight services on the Inter - mine Region by 31st December, 2026. 4. To offer customs clearance and warehousing services within the logistics chain to freight customers by 31st December, 2026. 5. To operationalise corridors (through intermodal) where ZRL is currently not participating by 31st December 2026. 6. To increase passenger revenue by an average of 12% annually up to 31st December, 2028. 7. To increase non-ticket revenue from 43% of total passenger revenue to 60% of total passenger revenue by 31st December, 2028. 8. To develop and utilise ZRL land through Public Private Partnerships by 31st December, 2026. 9. To grow tenant asset base by an average of 10% annually throughout the strategy timeline. 10. To review the current ZRL Real Estate Rental Rates and implement new rates by 31st December, 2025. 11. To enhance ZRL workshop commercialization and grow revenue generated from workshop by 5% annually throughout strategy timeline.

Strategic Perspectives	Strategic Objectives
E. Business Sustainability & Capitalization	<ol style="list-style-type: none"> 1. To increase freight turnover by 39% driven by 36% increase in tonnage on average annually throughout strategy timeline. 2. To increase passenger, Real Estates, and other income by an average of 12%, 16% and 5% respectively annually throughout strategy timeline. 3. To pay off all outstanding remunerations and benefits arrears by 30th June, 2024 and set aside resources for terminal benefits and gratuity to be accrued in five (5) years. 4. To develop and implement a policy for the valuation of core assets of ZRL and increase the current PP&E to ZMW2.7Billion by 30th June, 2025. 5. To secure adequate capitalization of USD248million towards operational and capital expenditures throughout the strategy timelines. 6. To grow EBITDA by an average of 35% annually over the next five (5) years.

4.3 ZRL 2024-2028 EXPECTED OUTCOMES AND PLANS OF ACTION

The detailed logical frameworks for each of the strategic objectives for 2024-2028 are presented in table 17 in the next section of this document. The expected outcomes, key activities, Key Performance Indicators (KPIs), means of verification as well as the drivers and respective timelines for delivery are all outlined for each strategic objective under consideration.

4.3.1 ZRL LOGFRAME FOR STRATEGIC OBJECTIVES 2024-2028

Table 17: ZRL 2024-2028 Strategic Objectives and Logframes

A. Governance & Organizational Leadership Strategic Objectives

Strategic Perspective 1		Governance & Organizational Leadership									
Strategic Objective 1		To have the National Transport Policy reviewed in relation to open access by 31 st March, 2025									
Expected Outcomes and Impacts	Reference: SWOT/PESTEL//Previous SP etc.	Problem Statement	Key Activities	Key Performance Indicators	Means of Verification	Critical Assumption	Driver	Time Frame			
								24	25	26	27 28
Fair competition in the rail subsector resulting in better company performance	Legislative expectation from PESTEL and SWOT	Unfair competition by the private train operators.	Engagement with IDC, the GRZ and other-stakeholders	Stakeholder engagement conducted by end of Q2 of 2024	Stakeholder feedback.	Stakeholder approval granted	Managing Director	Q2			
			Develop new open access policy proposal.	New proposal on open access policy framework ready by end of Q3, 2024	Proposal approved by the Board	Board approval	Company Secretary	Q3			
			Submit new open access policy proposal to the MoTL through the IDC	Proposal submitted by end of Q4, 2024	Proposal received by the MoTL	Proposal acceptance	Managing Director	Q4			
			Issuance of the revised open access policy	Issuance of revised policy direction by end of Q1, 2025	Revised policy takes effect	National Transport Policy revised	Managing Director		Q1		
			Implementation of the revised open access policy/facility.	Signed agreements by end of December 2024 for annual implementation effective 1 st January 2025.	Signed implementation agreements	Users of permanent way willing to sign the agreements.	Managing Director	Q2	Q1		
			Monitoring and evaluation of the implementation of the revised open access policy	Submission of quarterly M&E reports	M & E reports	Stakeholders' willingness to give feedback on the implementation of the new policy	Company Secretary				
			SUB- TOTAL								

Strategic Perspective 1		Governance & Organizational Leadership To develop and implement an effective Environmental, Social and Governance (ESG) framework by 31st December, 2026									
Strategic Objective 2		To achieve fuel levy exemptions by 31st December, 2024									
Expected Outcomes and Impacts	Reference: SWOT/PESTEL// Previous SP etc.	Problem Statement	Key Activities	Key Performance Indicators	Means of Verification	Critical Assumption	Driver	Time Frame			
Reduced operational costs	PESTEL and SWOT	ZRL is charged a road levy which it does not benefit from leading to high fuel operating costs	Develop justification paper on the exemption from fuel levy payment	Justification paper ready by end of Q3, 2024	Proposal approved by the Board	Board approval	Manager Corporate Planning	Q3			
			Submit application on fuel levy exemption to the MoFNP through the IDC	Submission of application by end of Q3, 2024	Application received by the MoFNP	Application acceptance	Managing Director	Q3			
			Follow-up on the application for exemption	Fuel levy exemption granted by end of Q4, 2024	Fuel levy waived by letter of exemption	Exemption will be granted	Managing Director	Q4			
SUB- TOTAL											

Strategic Perspective 1		Governance & Organizational Leadership										
Strategic Objective 3		To attain passenger train support grant from the GRZ by 31 st December, 2025										
Expected Outcomes and Impacts	Reference: SWOT/PESTEL//Previous SP etc.	Problem Statement	Key Activities	Key Performance Indicators	Means of Verification	Critical Assumption	Driver	Time Frame				
Improved cash flow position Enhanced quality of passenger services and improved public perception of ZRL	PESTEL and SWOT	Passenger train operations are loss making and the revenue generated is not adequate to cover all the operating costs	Develop justification paper to increase passenger train grant	Justification paper developed by end of Q2, 2024	Proposal approved by the Board	Board approval	Manager Corporate Planning	24	25	26	27	28
			Submit proposal for the increase and extension of the passenger train grant on the Mulobezi to the mainline passenger train to MoFNP through the IDC	Submission of proposal by end of Q3, 2024	Application received by the MoFNP Approval letter from MoFNP Disbursement of funds	Application acceptance	Managing Director	Q2	Q3			
			Follow-up the application for passenger train support grant.	Passenger train support granted by end of Q1, 2025	Passenger train support Approval letter from MoFNP	Timely inclusion in the national budgeting cycle by MoFNP Availability of financial resources	Managing Director	Q1				
SUB- TOTAL												

Strategic Perspective 1		Governance & Organizational Leadership																				
Strategic Objective 4		To have the Railways Act reviewed by GRZ by 31 st December, 2026																				
Expected Outcomes and Impacts	Reference: SWOT/PESTEL// Previous SP etc.	Problem Statement	Key Activities	Key Performance Indicators	Means of Verification	Critical Assumption	Driver	Time Frame														
								24	25	26	27	28										
								Improved regulatory and operational environment	PESTEL and SWOT	The existing Railways Act is outdated and does not address the current and emerging railways operational requirements	Present a Board Paper on the draft Railways Act	Paper on the draft Act presented to the Board by end of Q3, 2024	Copy of the Board paper Board Minutes	Board approval	Company Secretary	Q3						
																Changes in regulations of passenger fares	Facilitation of vertical separation	Facilitation of financial provisions	Q4			
SUB- TOTAL																						

Governance & Organizational Leadership													
Strategic Perspective 1		To have the Railway Fund established by GRZ by 31 st December, 2026											
Strategic Objective 5													
Expected Outcomes and Impacts	Reference: SWOT/ PESTEL// Previous SP etc.	Problem Statement	Key Activities	Key Performance Indicators	Means of Verification	Critical Assumption	Driver	Time Frame					
Improved condition of the railway infrastructure	PESTEL and SWOT	Lack of targeted funding to maintain and improve the railway infrastructure	Preparation of a Board Paper on the establishment of the Railway Fund for submission to the board	Board paper Presented by end of Q3, 2024	Board paper on Railway Fund Board Minutes	Board approval	Managing Director	24	25	26	27		
												28	

Strategic Perspective 1		Governance & Organizational Leadership										
Strategic Objective 6		To ensure effective shareholder, customers, and stakeholder engagement throughout strategy timeline										
Expected Outcomes and Impacts	Reference: SWOT/ PESTEL// Previous SP etc.	Problem Statement	Key Activities	Key Performance Indicators	Means of Verification	Critical Assumption	Driver	Time Frame				
								24	25	26	27	28
Improved stakeholder relations: - Shareholders (Support for recapitalization of ZRL) - Customers (Re-defined relationship with inter-modal customers and private train operators)	PESTEL and SWOT	Inadequate feedback and engagement with the shareholders, customers, and stakeholders	Develop an engagement plan for all key stakeholders	Engagement plan developed by end of Q4, 2024.	Plan and activities approved by the Board	Board approval	Managing Director	Q4				
			Implementation of the key stakeholder engagement plan	Implementation of the plan to start by end of Q4, 2024	Quarterly and annual stakeholder engagement implementation reports.	Positive responses from stakeholders	Managing Director	Q4				
SUB- TOTAL												

Strategic Perspective 1		Governance & Organizational Leadership										
Strategic Objective 9		To achieve enhanced public image by 31 st December, 2025										
Expected Outcomes and Impacts	Reference: SWOT/PESTEL// Previous SP etc.	Problem Statement	Key Activities	Key Performance Indicators	Means of Verification	Critical Assumption	Driver	Time Frame				
								24	25	26	27 28	
Positive public image	PESTEL and SWOT	Perceived poor public image/reputation of ZRL	Capacitate the Public relations department in ZRL	To fill-up the departmental organisational structure by Q1, 2025	Departmental and management report	Budget provision for the implementation	Manager Public Relations		Q1			
			Enhance brand visibility and recognition through Kabwe Warriors Football Club (KWFC)	Increased visibility through KWFC by end of Q2, 2025	Social media metrics Management Reports	Streamlined relationships Increased budget allocation	Manager Public Relations		Q2			
			Effective branding (advertising, social media presence, painting of ZRL buildings, billboards, posters, attires etc.)	Active branding by end of Q4, 2025	Social media metrics Management Reports	Budget provision for the implementation	Manager Public Relations		Q4			
SUB- TOTAL												
Strategic Perspective 1		Governance & Organizational Leadership										
Strategic Objective 10		To develop and implement an effective Environmental, Social and Governance (ESG) framework by 31 st December, 2026										
Expected Outcomes and Impacts	Reference: SWOT/PESTEL//Previous SP etc.	Problem Statement	Key Activities	Key Performance Indicators	Means of Verification	Critical Assumption	Driver	Time Frame				
								24	25	26	27 28	
Reduced enterprise risk and improved company performance and attractiveness for investment	PESTEL and SWOT	Lack of well-coordinated ESG programmes	Development of an ESG strategy for ZRL	ESG Strategy developed by end of Q4, 2024	Strategy and activities approved by the Board	Board approval	Managing Director		Q4			
			Implementation of the ESG Strategy	Implementation of the Strategy to start by Q4 of 2026.	Monitoring and evaluation reports	Budget provision for the implementation	Managing Director		Q4			
SUB- TOTAL												

Human Resource Development perspectives												
To design and implement staff retention program by 31 st December 2027.												
Strategic Perspective 2 Strategic Objective 3	Expected Outcomes and Impacts	Reference: SWOT/PESTEL// Previous SP etc.	Problem Statement	Key Activities	Key Performance Indicators	Means of Verification	Critical Assumption	Driver	Time Frame			
									24	25	26	27
									28			
	Retain skilled labour, improve productivity and improved employee motivation	Emoluments Commission Report to ZRL Board	Lack of Harmonisation and Rationalisation of the conditions of service	Implementation of recommendations by Emoluments Commission	Phased implementation to be completed by end of 31 st December 2025 Quarterly report to the Board on implementation	Quarterly reports on implementation Emoluments Commission Report	Availability of funds	Director Human Resource		Q4		
		SWOT and PESTEL	High employee turnover	Execution of benefit and compensation survey.	Benefit and compensation survey commissioned by 31 st January, 2026. Reports submitted to the Board by June, 2026. Recommendations implemented following Board approval in accordance with the company cash flow by 31 st December, 2027.	Survey Report	Resources available	Director Human Resource			Q 1	
		SWOT and Financial Statement	Late and pending employee remuneration	Liquidation of all unpaid remuneration and benefits arrears.	All unpaid remuneration and benefits outstanding as at 31 st December, 2023 are settled by 30 th June, 2024.	Audited financial statement	Availability of funds.	Director Human Resource	Q2			
			Male to female employee ratio of 90% to 10%	Recruitments/ promotions to consider both males/females.	50% of female applicants considered for the job.	Recruitments reports.	Considerable response from both females/males applicants.	Director Human Resource	On going			
		SWOT and PESTEL	High employee turnover	Conduct and implement key recommendations from annual employee satisfaction survey.	Survey conducted at every end of Q1 per annum effective 31 st March, 2024.	Annual Report on Employee Satisfaction Survey	Participation of staff up to at least 75% Response Rate	Director Human Resource	Q1			
SUB- TOTAL												

Human Resource (Capital & Culture) Development											
Strategic Perspective 2		To enhance management and staff communication, and engagement by 30 th September, 2025									
Strategic Objective 4											
Expected Outcomes and Impacts	Reference: SWOT/PESTEL// Previous SP etc.	Problem Statement	Key Activities	Key Performance Indicators	Means of Verification	Critical Assumption	Driver	Time Frame			
								24	25	26	27
								28			
Well informed and motivated employees.	Engagement meetings with employees.	Lack of clarity on key company issues affecting employee motivation.	Departmental monthly meetings held by the head of section with all staff assigned to him/her.	Monthly meetings held. Create a platform for providing Feedback on performance reports. 85% of employees in department in attendance	Meeting minutes/ reports on key takeaways after every meeting Register of attendance.	Resources for physical and virtual meetings in place Employees will be available	Director Human Resource	Q2			
Good reputation											
More internal engagement from staff and the union with management			Quarterly union leaders' interactions with employees on key developments being spearheaded by management.	Town hall Meetings conducted every quarter spearheaded by the Management. Meetings held with at least 85% of employees present	Meeting minutes/ reports on key takeaways after every meeting	Resources for physical and virtual meetings in place Willingness of employees to participate in the meetings.	Director Human Resource				
			Publication of Company magazines/newsletter on key developments in the company.	Submission of articles for publications monthly.	Copies of newsletter issued & emails sent to employees	All employees are on company emails.	Manager Public Relations	Q2-			
			Bi-annual MD's interactions with employees.	Bi-annual meetings held, feedback from employees documented and performance report submitted quarterly.	Meeting minutes/ reports on key takeaways.	All employees will be available	Director Human Resource	Q2-			
SUB- TOTAL											

Strategic Perspective 2		Human Resource (Capital & Culture) Development										
Strategic Objective 5		To develop & implement a corporate cultural transformation program by 30 th September, 2025										
Expected Outcomes and Impacts	Reference: SWOT/PESTEL// Previous SP etc.	Problem Statement	Key Activities	Key Performance Indicators	Means of Verification	Critical Assumption	Driver	Time Frame				
								24	25	26	27	28
Strengthen employee commitment, improved collaboration, and performance. Cross-cutting corporate culture turn around.	SWOT	Need to align employee mindsets and alter organizational environment with the new goals and strategies.	Develop and implement robust organizational corporate culture change program. Implement cultural transformation	<ul style="list-style-type: none">Cultural organization program developed by 30th September, 2024Employee sensitization conducted by 31st August, 2024Bi-annual employee engagement and satisfaction survey reportsEmployee retention rates of not more than 1% per annum.At least 20% per annum of employees participating in employee engagement activities	Board approved OD program. Record of employees' participation in cultural transformation initiatives.	All Management and staff involved.	Director Human Resource	Q3				
			Monitor and evaluate the corporate culture change program	Monthly & quarterly cultural alignment monthly reports indicating how Company culture aligns with Vision, Mission, and goals. Quarterly Learning and Development reports.	Employee satisfaction survey reports.	All Management and staff involved.	Director Human Resource	Q3				
											</	

Strategic Perspective 2		Human Resource (Capital & Culture) Development										
Strategic Objective 6		To review, update and reinforce the implementation of human resource policies by 31 st December, 2024.										
Expected Outcomes and Impacts	Reference: SWOT/PESTEL// Previous SP etc.	Problem Statement	Key Activities	Key Performance Indicators	Means of Verification	Critical Assumption	Driver	Time Frame				
Well, defined and aligned polices to the new SBP.	Review of SP	Misaligned HR policies	Review and update the existing human resource (HR) policies, update/ or develop new ones	HR policy review and implementation schedule developed by Q2-2024. Employees engaged & input obtained by Q3-2024.	Policies approved by the Board	Available capacity within the organisation	Director Human Resource	24	25	26	27	28
			Reinforce policy implementation	Update /or new Policy developed by Quarter 4, 2024.	Update/ new policy documents	Resource capacity	Director Human Resource					
			Check and monitor adherence to policies	Quarterly performance report on the implementation of policies effective Q2-2024. Check adherence to policies and evaluate their effectiveness on a quarterly basis and provide feedback on gaps identified.	Quarterly and annual HR policy implementation reports	Willingness from staff to respond honestly to monitoring and evaluation tools	Director Human Resource					
SUB-TOTAL												

Strategic Perspective 2		Human Resource Development perspectives											
Strategic Objective 7		To develop and implement employee wellness program by 30 th September, 2024											
Expected Outcomes and Impacts	Reference: SWOT/PESTEL//Previous SP etc.	Problem Statement	Key Activities	Key Performance Indicators	Means of Verification	Critical Assumption	Driver	Time Frame					
								24	25	26	27	28	
High staff performance and improved overall corporate productivity.	SWOT, HR Reports and Risk Analysis	High rate of staff dismissals from negligence and substance abuse.	Establish a well-defined system for documenting incidents/dismissals arising from substance abuse/ wellness issues	System for documenting negligence and substance abuse related dismissals established by end of Quarter 3, 2024. Number of dismissals and substance abuse per month/quarter	Monthly Reports on negligence and substance abuse related dismissals	Availability of capacity to detect negligence and substance abuse.	Director Human Resource	Q3					
			Train wellness counsellors from within ZRL	Identify and train inhouse wellness counsellors by Q3, 2024 At least 2 per region per year trained counsellors per department	Annual wellness counselling reports	Staff members willing to be wellness counsellors	Director Human Resource	Q3					
			Provide wellness counselling services regularly.	Carry out sensitisation on wellness awareness with all employees by Q3, 2024 Counselling regularly provided	Weekly wellness counselling reports	Employees are willing to be counseled.	Director Human Resource	Q3					
			Conduct awareness programs on wellness	Awareness programs on wellness conducted every month	Wellness awareness reports	Availability of Management and Staff members	Director Human Resource						
			Provide outsourced counselling services to employees needing such specialized/independent services	Out-source specialised counselling services on need-to-be -served basis every month effective Q2 of 2024.	Record of specialised counselling services	Availability of resources for the engagement of external Counselling Service Providers.	Director Human Resource						
			Organize health screenings across all the ZRL departments	Health screening conducted bi-annually effective 2024	Report on health screening. Attendance registers of participants in the screening program	Availability of resources. Staff members willing and available to undergo health screening.	Director Human Resource						
			Conduct stress management workshops	Stress management workshops conducted twice per year effective Q3 of 2024	Reports on stress management workshops	Availability of Management and Staff members	Director Human Resource	Q3					
			Carry out corporate and departmental team building activities	Corporate and departmental Team building activities conducted Bi-annually across the system with at least 50% of the total staff incorporated effective 2024	Reports on team building activities/ programs	Availability of Management and Staff members	Director Human Resource						
			Monitor & Evaluate staff wellness programs	Weekly monitoring and quarterly performance evaluation and reporting on wellness programs Employee satisfaction survey reports submitted annually	Weekly monitoring reports Monthly evaluation reports	Willingness of Management and Staff members to provide honest feedback	Director Human Resource						
			Individual financial stress among staff members	Conduct financial literacy/wellness programs	Report on Financial Literacy training	Availability of Funds	Director Human Resource	Q4					
HR Reports and Case hearing Reports													
SUB- TOTAL													

Strategic Perspective 2		Human Resource (Capital & Culture) Development										
Strategic Objective 8		To review, enhance and implement safety procedures and policies by 30 th September, 2025										
Expected Outcomes and Impacts	Reference: SWOT/PESTEL//Previous SP etc.	Problem Statement	Key Activities	Key Performance Indicators	Means of Verification	Critical Assumption	Driver	Time Frame				
								24	25	26	27	28
Enhanced reputation, customer satisfaction and reduced costs associated with accidents.	SWOT	Inadequate safety compliance	Review of the existing safety operating procedures and policies.	Stakeholders engaged and input obtained by Q3, 2024.	Review report on safety policies & procedures with recommendations on inadequacies.	Key stakeholders available	Manager Safety	Q3				
			Update /or develop new safety operating procedures & policy.	Updated /or new procedures/policy approved by the Board by Q4-2024 in place.	Approved policy document	Management and Board support	Manager Safety	Q4				
			Implementation of safety activities to mitigate workplace hazards.	Identify all missing requisite safety equipment across the system by Q3-2024. Commence procurement of requisite safety equipment and removal of hazards by Q2-2025. Requisite safety equipment in place effective Q4-2025. Annual procurement and financing plans in place.	Quarterly performance reports.	Resources are available to procure requisite safety equipment across the system.	Manager Safety	Q3				
			Undertake stakeholder engagement/ awareness on safety policies and procedures	Monthly Safety Committee meetings Safety Survey conducted annually with at least 50% employees covered. Weekly social media engagements on railway safety Half yearly meetings with Communities to sensitize them on vandalism and encroachments	Safety committee reports Safety policy and procedures awareness reports Quarterly Social media engagement reports	All employees will be available for the related engagements	Director Human Resource					
			Undertake safety audits and compliance checks.	Safety audit executed by Q1 of 2025 Adherence to allocation of PPE and Safety equipment Monthly safety mock drills Conduct monthly SHEQ tours and inspections with recommendations submitted Number of hours worked without lost time due to accidents and incidents recorded (attain year on year reduction of at least 10%) Conduct atleast one (1) Health and safety, First Aid training quarterly	Report on safety audit and compliance Monthly & Quarterly safety audits reports conducted for operative and support staff respectively	Adequate resource capacity is available to execute assigned audit and compliance matters.	Manager Safety	Q1				
SUB- TOTAL												

Strategic Perspective 2		Human Resource (Capital & Culture) Development									
Strategic Objective 9		To review and enhance security procedures and policies by 30 th September, 2024									
Expected Outcomes and Impacts	Reference: SWOT/PESTEL// Previous SP etc.	Problem Statement	Key Activities	Key Performance Indicators	Means of Verification	Critical Assumption	Driver	Time Frame			
Enhanced reputation, customer satisfaction and reduced costs associated with replacements & repairs of vandalised equipment	SWOT	High number of theft and increase in ZRL property vandalism cases	Review security procedures and policies	Engage stakeholders to collect input by Q3, 2024.	Report on reviewed security procedures (inadequacies and recommendations).	Key stakeholders available for engagements	Commandant	Q3			
			Update / develop new security procedures & policy.	New policy developed and approved by the Board by Q4-2024. Updated or new procedures and policy in place	Approved policy document	Management and Board support/ approval	Commandant	Q4			
			Undertake stakeholder engagement/ awareness on new security procedures and policy	Quarterly engagements conducted with communities along the railway line to create sense of ownership of all railway materials, effective Q3 of 2024. Scrap metal dealers engaged monthly, effective May 2024	Security engagement reports from the respective stakeholders	Availability of resources towards facilitation of community engagements	Commandant	Q3			
				Quarterly meetings held with employees instilling security ambassadorship for the Company, effective September, 2024	All employees will be available for respective engagements						
			Undertake security compliance checks.	Daily security compliance checks conducted and monitor their effectiveness regularly, from Q3 of 2024	Daily incident reports on recoveries & arrests and monthly consolidated reports submitted.	Resources for recoveries and arrests available. Adequate capacity is available to undertake security compliance checks.	Commandant	Q3			
			SUB- TOTAL								

C. Internal Business Process and Innovation (Operations) Strategic Objectives

Strategic Perspective 3		Internal Business Process and Innovation (Operations)									
Strategic Objective 1		To increase annual freight cargo hauled from 800,000 tons to 2,600,000 tons by 31 st December, 2028									
Expected Outcomes and Impacts	Reference	Problem Statement	Key Activities	Key Performance Indicators	Means of Verification	Critical Assumption	Driver	Time Frame			
Increased annual freight cargo hauled from 800,000 tons to 2,600,000 tons by end of 2028	SWOT/PESTEL Analysis, Resource Analysis, and review of the Strategic Business Plan.	Lack of adequate capacity in rolling stock and railway infrastructure leading to reduced freight cargo volumes being hauled translating in poor cash flows and state of financial position	Increase freight cargo volumes	Attain Tonnage growth YoY: i. 2024-800,000 tons ii. 2025-1.35mn tons iii. 2026-1.99mn tons iv. 2027-2.39mn tons v. 2028-2.61mn tons	Movement and consignment reports Annual reports Board Reports	Capacity availability, reliability and efficiency enhancement interventions implemented Traffic availability	Director Commercial	Q1			
Reduce mainline, yard and siding derailments by 70% in 2027 compared to the baseline (2023)		Numerous derailments in Ndola's yards, sidings, and on the mainline affecting turnaround time and cargo movement	Repair of Ndola yard and sidings Conduct track repair works on the mainline	Repair 3 lines in Ndola yard, 3 lines in Bwana M'kubwa line and Ndola industrial yard by 31 st December, 2027. Track repair works carried out on the mainline by 31 st December, 2027	Certification and documentation	Availability of funds	Director Technical Services.	Q4			
SUB -TOTAL											

Internal Business Process and Innovation (Operations)												
To increase average mainline locomotive availability from 4 to 13 by 31 st December, 2028												
Strategic Perspective 3		Strategic Objective 2										
Expected Outcomes and Impacts	Reference	Problem Statement	Key Activities	Key Performance Indicators	Means of Verification	Critical Assumption	Driver	Time Frame				
Meet the required number of locomotives to haul the targeted traffic volumes of 1.99mn tons by mid-term and 2.61mn tons by end of SBP term	SWOT/PESTEL Analysis, Resource Analysis, and review of the Strategic Business Plan.	Low locomotive availability resulting in lost opportunities for freight cargo haulage and revenue generation.	Rehabilitate mainline locomotives	Three (3) mainline locomotives added to fleet by Q4-2025.	Technical Services Report	Availability of financial resources	Director Technical Services.	24	25	26	27	28
		Hire and procure mainline locomotives	Attain hire of mainline locomotives as follows: i. 2024-Eight (8) ii. 2025-2026 Ten (10) iii. 2027-2028- Seven (7)	Operations report	Availability of financial resources Traffic availability	Director Technical Services	Q4					
			Procurement of brand-new locomotives as follows: i. Three (3) locomotives delivered by 2027 ii. Seven (7) locomotives delivered by 2029									
		Rehabilitate and Repair of running sheds	-All the four (4) running sheds (Livingstone, Ndola, Kitwe, and Kabwe) rehabilitated and repaired by Q4-2026 -Two (2) repair Sidings (Ndola and Livingstone), i.e., 1 repaired each by the end of 2026 and 2028.	Maintenance Reports Quarterly technical reports	Availability of financial resources Minimal disruptions in maintenance activities	Director Technical Services			Q4			
SUB -TOTAL												

Strategic Perspective 3											
Internal Business Process and Innovation (Operations)											
To eliminate all current Temporary Speed Restrictions on the mainline by 31 st December, 2026											
Expected Outcomes and Impacts	Reference	Problem Statement	Key Activities	Key Performance Indicators	Means of Verification	Critical Assumption	Driver	Time Frame			
								24	25	26	27 28
Eliminate all TSRs on the mainline (Kitwe – Livingstone) Increase of sectional speeds between Pemba-Kafue from 20km/h to 25km/hr for freight and 25km/hr to 30km/h for Passenger.	SWOT/ PESTEL Analysis, Resource Analysis, and review of the Strategic Business Plan.	ZRL faces reduced efficiency and cargo capacity due to Temporary Speed Restrictions (TSRs). Simultaneous rehabilitation of the Ndola – Kapiiri Mposhi Section and TSR removal is planned.	Procurement of materials and services to eliminate all TSRs	Procurement of materials and services commenced by Q4, 2025	Signed contracts.	Funds are available to undertake the removal of TSRs	Director Technical Services		Q4		
			Removal of all Temporary Speed Restrictions	All TSRs on the mainline (Kitwe-Livingstone) uplifted by Q4, 2026	Certification and documentation.	Track Maintenance funds are available. Skilled manpower is available.	Director Technical Services		Q4		
			Monitor and evaluate the effect of removal of TSRs	Monitoring and Evaluation tools developed and implemented by end of Q3 of 2025.	Weekly Monitoring reports Monthly/ Quarterly Evaluation reports		Director Technical Services		Q3		
SUB-TOTAL											

Internal Business Process and Innovation (Operations)													
To improve Mainline Freight Transit Times from 74 hours to 43 hours by 31 st December, 2028.													
Strategic Perspective 3		Reference	Problem Statement	Key Activities	Key Performance Indicators	Means of Verification	Critical Assumption	Driver	Time Frame				
Strategic Objective 4									24	25	26	27	28
Expected Outcomes and Impacts	Reduction of transit time between Ndola - Livingstone from 74hrs to 43hrs for freight		Low utilization of equipment and long turnaround time.	Reduction in transit time freight trains.	Attain freight transit time of 43 hours by 2028 from 74 hours in 2024.	Daily operations report	Investment in rolling stock and track to improve efficiencies	Director Operations	Q1				
	Increase of transit speed between Ndola - Livingstone from average of 10.4km/h to 17.2km/h for freight		Adherence to permissible dwell times in stations.	Adherence to scheduled maintenance programs.	Attain 8.5 hours total dwell time between Livingstone and Ndola for freight effective Q2 of 2024.	Operations department report.	Monitoring of dwell times in stations by CTC.	Director Operations	Q2				
	Increase of travel speed between Ndola - Livingstone from average of 22.6km/h to 27.3km/hr for freight		Adherence to scheduled maintenance programs.	Adherence to scheduled maintenance programs.	Attain locomotive reliability of 5000 km/failure effective Q1 of 2025.	Maintenance reports.	Improved equipment efficiency	Director Technical Services		Q1			
	Increase of travel speed between Ndola - Kapiri Mposhi from 18.7km/hr to 48km/hr for freight		Inadequate manpower.	Recruitment of the annual shortfall of train crews and examiners.	Job evaluation exercise conducted to ascertain the shortfall of train crews and examiners by Q3 2024.	Letters of Appointment Job evaluation report	Stocking of critical maintenance spares. Availability of funds	Director Human Resource	Q3				
	Increase the sectional speeds between Ndola and 25km/h to 50km/h for freight		The railway track between Ndola and Kapiri Mposhi needs rehabilitation due to deteriorating conditions that compromise safety, efficiency, and cargo capacity.	Completion of the Final Technical Assessment and Survey of the permanent way.	Final technical assessment and survey of the permanent way completed by end of Q4 of 2025.	Final Assessment Report	-Availability of funds. -Skilled manpower is available.	Director Technical Services		Q3			
	Reduce mainline derailments due to infrastructure by 70% in 2027 compared to the baseline (2023).			Annual Training and Capacity Building in track maintenance.	90% training Completion rate for identified employees. 80% post-training competency improvement for identified employees.	Certification and Accreditation and Performance Evaluation reports	Availability of funds Flexibility in schedule to allow staff to be trained.	Director Technical Services			Q4		
				Procurement of materials and services to execute the works.	Procurement of materials commenced by Q4 2025. Contracts signed by Q4 2025. Execution of works by Q1 2026.	Certificate of completion Signed contracts with contractor Handover certificates Procurement reports	Availability of funds Skilled manpower is available.	Director Technical Services		Q4			
				Timely response to on-the-line emergencies.	Pilot team to be at site within 2 hours of for every incident reported	CTC reports	Emergency vehicles and equipment are available	Director Operations					
SUB-TOTAL													

Strategic Perspective 3		Internal Business Process and Innovation (Operations)									
Strategic Objective 5		To improve wagon utilization from baseline of 1.5 per month to 3 per month by 31 st December 2026.									
Expected Outcomes and Impacts	Reference	Problem Statement	Key Activities	Key Performance Indicators	Means of Verification	Critical Assumption	Driver	Time Frame			
Increased wagon load factor due to improved efficiencies in wagon loading times.	SWOT/PESTEL Analysis, Resource Analysis, and review of the Strategic Business Plan.	Poor wagon utilization	Make available required shunt locomotives to meet the budget requirements.	8 reliable shunt locomotives available YoY effective Q4 2026	Daily power position.	Stocking of critical maintenance spares.	Director Technical Services	24	25	26	27 28
		Improve wagon load factor	Improve wagon loading/offloading and wagon turnaround times at customer sidings from a baseline of 72 hours to 48 hours by June 2026 and 24 hours by December 2028.	Improved wagon loading/offloading and wagon turnaround times at customer sidings from a baseline of 72 hours to 48 hours by June 2026 and 24 hours by December 2028.	Wagon performance reports Commercial reports	Availability of reliable locomotives and improved track condition Availability of Financial resources	Director Technical Services	Q1		Q4	
		Procure and commission a TWS.	Procure and commission a TWS.	Procurement of TWS completed by Q4 of 2026.	Completion certificate	Availability of Financial resources	Director Technical Services			Q4	
		Procure and install Trailable Point Machines.	Procure and install Trailable Point Machines.	Functional Trailable Point Machines at all Crossing Loops by Q1 2026	Delivery Notes & Installation Certificates	Availability of Financial resources	Director Technical Services			Q1	
		Revising of Service Level Agreements with customers to incorporate new timelines in the SBP aligned to improved efficiency.	Revising of Service Level Agreements with customers to incorporate new timelines in the SBP aligned to improved efficiency.	Revised SLAs signed effective Q1 2025	Signed SLAs.	Willingness of customers to be efficient.	Director Commercial.	Q1			
		On-board integration to the TWS	On-board integration to the TWS	Integration completed by December 2026 Functional on-board equipment on each locomotive.	Crew Feedback and CTC Reports.	Availability of Financial resources	Director Technical Services			Q4	
		SUB -TOTAL									

Strategic Perspective 3									
Internal Business Process and Innovation (Operations)									
Strategic Objective 6									
To improve locomotive reliability from the baseline of 3,500km per failure to an average of 10,000km per failure by 31 st December 2025.									
Expected Outcomes and Impacts	Reference	Problem Statement	Key Activities	Key Performance Indicators	Means of Verification	Critical Assumption	Driver	Time Frame	
								24	25 26 27 28
Increased efficiency and locomotive turnaround.	SWOT/PESTEL Analysis, Resource Analysis, and review of the Strategic Business Plan.	Bad state of repair of equipment due to lack of adherence to scheduled maintenance and aged locomotives.	Adhere to scheduled locomotive maintenance program regularly.	Availability and adherence to scheduled maintenance for all locomotives effective Q1 2025	Monthly / Quarterly Maintenance Report.	Availability of Maintenance spares	Director Technical Services	Q1	
			Procure and stock adequate critical spares required for scheduled maintenance.	Critical spares available by Q4 2025	Monthly or quarterly Stores Report. Delivery notes	Availability of financial resources.	Director Technical Services	Q1	
SUB -TOTAL									

Strategic Perspective 3		Internal Business Process and Innovation (Operations)										
Strategic Objective 7		To improve wagon availability from 800 to at least 1,500 to meet targeted freight haulage volumes by 31 st December 2028										
Expected Outcomes and Impacts	Reference	Problem Statement	Key Activities	Key Performance Indicators	Means of Verification	Critical Assumption	Driver	Time Frame				
								24	25	26	27	28
Increased freight tonnage hauled.	SWOT/ PESTEL Analysis, Resource Analysis, and review of the Strategic Business Plan.	Inadequate wagon capacity.	Rehabilitate ZRL existing wagons Procurement of new wagons	Rehabilitate 460 ZRL wagons effective Q2 2025 i.e., 340 irons, 30 FCs, 50 covered wagons, and 30 hoppers. Procure 375 brand new wagons to be delivered by Q1 2028.	Technical reports Completion certificate Delivery note Commissioning certificate	Availability of financial resources.	Director Technical Services	Q2				
SUB-TOTAL												

Strategic Perspective 3		Internal Business Process and Innovation (Operations)										
Strategic Objective 8		To improve and integrate information, communications, and technology (ICT) infrastructure.										
Expected Outcomes and Impacts	Reference	Problem Statement	Key Activities	Key Performance Indicators	Means of Verification	Critical Assumption	Driver	Time Frame				
Improved efficiencies Real-time monitoring Increased visibility of the supply chain Enhanced Safety for train movements Systems integrated	SWOT/ PESTEL Analysis, Resource Analysis, and review of the Strategic Business Plan.	Inadequate ICT infrastructure and integration system	Actualise digital transformation	Implement internet of things (IoT) and wagon tracking such as on-board Wi-Fi, asset tracking, fuel tank tamper sensors, and passenger counters on coaches by Q4-2026	Completion certificate Delivery note Commissioning certificate	Availability of financial resources	Director Commercial	24	25	26	27	28
		Procurement of TWS completed by Q4 of 2026							Q4			
		Implement phase two ERP modules i.e., case and litigation, safety and environment, property, maintenance, movement, consignment, vehicle, document, and customer relation management systems, commence by Q2, 2025 and completed by Q4-2026.							Q4			
		Procure and install the GPRS by Q4- 2026						Q1	Q4			
		Install On-board integration to the TWS on each locomotive by Q4- 2026										
		Implement enterprise service bus and business intelligence (BI) by Q1-2025										
		Install electronic surveillance i.e., yard and locomotive surveillance (CCTV and Radar options) and access controls across the system by Q4-2026							Q4			
		Implement ICT system monitoring & patch management by Q2-2025						Q2				
		Procure computer and communication equipment to address the inadequacies by Q4-2026							Q4			
		Procure and implement business continuity and disaster recovery systems by Q4-2026							Q4			
		Implement Information Technology Infrastructure Library (ITIL) by Q4-2026							Q4			
SUB-TOTAL												

Strategic Perspective 3		Internal Business Process and Innovation (Operations)																	
Strategic Objective 9		To enhance Railway line capacity at key stations by December 2027																	
Expected Outcomes and Impacts	Reference:	Problem Statement	Key Activities	Key Performance Indicators	Means of Verification	Critical Assumption	Driver	Time Frame											
								24	25	26	27 28								
								Increased efficiency	SWOT/PESTEL Analysis, Resource Analysis, and review of the Strategic Business Plan.	Congestion at key loading/offloading sidings resulting in reduced equipment utilisation and reduced revenue generation.	Rehabilitation of Lines number 5 and 7 at Bwana Mkubwa in partnership with private stakeholders.	Partnerships finalized by Q3 2024 and works commence in Q1 2025	Completion certificate	Availability of financial resources. Willingness by the private stakeholders to partner and source for funding	Director Technical Services		Q1		
										Rehabilitate and open the Munkulungwe crossing loop.	Rehabilitation works completed by Q4 2025	Completion certificate Technical services report	Availability of financial resources.	Director Technical Services		Q4			
										Rehabilitate two-yard lines at Batoka.	Operationalisation of the two lines by Q4 2025	Completion certificate Technical services report	Availability of financial resources.	Director Technical Services		Q4			
		Increase loading capacity at Senkobo.	Conduct an assessment to determine the required capacity at Senkobo by Q3 2024. Expansion works completed by Q2 2025.	Operation& Commercial Reports.	Availability of financial resources.	Regional Manager – South	Q3												
SUB-TOTAL																			

Strategic Perspective 3		Internal Business Process and Innovation (Operations)										
Strategic Objective 10		To achieve 100% availability of critical spares in ZRL workshops by 31 st December 2026										
Expected Outcomes and Impacts	Reference	Problem Statement	Key Activities	Key Performance Indicators	Means of Verification	Critical Assumption	Driver	Time Frame				
								24	25	26	27	28
Increased reliability of equipment and improved track condition	SWOT/ PESTEL Analysis, Resource Analysis, and review of the Strategic Business Plan.	Low levels of equipment reliability and poor track condition.	Procure critical spares for the rolling stock, S&T, and permanent way for preventive and scheduled maintenance.	Receipt of critical spares commences by Q1 2025, and all critical spares received by Q1 2026.	Stores Report.	Availability of financial resources.	Manager Procurement & Supplies.	Q1				
			Enter long term contracts with suppliers of spares for rolling stock, S&T, and the permanent way	Spares supply contracts signed by Q1 2025 and implemented every year.	Legal Validation	Willingness of suppliers to sign agreements	Manager Procurement & Supplies.	Q1				
SUB-TOTAL												

Strategic Perspective 3											
Internal Business Process and Innovation (Operations)											
Strategic Objective 11											
To develop and implement a new Pricing Policy by December 2024.											
Expected Outcomes and Impacts	Reference	Problem Statement	Key Activities	Key Performance Indicators	Means of Verification	Critical Assumption	Driver	Time Frame			
								24	25	26	27
Cost recovery to ensure sustainability of operations.	SWOT/ PESTEL Analysis.	Low-cost recovery resulting in lack of adequate financial resources to sustain operations and allow for reinvestment in critical infrastructure.	Development of Pricing Policy for determination of rates for different products and routes.	Pricing policy developed by end of Q2 of 2024	Approved tariff book Management Report	Board approval.	Director Commercial	Q2			
			Engagement of Ministry of Transport and Logistics for approval of passenger tariffs	MTL engaged by end of Q3 of 2024	Stakeholder feedback. Management Report	MTL approval	Director Commercial	Q3			
			Rollout of New Pricing Policy and Procedures.	Clients sign commitments to new tariffs by end of Q4- of 2024 in readiness for annual roll-out effective 1 st January 2025	Approved and signed commitments from the clients.– Management Report	Acceptance of the approved new tariffs by the clients	Director Commercial	Q4			
SUB-TOTAL											

Strategic Perspective 3		Internal Business Process and Innovation (Operations)									
Strategic Objective 12		To develop and implement a Monitoring and Evaluation system by 31 st December 2024									
Expected Outcomes and Impacts	Reference	Problem Statement	Key Activities	Key Performance Indicators	Means of Verification	Critical Assumption	Driver	Time Frame			
Real time monitoring of critical operational variables for enhanced quality of decision making.	SWOT/PESTEL Analysis, Resource Analysis, and review of the Strategic Business Plan.	Lagged and reactive tracking of operational indicators resulting in compromised decision making	Develop M&E policy and framework for Board approval.	M&E Policy framework developed by end of Q3 2024.	M& E Policy framework Board minutes	Approved policy by the Board	Manager Corporate Planning	Q3			
			Create Monitoring and Evaluation Unit in the Corporate Planning Department-	M&E unit created by restructuring the Corporate Planning Department by Q4 2024	Board minutes	Board approval of the amended Organogram	Manager Corporate Planning	Q4			
			Assessment of skills required in the M&E unit, i.e., whether recruitment is required, or existing skills are sufficient.	Assessment finalized by Q4 2024.	Management Reports	Availability of Financial Resources.	Manager Corporate Planning	Q4			
SUB -TOTAL											

Strategic Perspective 3:		Internal Business Process and Innovation (Operations)									
Strategic Objective 13		To enhance returns from ZRL Real Estate Investments by 31 st December 2027									
Expected Outcomes and Impacts	Reference:	Problem Statement	Key Activities	Key Performance Indicators	Means of Verification	Critical Assumption	Driver	Time Frame			
								24	25	26	27
Higher market-driven yield from ZRL real estate portfolio	SWOT/PESTEL Analysis	Depressed yield from ZRL real estate portfolio leading to low contribution to ZRL revenue base.	Undertake audit of all the assets in the property portfolio.	Valuation report ready by Q4 2024.	Board minutes. Valuation Reports	Access to expertise to execute the property audit successfully	Company Secretary.	Q4			
			Secure title deeds for assets under the portfolio	Secure all title deeds by Q2 2026	Asset register Original title deeds	Cases of encroachments will be resolved amicably.	Company Secretary.		Q2		
			Undertake Highest and Best Use study for all assets to determine most optimal utilisation.	Conduct an assessment to determine the properties for consideration under the HBU study by Q3 2024. HBU Report. Finalised by end of Q1 of 2025	Report Adoption. HBU Report. Management report	Availability of financial resources to procure expert services.	Company Secretary.	Q3	Q1		
			Review existing leases of occupied assets to ensure optimal benefit to ZRL	Lease agreements revised by end of Q3 2024.	Board Minutes Revised lease agreements	Revised leases are market driven	Company Secretary.	Q3			
SUB -TOTAL											

D. Customer Growth and Market Development Strategic Objectives

Strategic Perspective 4a: Freight Services		Customer Growth and Market Development									
Strategic Objective 1		To grow freight tonnage and revenue by an average of 36% and 39% respectively annually throughout the strategy timeline.									
Expected Outcomes and Impacts	Reference: SWOT/PESTEL/Previous SP etc.	Problem Statement	Key Activities	Key Performance Indicators	Means of Verification	Critical Assumption	Driver	Time Frame			
								24	25	26	27 28
Tonnage and Revenue growth	Previous SBP PESTEL	Low market share	Enhance business development to grow tonnage and revenue	Attain Tonnage (Revenue) : vi. 2024-800,000 tons (USD21.72mn) vii. 2025-1.35mn tons (USD37.62mn) viii. 2026-1.99 mn tons (USD56.48mn) ix. 2027-2.39mn tons (USD68.89mn) x. 2028-2.61 mn tons (USD76.62mn) Develop and implement a pricing policy with best practice cost reflective structures in view of recapitalization by Q3-2024	Consignment report Movement report Quarterly report Annual Report Policy document	SBP investment actualised to create haulage capacity Price stability Traffic is available	Director commercial Director operations	Q1			
			Conduct customer satisfaction surveys across all ZRL market segments	Customer satisfaction surveys conducted every month/quarter effective Q2 of 2024 Attain customer satisfaction index of 80% by 2028.	Customer Satisfaction Survey Reports Management Reports	Availability of expertise/capacity to conduct and analyse the survey data	Director Commercial	Q2			
		Low customer satisfaction leading to low tonnage and revenue growth	Attachment of key accounts executives to key customers with defined key performance targets	Monthly 2.5% increase in tonnage and revenue as the result of influence created by key account executives for clients whose production is more than what ZRL is moving	Metrics in key customer accounts attached to the account executives	Improved rolling stock and track capacity	Director commercial	Q1			
			Conduct promotional activities	Promotional adverts on both radio and TV (monthly) Promotional website activities updates (monthly) Facebook page promotional activities updates (weekly) Attain 90% retention for current customers and attract at least two (2) customers per year by 31 st December, 2025	Promotional reports Radio and TV broadcasts, and online postings	Availability of funds Existence of past and potential ZRL customers in the market	Director Commercial	Q1			
			Facilitate customer engagement parties	At least one (1) stakeholder engagement party per annum effective 2025	Stakeholder Engagement/party report Customer Satisfaction Report	Availability of funds Willingness and availability of customers to engage	Director Commercial	Q4			
			Improve monthly wagon utilisation for both local and international traffic	Local: 1.2 to 3 by 2026 Zimbabwe: 1.2 to 2 by Q1, 2025 SNCC: 2 to 3 by 2026 TAZARA: 1.2 to 2 by Q1, 2025	Monthly wagon performance reports	Improve current Fleet of locomotive reliability with a possibility of hire of additional locomotives and improved track capacity.	Director Commercial	Q1			
			SUB- TOTAL								

Strategic Perspective 4a: Freight Services			Customer Growth and Market Development									
Strategic Objective 2			To broaden the customer base by an average of 9% annually up to 31 st December, 2028									
Expected Outcomes and Impacts	Reference: SWOT/PESTEL// Previous SP etc.	Problem Statement	Key Activities	Key Performance Indicators	Means of Verification	Critical Assumption	Driver	Time Frame				
Increased customer base and diverse commodity profile	Statutory Instrument No. 98 of 2020	Limited and traditional commodities profile e.g., overdependency on the movement of the mining products	Identification of ZRL sales leads throughout strategy timelines	Total of five (5) sales leads identified and converted (monthly) Continuously follow-up and monitoring the leads converted per month Two (2) nontraditional commodities introduced and retain 90% of the nontraditional commodities by 31 st December, 2025	Weekly /monthly sales lead performance reports	Enhanced capacity to support the growth.	Director commercial	24	25	26	27	28
								Q4				
SUB- TOTAL												

Strategic Perspective 4a: Freight Services		Customer Growth and Market Development									
Strategic Objective 3		To revitalise rail freight services on the Inter - mine Region by 31 st December, 2026.									
Expected Outcomes and Impacts	Reference: SWOT/PESTEL//Previous SP etc.	Problem Statement	Key Activities	Key Performance Indicators	Means of Verification	Critical Assumption	Driver	Time Frame			
								24	25	26	27 28
Revived rail freight services in the Inter - mine region More revenue		Limited traffic within the inter-mine region	Carry out rail infrastructure assessment in the mines and between towns	Report on state of the infrastructure by 31 st December 2024	Performance reports	Availability of funds towards the assessment	Director Technical Services	Q4			
			Engage new owners of the mines to ascertain production levels and strategize on how ZRL can participate in the movements	Planned annual production levels ascertained by 31 st December, 2025.	Production figures availed	Mines will be willing to avail figures and commit their traffic	Director commercial	Q4			
			Develop and implement an inter-mine rail freight plan	Plan implemented by 31 st March 2025 and all through the strategy timeline	Implemented plan.	Availability of funds	Manager corporate planning	Q1			
		SUB- TOTAL									

Strategic Perspective 4a: Freight Services				Customer Growth and Market Development								
Strategic Objective 4				To offer customs clearance and warehousing facilities within the logistics chain to freight customers by 31 st December, 2026.								
Expected Outcomes and Impacts	Reference: SWOT/PES-TEL//Previous SP etc.	Problem Statement	Key Activities	Key Performance Indicators	Means of Verification	Critical Assumption	Driver	Time Frame				
Implementation of new services (Customs clearance and warehousing and handling)	SWOT Analysis	ZRL has not been participating in full logistics chain and therefore leaving it to logistics companies and agents	Strengthen and upgrade the infrastructure and personnel functionality at all rail border points and obtain ZRA custom clearance certification.	Operationalise new rail boarder point offices by 31 st December, 2025 and generate the following revenues: i. 2026-ZMW2.25mn ii. 2027-ZMW3.02mn iii. 2028-ZMW3.52mn	Customs clearance certificate obtained M&E reports	Legal provisions permit ZRL to progress in customs clearance and warehousing handling Funding through strategic partnerships actualised	Director Commercial	24	25	26	27	28
			Re-entry to strategic warehouses in Ndola and Lusaka	Contracts exited by 31 st December, 2025	Vacated warehouses Exit contracts	Current contractual arrangement will allow re-entry	Company Secretary	Q4				
			Purchase and commissioning of warehousing and handling equipment	Equipment purchased by 31 st December, 2025 Commissioning completed by 1 st January 2026.	Equipment availability	Resource availability through strategic partners	Director Commercial		Q4			
SUB- TOTAL												

Strategic Perspective 4a: Freight Services					Customer Growth and Market Development							
Strategic Objective 5			To operationalise corridors (through intermodal) where ZRL is currently not participating by 31 st December 2026.									
Expected Outcomes and Impacts	Reference: SWOT/PESTEL// Previous SP etc.	Problem Statement	Key Activities	Key Performance Indicators	Means of Verification	Critical Assumption	Driver	Time Frame				
								24	25	26	27	28
ZRL participation in Beira corridor, Nacala corridor and Walvis Bay corridor	SWOT analysis	Diversification of cargo to routes where ZRL is not participating such as Beira, Nacala, and Walvis Bay corridors.	Conduct Market Assessment and competitor analysis Develop intermodal facilities through strategic partnerships/customers at strategic locations such as Lusaka, Chipata, and Livingstone.	Market assessment and competitor analyses completed by 31 st December, 2024. Intermodal facilities developed by 31 st December 2026.	Market assessment report Competitive analysis report M&E reports	Buy in from potential customers in the corridors under consideration Buy in from strategic partners for funding to develop the intermodal facilities.	Director Commercial			Q4		
Revenue growth Enhanced ZRL coverage												
SUB-TOTAL												

Strategic Perspective 4b: Passenger Services												
Strategic Objective 7		Customer Growth and Market Development										
Expected Outcomes and Impacts		To increase non-ticket revenue from 43% of the total passenger revenue to 60% by 31 st December, 2028.										
Reference: SWOT/PES-TEL//Previous SP etc.	Problem Statement	Key Activities	Key Performance Indicators	Means of Verification	Critical Assumption	Driver	Time Frame					
SWOT	Inability to sustain passenger operations due to disruptions in the business e.g., black swan events Insufficient revenue generation from non-ticket revenue streams	Engage courier companies to use train for movement of parcels between towns	Engage and actualise at least one (1) courier company by Q2, 2025	List and profile of courier companies Weekly/Monthly/Quarterly revenue reports	Courier companies open to collaborate with ZRL	Director Commercial	24	25	26	27	28	
		Engage government and IDC institutions to prioritise the use of trains for staff relocation and other logistical considerations	GRZ and IDC engaged by end of Q2 of 2025	List and profile of GRZ and IDC companies Weekly/Monthly/Quarterly revenue reports	Favourable transit time for clients Availability of resources to invest in packaging facilities	Director Commercial	Q2					
		Advertising on the train, and station buildings	Adverts finalized and effected from Q4 of 2025	List and profile of new clients Weekly/Monthly/Quarterly revenue reports	Availability of clientele willing to advertise on ZRL facilities	Director Commercial	Q4					
		SUB- TOTAL										

Strategic Perspective 4c: Real Estates Services				Customer Growth and Market Development							
Strategic Objective 8				To develop and utilise ZRL land through Public Private Partnerships by 31 st December, 2026.							
Expected Outcomes and Impacts	Reference: SWOT/PES-TEL//Previous SP etc.	Problem State-ment	Key Activities	Key Performance Indicators	Means of Verification	Critical Assumption	Driver	Time Frame			
Efficient land use and increased revenue base for ZRL	SWOT	Underutilized ZRL land and Increased en-croachments	Identification of land for partnership with possible project proposals for the land use	Completion of the identification and submission to the Board/Real estate Committee Q3 -2024	Copy of Land-use Report	No encumbrances on the targeted land Board approval	Company secretary	Q3			
			Preparation of TORs for each site	TORs done for 85% of the identified portions of land by end of Q4 -2024.	TORs Adverts in the media	There is full compliance to ZPPA procurement requirements and PPP-unit guidelines	Company secretary	Q4			
			Conducting the feasibility studies in consultation with the Public Private Partnership (PPP) Department	Attainment of at least 20% complete feasibility studies on the targeted sites by end of Q2- 2025	Final feasibility study reports	There is Availability of funds	Company secretary		Q2		
			Invitation of expression of interest and evaluation of the same EOI	Advert done with positive response from prospective land developers by end of Q3-2025	Bids evaluation report	No complaints/ Lawsuits from unsuccessful bidders	Company secretary		Q3		
			Issuance of Request for Proposals (RFP) and evaluation of the same proposals	Successful completion of the evaluation and selection by end of Q4-2025	Media adverts	No complaints / Lawsuits from unsuccessful bidders	Company secretary		Q4		
			Negotiation with the best bidder and contract signing	Contract offer by end of Q4 -2025	Signed contracts	All the required standards are met, and funds are available	Company secretary		Q4		
SUB- TOTAL											

Strategic Perspective 4c: Real Estates Services				Customer Growth and Market Development								
Strategic Objective 10:				To review the current ZRL Real Estate rental rates and implement new rates by 31 st December, 2025								
Expected Outcomes and Impacts	Reference: SWOT/PESTEL//Previous SP etc.	Problem Statement	Key Activities	Key Performance Indicators	Means of Verification	Critical Assumption	Driver	Time Frame				
								24	25	26	27 28	
Increased Revenue in terms of rental income	SWOT/PESTEL// Previous SP	Low rental income	Undertake the benchmark rental rate valuation exercise.	Rental valuation completed by end of Q1 of 2025	Rental valuation report	Availability of the expertise and funds to facilitate rental valuation processes	Company Secretary		Q1			
			Notice of rental adjustments circulated to the clients	Notice of rental adjustments circulated to the clients by end of Q2, 2025	Acknowledgement of notice of rentals by the clients	Rental increments are justifiable, and tenants are willing and able to pay	Company Secretary		Q2			
			Implementation of the new rentals	New rentals implemented every month effective Q2 of 2025	Monthly rental report	Tenants are paying on time.	Company Secretary		Q2			
			SUB- TOTAL									

Strategic Perspective 4d: Engineering Services			Customer Growth and Market Development									
Strategic Objective 11			To enhance ZRL workshop commercialization and grow revenue generated from workshops by 5% annually throughout strategy timeline.									
Expected Outcomes and Impacts	Reference: SWOT/PESTEL/ Previous SP etc.	Problem Statement	Key Activities	Key Performance Indicators	Means of Verification	Critical Assumption	Driver	24	25	26	27	28
Increased revenue generated from workshops activities	SWOT/PESTEL	Underutilisation of the workshop facilities	Enhance business development and commercialise workshop	Attain 5% per annum revenue generation from workshop activities	M&E reports	Client engagements will be responsive	Business development manager	Q2				
		Minimal visibility of workshop capabilities	Conduct promotional activities targeted at generating clientele for the workshop	Promotional adverts on both radio and TV (monthly) Promotional website activities updates (monthly) Facebook page promotional activities updates (weekly)	Promotional report showing the number and impact of promotional activities conducted	Availability of funds	Business Development Manager	Q2				
		Underutilisation of workshop equipment (assets)	Sign contracts through customer engagements	Contracts with existing clients; 50% of existing clients by the end of 2025 and 100 % by the end of 2028.	Actual contracts signed for clients	Client engagements will be responsive Workshop equipment will be maintained	Business Development Manager	Q4				
		ZRL does not have contracts with private train operators using workshop facilities	Formalise all relationships with private train operators with contracts for revenue generation	Valid contracts with all private train operators by 30 th June, 2024	Contracts signed	Customers will be receptive of the process.	Business Development Manager	Q2				
SUB- TOTAL												

E. Financial Sustainability and Capitalization

Strategic Perspective 5		Financial sustainability and capitalization										
Strategic Objective 1		To increase freight turnover by 39% driven by 36% increase in tonnage on average annually through out strategy timeline										
Expected Outcomes and Impacts	Reference: SWOT/PESTEL//Previous SP etc.	Problem Statement	Key Activities	Key Performance Indicators	Means of Verification	Critical Assumption	Driver	Time Frame				
								24	25	26	27	28
	Enhanced rail service delivery	Low revenue Lack of recapitalisation Low value being generated from the existing property and land	Partner with existing customers to rehabilitate ZRL wagons	Engage partners and secure the rehabilitation of wagons by Q1 of 2025 Signed agreements	Signed meeting minutes. Signed contracts	Willing and available cooperating partners Commitment form cooperating partners	Director commercial		Q1			
	Increased liquidity for capitalization and enhanced operational capacity		Conduct a valuation exercise of the real estate property and Sale of selected real estate property	Sale by selected properties and generate USD4.00mn by Q1, 2025	Valuation reports Sale agreements	Budget allocation for the valuation exercise Market availability Offers from the market are not below the reserve price	Company secretary		Q1			
	Increased revenue flow.		Identification and sale of scrap	Sale scrap tonnage of 1,100tons and generate at least ZMW6.82mn (USD0.30mn) by Q4, 2024 Sale scrap tonnage of 800tons and generate at least ZMW4.96mn (USD0.20mn) by Q4, 2025	Auction sales reports	Market availability Auction prices are not below the reserve	Director technical services	Q4	Q4			
	Increased liquidity for operations and capitalization		Secure loan from debt lenders i.e., commercial banks, development banks etc.	Loan of USD10.00mn secured by Q1, 2025	Signed loan agreement	Availability and willingness from the lenders Availability of collateral	Director finance		Q1			
Increased potential for more revenue inflows	Request for an increase in GRZ grant for railway improvement from the MoTL		Submit request to the GRZ to increase the grant from ZMW25.00mn (USD1.00mn) to ZMW50.00mn (USD2.00mn) by Q3, 2024 Obtain the annual grant of ZMW50.00mn effective 2025	Approval letter from MoTL Proof of disbursement	Willingness by the GRZ and availability of funds to increase the allocation	Director technical services	Q3	Q1				
Increased potential for more revenue inflows	Engage shareholder (IDC) for funding for capacity creation in rail operations	Commitment obtained from IDC for short term investment financing of USD15.50mn by Q3 of 2024 Obtain short term investment financing of USD15.50mn by Q3, 2025	Management minutes Approval letter Proof of disbursement	Shareholder IDC is willing to commit funds All documentation readily available	Managing director	Q3	Q3					
		Pursue GRZ grant leveraging sustainable financing from multilateral institutions/development agencies/pure GRZ funded grant/shareholder equity for track repair works	Develop a bankable proposal to be submitted to MoFNP and the IDC by Q3, 2024 Obtain commitment from MoFNP and IDC by Q4, 2024 Obtain USD101.50mn grant financing by Q3, 2025 Obtain USD11.50mn by Q1, 2026	Approval letters Proof of disbursement	Multilateral institutions/GRZ/IDC willingness to commit funds and availability of funds All documentation readily available	Managing director	Q3, Q4	Q3	Q1			
		Secure concessional loan from multilateral institutions	Develop and submit a bankable document by Q3, 2024 Obtain commitment by Q4, 2024 Obtain USD91.50mn loan financing by Q1, 2026	Approval letters Proof of disbursement	Willingness by the lenders to offer concessional loans Favourable terms and conditions	Managing director	Q3, Q4		Q1			
SUB- TOTAL												

Strategic Perspective 5		Financial sustainability and capitalization											
Strategic Objective 2		To increase passenger, real estates, and other income by an average of 12%, 16%, and 5% respectively annually throughout strategy timeline											
Expected Outcomes and Impacts	Reference: SWOT/PESTEL//Previous SP etc.	Problem Statement	Key Activities	Key Performance Indicators	Means of Verification	Critical Assumption	Driver	Time Frame					
								24	25	26	27		
								28					
Improved financial performance (revenue collections) for the business units	SWOT/Resource and Risk Analysis/Stakeholder/PESTEL	Passenger portfolio is currently loss-making business venture for ZRL Current rental rates are lower than prevailing market rates Underutilisation of main workshop	Development of a policy to guide on the passenger fare increase and submission to the MoTL for consideration	Approved policy by Q2, 2025	Approval letter to MoTL	Willingness by the Ministry	Director Commercial		Q2				
			Introduce non ticketing activities such as advertisement on trains and railway stations	Adverts finalized and effected from Q4 of 2025	List and profile of new clients Weekly/Monthly/Quarterly revenue reports	Availability of clientele willing to advertise on ZRL facilities	Director commercial		Q4				
			Strengthen internal controls on expected revenue collections	Conduct random weekly on-spot inspections on passenger trains Q2, 2024 Introduction of on-board people counters on the passenger coaches by Q4, 2026	Daily report on all passengers per trip and collections thereof	Resource availability	Director commercial	Q2		Q4			
			Evaluate the existing rental rates and implement new rental rates	Refer to Objective number ten (10) under customer growth and market development; "To review the current ZRL Real Estate rental rates and implement new rates by 31 st December, 2025"									
			Commercialisation of workshops	Refer to Objective number ten (11) under customer growth and market development; "To enhance ZRL workshop commercialization and grow revenue generated from workshops by 5% annually throughout strategy timeline"									
SUB- TOTAL													

Strategic Perspective 5		Financial sustainability and capitalization									
Strategic Objective 3		To pay off all outstanding remuneration and benefits arrears by 30 th June, 2024 and set aside resources for terminal benefits and gratuity to be accrued in five (5) years									
Expected Outcomes and Impacts	Reference: SWOT/PESTEL// Previous SP etc.	Problem Statement	Key Activities	Key Performance Indicators	Means of Verification	Critical Assumption	Driver	Time Frame			
								24	25	26	27 28
Liquidation of staff liability	SWOT/ Resource and Risk Analysis/ Stakeholder/ PESTEL	Unpaid staff dues	Review cash flow management	Cash flow reviewed by end Q2 of 2024	Reviewed cash flow report	Disaggregated costs available	Director Finance	Q2			
			Build a sinking fund	Sinking fund established and effected throughout strategy timeline from Q2 2024	Balance available in reactivated idle account	Accounting policy allows	Director Finance	Q2			
			Selling all held ZANACO shares currently valued at ZMW33.00mn as at March, 2024	Sale completed by 30 th April, 2024	Share transfer certificate	Liquidity of shares Market availability Offers are within the share value	Director Finance	Q2			
			Pay-off staff liabilities	All staff liabilities cleared Q2, 2024 Current staff terminal benefits falling due settled at 100% effective, Q1, 2025	Payment reports	Availability of funds	Director Finance	Q2	Q1		
	SUB- TOTAL										

Strategic Perspective 5		Financial sustainability and capitalization									
Strategic Objective 4		To develop and implement a policy for the valuation of core assets of ZRL and increase PP&E to ZMW2.7billion by 30 th June, 2025									
Expected Outcomes and Impacts	Reference:	Problem Statement	Key Activities	Key Performance Indicators	Means of Verification	Critical Assumption	Driver	Time Frame			
Balance sheet restructuring	Financial statements	ZRL has weak debt carrying capacity	Develop core asset valuation framework	Framework developed by the end of Q3 2024	Audit report	Availability/ access to required expertise	Director Finance	24	25	26	27 28
			Design Valuation Policy	Valuation Policy designed by end of Q4 of 2024	Board Minutes.	Policy approved by the Board.	Director Finance	Q3			
			Revalue Core Assets	Revalued asset register approved by the board by December 2024-	Board minutes Asset register	Board approval Availability of Financial Resources to cover revaluation fees.	Director Finance	Q4			
			Incorporation of the revalued assets in the Financial Statements.	Financial Statements approved by the Board by 31 st March 2025	Board minutes, Audited Financial Statements, and the AGM.	Approval/ adoption of audited financial reports by the shareholder (IDC) at AGM	Director Finance	Q1			
	SWOT/ Resource and Risk Analysis/ Stakeholder/ PESTEL	Obsolete/ aged assets	Prepare a detailed schedule of asset PP&E acquisition over 5 years.	PP&E schedule ready by Q3 of 2024	Developed Schedule	Information is available and finance Team has all the information	Finance Director	Q3			
	SUB-TOTAL										

Financial sustainability and capitalization									
Strategic Perspective 5		Strategic Objective 5							
Expected Outcomes and Impacts		Reference: SWOT/ PESTEL// Previous SP etc.	Problem Statement	Key Activities	Key Performance Indicators	Means of Verification	Critical Assumption	Driver	Time Frame
Adequate funds for the implementation of all activities in ZRL's 2024-2028 SBP		SWOT/ Resource and Risk Analysis/ Stakeholder/ PESTEL	Lack of adequate capacity to sustain Company operations	Raise USD248.24mn over the period of five (5) years in line with SBP 2024-2028 required investment	i. Investment financing of USD0.99mn actualized in 2024 ii. Investment financing of USD133.82mn actualised in 2025 iii. Investment financing of USD107.25mn actualised in 2026 iv. Investment financing of USD2.09mn actualised in 2027 v. Investment financing of USD2.09mn actualised in 2028 vi. For the sources of funding refer to objective number one (1) under financial sustainability and recapitalization	Signed agreements Sale agreements Signed loan agreements Proof of payment/ disbursed	Market availability for sale of scrap and selected properties Willingness and availability of funds from GRZ/ shareholders/ granters Favourable terms and conditions for debt financing	Managing Director	24 25 26 27 28
		SUB- TOTAL							

Strategic Perspective 5		Financial sustainability and capitalization										
Strategic Objective 6		To grow EBITDA by an average of 35% annually over the next 5 years										
Expected Outcomes and Impacts	Reference: SWOT/PESTEL// Previous SP etc.	Problem Statement	Key Activities	Key Performance Indicators	Means of Verification	Critical Assumption	Driver	Time Frame				
								24	25	26	27 28	
Growth EBITDA as a result of increased earnings and reduced costs following improved efficiencies	SWOT/ Resource and Risk Analysis/ Stakeholder/ PESTEL	High operating expenses in relation to revenue being generated arising from lack of adequate capacity due to lack of racialisation	Identify and implement cost cutting measures	Cost cutting measures implemented by Q3, 2024 and at least save USD0.06mn every year through out the plan period	Management accounts	Desegregated costs available Improved efficiencies	Director finance	Q3				
			Development and submission of a justification paper on the exemption of fuel levy payments to MoFNP through the IDC	Fuel levy exemption obtained by Q4, 2024 As indicated in objective number two (2) under organisation leadership	As indicated in objective number two (2) under organisation leadership	Managing Director	Q4					
			Actualisation of the SBP2024-2028 required investment budget of USD248.24mn	As indicated under objective 5 of financial sustainability and recapitalisation; "To secure adequate capitalization of USD248.24mn towards operational and capital expenditures throughout the strategy timelines"				Q3				
	SUB- TOTAL											



CHAPTER 5

INSTITUTIONAL GOVERNANCE AND IMPLEMENTATION OF ZRL 2024-2028 STRATEGIC PLAN



5.0. INSTITUTIONAL GOVERNANCE AND IMPLEMENTATION OF ZRL 2024-2028 STRATEGIC PLAN

This chapter focuses on the expectations that relate to effective implementation of ZRL 2024-2028 Strategic Business Plan (SBP). Specific perspectives presented in this chapter relate to Governance structure, road map for implementation of the new SBP, financing and resource mobilisation, SBP sensitisation, sustainability, risk mitigation and Monitoring & Evaluation (M&E) of the SBP during its implementation.

5.1. IMPLEMENTATION STRUCTURE FOR ZRL 2024-2028 STRATEGIC PLAN

ZRL Board is responsible not only for the development of the SBP but also in ensuring its successful implementation through the efforts of the ZRL Management team during the stipulated strategy timelines of 2024-2028.

In order to improve on the practice of Corporate Governance principles in and through the structures of ZRL and the Board of Directors and Management, it is envisaged that Corporate Governance tools and systems will be strengthened in order to enhance the performance of members of the ZRL Board of Directors and Management Team as provided for in this Strategic Plan.

The existing organisational structure for ZRL will be reviewed as set out in the strategic objectives. This process will be undertaken with the appropriate guidance by the Board in consultation with the Management Team. This is in order to ensure that the ZRL Board guides and accelerates the processes associated with effective implementation of the 2024-2028 Strategic Plan.

5.2. ROAD MAP FOR IMPLEMENTATION OF THE NEW STRATEGIC PLAN

The road map for the effective implementation of ZRL's new SBP is in-built in its LOGFRAME, which outlines the key activities, expected outcomes and impacts. Each of the strategy

'drivers' who are assigned respective Action Plans (as indicated in the LOGFRAME) will be responsible for preparing the SBP review report for the strategic plan review meetings. They are expected to do so by relying on the respective KPIs and targets which have been clearly indicated in the LOGFRAME of ZRL 2024-2028 Strategic Plan document.

5.3. FINANCING ZRL 2024-2028 STRATEGIC BUSINESS PLAN

The estimated total budget for implementing ZRL's 2024-2028 SBP is USD248.42million. It is incumbent upon the ZRL Board and Management to work tirelessly and in concert with appropriate stakeholders to mobilise and generate the required financial resources to operationalise this Strategic Business Plan. ZRL has potential sources of revenue which need strengthening to higher levels as outlined under the strategic perspective on business sustainability and capitalization in this Strategic Business Plan.

The table 18 below shows the summary of the investment breakdown and table 19 highlights detailed investment breakdown with the sources of funding and year in which the funds are to be actualised. The following options will be considered in mobilising the required SBP investment:

- i. Collaborating partners (cost sharing)
- ii. Internal cost savings from operations
- iii. Sale of scrap and non-performing assets
- iv. Loans from debt lenders
- v. Grants from GRZ, shareholder and multilateral institutions (green financing and pure grants)
- vi. Concessional loans from multilateral institutions
- vii. Shareholder equity

Table 18: Investment budget for ZRL SBP 2024-2028

S/N	Investment breakdown summary 2024-2028	Amount'Million USD
1.0	Track Improvement works	
1.1	Track Refurbishment/Improvement	110.00
1.2	Track Signalling System	3.00
	Sub-total	113.00
2.0	Equipment Improvement	
2.1	Locomotive repair and improvement inclusive of shunt locos and repair of passenger coaches.	9.85
2.2	New Locomotives (10 brand new locos)	40.00
2.3	Wagons repair and improvement (460 wagons)	11.50
2.4	New Wagons (375)	37.50
2.5	Centralized Train Control systems (Inclusive of ICT infrastructure)	10.00
2.6	Workshop rehabilitation and Equipment Repair (including equipment for loco sheds in the regions)	3.90
2.7	Lease /Hire of Equipment	12.80
	Sub-total	125.54
3.0	Human capital	
3.1	Human capital Development	4.70
4.0	Working capital	
4.1	Working capital	5.00
Grand total USD'Million		248.24

Table 19: Detailed investment breakdown with the sources of funding and year of actualisation

S/N	Sources of funding Activity	Capex to be Financed	2024	2025	2026	2027	2028	Grand total USD'Million
1	Internal cost savings @\$0.32 million total over the plan period.	Fund part of hire of locomotives @ \$0.26 million. Total hire of locomotives in SBP budget is \$12.8 million.	0.06		0.06	0.06	0.06	0.26
		Fund part of locomotive repair & improvement \$0.06 million. Total repair cost is \$9.85 million.		0.06				0.06
		Sub-Total	0.06	0.06	0.06	0.06	0.06	0.32
2	Sale of selected property (real estates) by Q1-2025 @\$4 million total.	Fund part of locomotive repair & improvement @\$2 million. Total repair cost is \$9.85 million.		2				2.00
		Fund part of 3 brand new locomotives purchase@ \$2 million. Total required amount is \$12 million.		2				2.00
		Sub-Total		4				4.00
3	Sale of scrap @\$0.47 million total.	Fund part of locomotive repair & improvement @ \$0.20 million. Total repair cost is \$9.85 million.		0.20				0.20
		Fund part of Hire of locomotives @ \$0.28 million. Total hire of locomotives in SBP budget is \$12.8 million.	0.28		-	-	-	0.28
		Sub-Total	0.28	0.20	-	-	-	0.48
4	Loan from debt lenders actualized by Q1-2025 @\$10 million.	Fund part of 3 brand new locomotives purchase @\$10 million. Total required amount is \$12 million.		10				10.00
5	Strategic partnerships with clients for rehabilitation of existing ZRL wagons effective Q1-2025 @\$6 million.	Fund part of 460 ZRL wagons rehabilitation project. Total cost is \$11.5 million.		3	3			6.00

S/N	Sources of funding Activity	Capex to be Financed	2024	2025	2026	2027	2028	Grand total USD'Million
6	Annual ZMW 50 million grant from GRZ effective 2025 @\$8.75 million total inclusive of 2024 allocation (ZMW16.088 million).	Fund part of track repair works @\$8.75 million. Total cost is at \$110 million.	0.65	2.02	2.02	2.02	2.02	8.75
7	GRZ grant leveraging sustainable financing from multilateral institutions & Development Agencies/ Pure GRZ funded grant/ shareholder equity for track repair works @\$101.25 million. This is to be actualized by Q3-2025.	Fund part of track improvement works @ \$101.25 million. Total cost is at \$110 million.		101.25				101.25
8	Shareholder equity @\$15.28 million actualized by Q3-2025.	Fund part of hire of locomotives @ \$2.2 million. Total hire of locomotives in SBP budget is \$12.8 million.		2.20				2.20
		Fund part of 460 ZRL wagons rehabilitation project at \$5.5 million. Total rehabilitation cost is at \$11.5 million.		5.50				5.50
		Fund part of locomotive repair & improvement \$0.58 million. Total repair cost is \$9.85 million.		2.58				2.58
		Track signaling @\$3 million.		3				3.00
		Working capital cushion @\$2 million.		2.00				2.00
		Sub-Total	-	15.28	-	-	-	15.28

S/N	Sources of funding Activity	Capex to be Financed	2024	2025	2026	2027	2028	Grand total USD'Million
9	Green financing grant actualized by 2026 from EU/IMF/ World Bank etc. @\$11.13 million.	CTC systems (Inclusive of ICT infrastructure) @\$10 million.			10			10.00
		Fund part of workshop rehabilitation & equipment @\$1.13 million. Total cost is at \$3.9 million.			1.13			1.13
		Sub-Total	-		11.13	-	-	11.13
10	Concessional loan actualized by 2026 from multilateral institutions @\$91.03 million.	Purchase of 375 brand new wagons @ \$37.5 million.			37.5			37.50
		Purchase of 7 brand new locomotives @ \$28 million.			28			28.00
		Working capital @\$3 million.			3			3.00
		Fund part of locomotive repair & improvement \$5 million (including repair of shunt locomotives & passenger coaches). Total cost is at \$9.85 million.			5			5.00
		Human capital development @\$4.7 million.			4.7			4.70
		Fund part of hire of locomotives @ \$10.06 million. Total locomotive hire cost in the SBP budget is \$12.85 million.			10.06			10.06
		Workshop rehabilitation & equipment (including equipment for the loco sheds in the region) @\$2.77 million. Total cost is at \$3.9 million.			2.77			2.77
		Sub-Total	-	-	91.03	-	-	91.03
TOTAL REQUIRED INVESTMENT			0.99	133.82	107.25	2.09	2.09	248.24

Notes to table 18 and 19:

- The exchange rate of USD1 equivalent to ZMW24.7
- ZRL will continue to use hired locomotives during the plan period while waiting for delivery of purchased locomotives.
- The payment terms for locomotives and wagons will be as follows:
 - i. 25% advance payment against submission of a bank guarantee of equal amount
 - ii. 65% through confirmed letter of credit upon submission of shipping documents
 - iii. 10% through confirmed letter of credit upon commissioning

MAIN DELIVERABLES FROM THE INVESTMENT

The main deliverables from the SBP investment will be:

- i. Upliftment of all the TSR distance from 134.25km to 0.00km.
- ii. Reduction in transit time between Livingstone to Ndola from 74hrs to 43hrs for freight and 54hrs to 24hrs for passenger.
- iii. Capacity creation in both rollingstock and track to increase haulage from 800,000 tons to 2.6million tons per annum.

Attached as annexures i, ii, iii, and iv are the following:

- a) The profit and loss statement also highlighting the projected key operating parameters such as tonnage, net tonne kilometre and the average rate year on year for the next five (5) years.
- b) The cash flow statement.
- c) The balance sheets.

5.4. SBP 2024-2028 SENSITISATION

The Corporate Planning Department in collaboration with Human Resource Directorate of ZRL is expected to hold capacity building sessions for different categories of staff to explain the Vision, Mission Statement, Core Values as well as the Strategic Objectives for the period 2024-2028.

Furthermore, it is incumbent upon individual Heads of Directorates to ensure that members of staff under their respective Departments understand what role they must play in implementing the aims and aspirations associated with this Strategic Plan. This will guarantee complete "buy-in" from all personnel in accordance with organisational policy provisions which will be fine-tuned as part of the enhanced implementation of ZRL 2024-2028 Strategic Business Plan.

5.5. SUSTAINABILITY AND RISK MITIGATION

Sustainability and profitability will continue to be key matters of primary concern to ZRL. Strategies of how ZRL plans to improve its own profitability alongside sustainability in the long term have been highlighted within the respective Strategic Objectives in this Strategic Business Plan. Additional related sustainability consultancy works would need to be explored within and beyond the provisions of this Strategic Plan.

ZRL leadership will also seek to implement the 2024-2028 Strategic Plan with an awareness of the prevailing transport and logistics markets and the related policy considerations to ensure adherence to the various risk mitigation strategies as outlined in this document.

5.6. MONITORING AND EVALUATION OF THE STRATEGIC PLAN

Consistent and regular critical review of the Strategic Plan is recognized as being important in ensuring that it is on track towards achieving the objectives set and the related implementation pathways. Should it be found that the Strategic Plan is off course; ZRL shall establish the reasons why and thereby take appropriate corrective measures.

ZRL's 2024-2028 Strategic Plan will be translated into Annual Implementation Plans for each of the 5 years covered during this strategy timeline. The appropriate Monitoring and Evaluation (M&E) Framework and associated Baseline indicators and strategy targets should be developed by ZRL's own M&E Team. This is in order to accelerate effective and efficient implementation of the Strategic Business Plan.

Monitoring will be done as often as possible whereas Mid -Term Evaluation will be done half way through the implementation timeline of the ZRL 2024-2028 SBP. The findings from the M&E activities will inform the appropriate, effective, efficient and continued implementation of the Plans of Action throughout the strategy period.

Annual and Mid-Term reviews of ZRL's Strategic Plan will also be necessary, given the dynamism and fluidity of the macro-environment in which ZRL operates and uncertainty that may surround the sources for its operational and capital expenditure funds. There will also be the need to seek to establish continued validity and relevance of the critical assumptions made during the development of this 2024-2028 Strategic Plan. The Corporate Planning Department will co-ordinate the M&E activities and compile a report to the Board of Directors who are the overall drivers of the ZRL 2024-2028 SBP.

ANNEXURES

ANNEXURE I: PROFIT AND LOSS, AND CASHFLOW STATEMENT ASSUMPTIONS

SBP OPERATING ASSUMPTIONS

1.0. CAPACITY CREATION

- 1.1 ZRL will continue to use hired locomotives during the plan period while waiting for delivery of purchased locomotives; In 2024 – 8 locomotives will be utilized; 2025-2026 – 10 locomotives will be utilized; 2027-2028 – 7 locomotives will be utilized.
- 1.2 Additional resources to be sourced internally valued at \$13.48 million to finance additional 4 hired locomotives required in 2025 & 2026 and 2027-2028 required 7 hired locomotives.
- 1.3 Between 2024-2028, 3 rehabilitated GTs to be injected on the m/line effective 2025.
- 1.4 4 brand new locos will be available for operation effective 2027 for m/line Ops. Additional 6 brand new locomotives to be injected into the system in 2029.
- 1.5 460 rehabilitated wagons to be injected into the system over a period of two years effective 2025 and 375 brand new wagons effective 2028.
- 1.6 Wagon load factor of 2 to be achieved effective 2025.
- 1.7 Continue to use foreign wagons via interchange.
- 1.8 Backhaul of at least 50% to be attained.

2.0. REVENUE GENERATION

- 2.1 The projected rate/ton assumes there is price stability.
- 2.2 Revenue from provision of logistics services shall cushion the average rate/ton in an effort to make rail competitive and sustain projected tonnages.
- 2.3 Additional revenue from interchange to be generated effective 2026. Over 50% growth in interchange revenue to be recorded between 2026-2028.
- 2.4 Other income beyond 2025 only constitutes revenue from commercialization of workshop and is growing at 5% annually.
- 2.5 Freight debt collection is at 95% and rentals at 85%.

3.0. OPERATING COSTS

- 3.1 Rationalized salaries based on the emolument commission guidelines are implemented by 2025.
- 3.2 The Job Evaluation & organizational restructuring exercise leads to manpower optimization and ZRL is able to offer competitive remuneration.
- 3.3 Locomotive turnaround of 74hrs, 71hrs, 60hrs, 48hrs, 43hrs in 2024, 2025, 2026, 2027 & 2028 respectively has been assumed.
- 3.4 Fuel consumption for passenger assumes 19% reduction due to improved efficiency.

- 3.5 Fuel efficiency L/KM for freight has been assumed at 0.014 in 2024, 0.013 in 2025, 0.011 in 2026 & 0.0106 from 2027-2028; Efficiency improvement in fuel consumption is assumed. Fuel levy exemption cost saving is not incorporated in the ratio.
- 3.6 Overtime cost is maintained under status quo budget to support increased production.
- 3.7 Warehousing & handling equipment for provision of logistics services to be funded by strategic partners.
- 3.8 To implement market rental rates; Real estate's building maintenance annual budget is included in the total repair and maintenance cost.
- 3.9 Costs are growing at projected inflation target of 8%.
- 3.10 Less payable following year is at 20% .
- 3.11 Current ZANACO loan will be settled by June-2025 and a new loan of \$10 million will commence in 2025 (principal payment in June-2025). Interest rate of 8%-9.5% has been used with 5 years tenure and 6 months moratorium on principal.
- 3.12 A concessional loan of \$91.03 million will be contracted in 2026 with 2%-4% interest, 20 years tenure and 3 years moratorium on principal.
- 3.13 ZRL will commence servicing the principal amount on a concessional loan in 2029. Interest payments to commence in 2026.
- 3.14 GRZ grant/shareholder equity of \$101.25 million actualized in 2025 & Green financing grant of \$11.03 million in 2026.
- 3.15 Exchange rates \$/ZMW of 20.7082, 24.7 have been used for 2023 and 2024-2028 respectively.

ANNEXURE II: PROFIT AND LOSS STATEMENT

SBP Profit & Loss: 2024-2028

Item	2023-Baseline			2024	2025	2026	2027	2028
Transport Statistics:								
Tonnage	804,214	800,000		1,357,014	1,998,680		2,391,800	2,610,200
Ton-Km	342,469,129	312,000,000		542,805,424	819,458,800		992,597,000	1,109,335,000
Average Distance-KM	426	390		400	410		415	425
Average rate \$-Ton	29.91	27.16		27.73	28.26		28.80	29.35
Cent-Ton-Km	7.0	7.0		6.9	6.9		6.9	6.9
Particulars:								
Revenue:								
Freight Revenue	\$24,050,853	466,365,323.63	\$21,724,117	\$37,623,750	929,306,633.54	\$56,486,818	\$68,894,372	1,701,690,988.78
Customs clearance & warehouse clearing revenue								
Passenger Train Revenue	\$743,110	15,388,468.15	\$826,316	\$925,555	22,861,219.36	\$1,036,622	\$1,161,017	28,677,113.57
Real Estate Revenue	\$846,052	17,520,219.13	\$804,858	19,880,000	30,678,862.90	\$12,447,403	\$1,378,610	34,051,668.19
Interchange	\$484,217	10,027,254.79	\$319,028	\$375,954	9,286,068.70	\$852,954	\$21,067,968.70	\$1,339,154
Other Income	\$666,087	13,793,470.75	\$1,754,656	\$281,781	6,960,000.00	\$85,020	\$89,271	2,205,000.00
Total Revenue	\$26,790,320	523,094,736.45	\$25,428,976	\$40,449,101	999,092,784.50	\$59,799,911	\$72,498,593	1,790,715,240.24
								\$80,683,134
								1,992,873,412.94
Expenditure:								
Main Power Costs	\$8,811,629	182,472,971.75	\$7,982,996	\$9,359,183	231,171,830.00	\$14,510,016	\$20,535,039	507,215,462.40
Fuel and Lubricants	\$5,911,532	122,417,184.78	\$6,895,570	\$7,462,347	184,319,971.26	\$11,644,908	\$14,661,950	362,150,168.80
Repairs and Maintenance	\$1,790,496	37,077,952.85	\$4,089,069	\$8,793,500	217,199,450.00	\$10,524,500	\$259,955,150.00	\$10,997,500
Interchange	\$1,187,825	24,597,713.97	\$1,259,919	\$1,262,023	31,171,965.65	\$1,262,023	\$1,187,786	29,338,320.61
Administration & General	\$3,276,072	67,841,550.12	\$2,667,611	\$3,341,983	82,546,992.00	\$5,377,920	\$6,969,784	172,153,666.91
Operating Expenses	\$1,447,824	29,981,836.66	\$1,954,530	\$2,448,636	60,481,300.32	\$3,940,344	\$5,106,686	126,135,154.98
Provision for depreciation-Write to use of a	\$1,418,107	29,366,449.43	\$1,418,107	\$1,951,440	48,200,575.90	\$1,951,440	\$1,551,440	38,320,576.15
Total Expenditure	\$23,843,485	493,755,659.56	\$26,267,803	\$34,619,113	855,092,085.13	\$49,211,151	\$60,737,186	1,500,208,499.85
Operating profit [EBITDA]	\$2,946,834	29,339,077	(\$838,827)	\$5,829,988	144,000,699.37	\$10,588,759	\$11,761,406	290,506,740.38
								\$13,337,092
								329,426,168.88
Depreciation, Provision for Retirement and Finance Charges								
Depreciation-ZRL assets	\$2,224,781	46,071,208.69	\$1,845,455	\$1,845,455	45,582,749.88	\$1,845,455	\$2,378,789	58,756,082.88
Provision for gratuity/benefits/leave	\$1,498,719	31,035,764.88	\$1,369,231	\$1,560,729	38,550,000.00	\$2,262,717	\$3,323,479	82,089,938.82
Provision for bad debts	\$6,581,690	136,294,945.96	\$3,286,640	\$2,957,976	73,062,000.00	\$2,514,279	\$1,508,568	37,261,620.00
Bank charges &Interests	\$819,843	16,977,464.25	\$728,745	\$715,669	17,677,032.24	\$759,485	\$820,244	20,260,025.60
Total	\$11,125,032	230,379,384	\$7,230,071	\$7,079,829	174,871,782.12	\$7,381,937	\$8,031,080	198,367,667
Profit Before Tax	(\$8,178,197)	(201,040,307)	(\$8,068,898)	(\$1,249,841)	(30,871,083)	\$3,206,822	\$3,730,327	92,139,073
								\$5,704,522
								140,901,697
Exchange gain/loss								
Provision for tax	\$1,387,189	28,726,195	\$0	\$0		\$1,122,388	\$1,305,614	
								\$1,996,583
								49,315,594
Profit After Tax	(\$6,791,008)	(172,314,112)	(\$8,068,898)	(\$1,249,841)	(30,871,083)	\$2,084,434	\$2,424,712	59,890,398
								\$3,707,939
								91,586,103

ANNEXURE III: CASH FLOW STATEMENT

SBP CASHFLOWS: 2024-2028

Item	2023-US\$	2023-ZMW	2024-US\$	2024-ZMW	2025-US\$	2025-ZMW	2026-US\$	2026-ZMW	2027-US\$	2027-ZMW	2028-US\$	2028-ZMW
Opening Cash Balance	\$2,210,949	45,784,781	\$4,340,280	107,204,916	\$420,754	10,892,622	\$3,599,644	88,911,199	\$6,772,949	154,942,341	\$7,326,987	180,976,592
Inflows												
Collections from Previous Year's Debtors	\$1,070,178	22,161,465.94	\$1,149,034	26,381,133.83	\$1,028,754	25,410,228.33	\$1,829,750	45,194,020.26	\$2,732,853	67,501,478.65	\$3,380,076	81,709,475.51
Freight Revenue	\$24,050,883	466,365,323.83	\$17,724,117	\$16,985,700.51	\$37,623,790	929,306,633.54	\$56,486,818	1,395,224,933.33	\$68,894,372	1,701,690,988.78	\$76,627,310	1,892,346,357.85
Total	\$25,121,062	520,211,349.35	\$22,873,151	564,964,834.34	\$38,652,505	954,716,861.88	\$58,316,567	1,440,419,213.59	\$71,627,225	1,769,192,467.43	\$79,929,386	1,974,255,833.36
Less: Freight Revenue Uncollected	(\$1,149,034)	(23,794,421)	(\$1,028,754)	(25,410,228)	(\$1,829,750)	(45,194,820)	(\$2,732,853)	(67,501,479)	(83,308,076)	(81,709,478)	(\$3,665,662)	(90,841,844)
Freight Revenue Inflow	\$23,971,997.98	496,416,928.48	\$21,844,397.00	539,556,606.01	\$36,822,754.72	909,522,041.61	\$55,583,713.97	1,372,917,734.94	\$68,319,149.47	1,687,482,991.93	\$76,263,724.26	1,883,713,989.24
Collections from Previous Year's Debtors	\$181,278.38	3,753,949.00	\$99,716	2,462,987.17	\$105,771	2,612,551.93	\$170,443	4,209,946.65	\$161,544	3,990,137.44	\$182,560	4,509,229.76
Estates	\$846,052.25	17,520,219.13	\$804,858.30	19,880,000.00	\$1,242,059.23	30,878,862.90	\$1,247,403.36	30,810,862.90	\$1,378,610.09	34,051,669.19	\$1,385,623.32	34,228,329.19
Passenger Train Revenue	\$743,109.89	\$1,388,468.15	\$826,315.79	20,410,000.00	\$925,565.45	22,861,219.36	\$1,036,622.09	25,640,565.68	\$1,161,016.74	28,677,113.57	\$1,300,338.75	32,118,367.19
Interchange	\$484,216.63	10,027,254.79	\$319,028.34	7,880,000.00	\$375,964.20	9,286,068.70	\$852,954.20	21,067,968.70	\$852,954.20	21,067,968.70	\$1,139,154.20	28,137,108.70
Customs clearance & warehouse clearing revenue	\$666,087.38	13,793,470.75	\$1,754,655.87	43,340,000.00	\$281,781.38	6,960,000.00	\$91,093.12	\$2,250,000.00	\$122,368.42	3,022,500.00	\$142,834.01	3,328,000.00
Other Income	\$2,920,744.53	60,483,361.82	\$3,804,574	93,972,987.17	\$2,931,122	72,398,702.89	\$3,483,536	86,043,343.93	\$3,765,745	2,205,000.00	\$93,334.82	2,315,250.00
Total Other Income												
Less: Estates Rev. Uncollected	(997,716)	(2,864,941)	(\$105,771)	(2,612,552)	(\$170,443)	(4,209,947)	(\$161,544)	(3,990,137)	(\$182,560)	(4,509,230)	(\$180,480)	(4,547,865)
Inflows - From Other Rev. Streams	\$2,821,028.45	58,418,421.30	\$3,698,803.05	91,360,435.24	\$2,760,678.39	68,188,756	\$3,321,992.17	82,053,206	\$3,582,204.82	88,505,159	\$4,063,903.64	100,378,420
Total Inflow	\$26,793,026	554,835,349.78	\$25,543,200	630,917,041.25	\$39,583,433	977,710,797.86	\$58,905,706	1,454,970,941.43	\$71,902,354	1,775,988,151.06	\$80,327,628	1,984,092,409.17
Loan/Grant/Shareholder equity/Internal financing amount	\$992,227	\$13,819,879	\$107,240,009	2,640,052,000	\$2,080,069	51,600,000	\$2,080,069	51,600,000	\$2,080,069	51,600,000	\$2,080,069	51,600,000
Grand Total	\$26,793,026	554,835,349.78	\$26,535,427	655,425,041.25	\$71,403,312	4,283,061,797.86	\$66,154,775	4,104,022,941.43	\$73,991,423	1,827,588,151.06	\$82,416,697	2,035,692,409.17
Outflows												
Previous Year's Creditors Payments	\$1,840,710	38,117,786.10	\$1,540,443	38,048,952.82	\$1,994,276	49,557,380.00	\$3,169,238	78,279,941.59	\$4,220,957	104,257,648.73	\$4,797,351	118,504,485.90
Main Power Costs	\$8,811,629	182,472,971.75	\$7,892,996	197,180,000.00	\$9,350,183	231,171,830.00	\$14,510,014	353,397,395.20	\$20,535,039	507,215,463.40	\$21,939,144	541,896,861.54
Fuel and Lubricants	\$5,911,532	122,417,184.78	\$6,895,570	170,320,581.50	\$7,462,387	184,119,971.26	\$11,644,908	283,229,222.82	\$14,641,950	362,180,168.80	\$17,975,454	443,993,771.72
Repairs and Maintenance	\$1,790,496	\$3,077,952.85	\$4,089,069	10,000,000.00	\$8,793,500	21,179,450.00	\$10,524,500	25,925,150.00	\$10,728,500	26,895,150.00	\$10,997,500	27,638,250.00
Interchange	\$1,187,825	24,597,713.97	\$1,259,919	\$1,790,000.00	\$1,262,022	\$1,171,965.65	\$1,262,022	\$1,171,965.65	\$1,187,786	29,338,320.61	\$1,187,786	29,338,320.61
Administration & General	\$2,276,072	67,841,550.12	\$2,667,611	65,890,000.00	\$3,241,983	82,346,992.00	\$5,377,922	132,824,019.53	\$6,469,784	172,133,666.91	\$7,903,735	195,222,258.27
Operating Expenses	\$1,447,824	29,981,856.66	\$1,954,530	48,276,900.00	\$2,448,636	60,481,300.32	\$3,943,444	97,326,038.47	\$5,106,688	126,135,154.98	\$5,790,982	143,037,265.75
Legacy debt	\$0	-	\$404,858	10,000,000.00	\$404,858	10,000,000.00	\$404,858	10,000,000.00	\$404,858	10,000,000.00	\$404,858	10,000,000.00
Capex	\$2,848,178	70,350,000.00	\$1,472,874	36,380,000.00	\$521,457	12,880,000.00	\$521,457	12,880,000.00	\$521,457	12,880,000.00	\$521,457	12,880,000.00
Purchase of brand new locomotives	\$0	-	\$8,500,000	209,950,000.00	\$0	74,100,000.00	\$33,000,000	691,600,000.00	\$0	-	\$0	-
Wagons repair & improvement	\$0	-	\$3,000,000	74,100,000.00	\$0	-	\$3,000,000	74,100,000.00	\$0	-	\$0	-
Track signaling	\$651,336	16,088,000.00	\$103,274,291	2,550,875,000.00	\$2,024,291	50,000,000.00	\$2,024,291	50,000,000.00	\$2,024,291	50,000,000.00	\$2,024,291	50,000,000.00
Track refurbishment/improvement	\$0	-	\$4,846,587	119,686,000.00	\$0	-	\$5,000,000	123,500,000.00	\$0	-	\$0	-
Locomotive repair/improvement	\$0	-	\$0	-	\$0	-	\$37,500,000	926,250,000.00	\$0	-	\$0	-
Purchase of new wagons	\$0	-	\$0	-	\$0	-	\$10,000,000	247,000,000.00	\$0	-	\$0	-
CITC systems	\$340,891	8,420,000.00	\$2,200,000	54,340,000.00	\$12,752,777	314,993,600.00	\$4,663,777	115,195,300.00	\$4,663,777	115,195,300.00	\$4,663,777	115,195,300.00
Lease/hire of equipment	\$0	-	\$0	-	\$0	-	\$4,700,000	116,090,000.00	\$0	-	\$0	-
Human capital development	\$0	-	\$0	-	\$0	-	\$3,900,000	96,330,000.00	\$0	-	\$0	-
Workshop rehab. & equipment	\$0	-	\$0	-	\$0	-	\$3,900,000	96,330,000.00	\$0	-	\$0	-
Working capital	\$0	-	\$0	-	\$0	-	\$3,900,000	96,330,000.00	\$0	-	\$0	-
Less payable following year	(51,540,443)	(31,899,811)	(\$1,994,726)	(41,296,829)	(\$3,169,238)	(78,279,942)	(64,220,957)	(104,257,649)	(84,197,751)	(118,504,489)	(65,176,001)	(127,847,219)
Total Outflows	\$22,725,644	470,607,185.51	\$28,441,176	715,397,605.32	\$167,190,281	4,129,899,947.64	\$157,011,367	3,878,180,754.54	\$66,223,337	1,635,716,413.93	\$73,030,737	1,803,859,207.47
Cash Available Before Finance Exp.	\$4,067,382	84,228,164.27	\$2,105,753	(59,972,564.06)	\$6,213,036	153,661,850.22	\$9,143,408	225,842,186.89	\$7,740,087	191,871,737.12	\$9,385,960	231,833,201.70
Loan Repayments												
Interest expenses	\$0	-	\$0	-	\$520,223	12,849,516.00	\$2,588,210	63,928,787.00	\$2,588,210	63,928,787.00	\$2,588,210	63,928,787.00
Principal Amounts	\$1,118,209	23,156,094.94	\$1,085,032	26,800,280.60	\$1,798,248	44,164,728.93	\$2,000,000	49,400,000.00	\$2,000,000	49,400,000.00	\$2,000,000	49,400,000.00
Total Loan + Interest Payments	\$1,118,209	23,156,095	\$1,085,032	26,800,281	\$2,318,471	57,266,241	\$4,588,210	113,428,787	\$4,588,210	113,428,787	\$4,588,210	113,428,787
Cash Available Before Bank Charges	\$2,949,173	61,072,069	(\$3,190,981)	(78,812,294)	\$3,894,559	96,195,609	\$4,555,198	112,513,400	\$3,179,877	78,542,950	\$4,797,750	118,504,415
Other Payments												
Bank Charges	\$819,843	16,977,464.25	\$728,744.94	18,000,000.00	\$715,669.32	17,677,032.24	\$759,485.14	18,759,282.96	\$820,243.95	20,260,025.60	\$885,863.47	21,880,827.65
Finance lease	\$0	-	\$0	-	\$0	-	\$1,122,388	27,722,975.22	\$1,305,614	32,248,675.58	\$1,996,583	49,315,594.04
Income Tax	\$819,843	16,977,464	\$728,745	18,000,000	\$715,669	17,677,032	\$1,881,873	46,482,258	\$2,125,858	52,508,701	\$2,882,446	71,196,422
Total - Other payments	\$2,129,331	44,094,605	(\$3,919,526)	(96,812,294)	\$3,178,890	78,518,577	\$2,673,326	66,031,142	\$1,054,018	26,034,249	\$1,915,303	47,307,993
Cash Available from yearly Operating Activities	\$7,819,842	169,377,464.25	\$4,375,672	169,742,116	\$14,715,669	389,673,031.76	\$17,221,872	389,673,031.76	\$17,221,872	389,673,031.76	\$17,221,872	389,673,031.76
Closing Cash Balance	\$4,340,280	89,879,386	\$420,754	10,392,622	\$3,599,644	88,911,199	\$6,772,949	154,942,341	\$7,326,987	180,976,590	\$7,326,987	180,976,590

ANNEXURE IV: BALANCE SHEET

ZAMBIA RAILWAYS LIMITED
PROJECTED STATEMENT OF FINANCIAL POSITION (2024 -2028)

ASSETS	2024			2025			2026			2027			2028		
	\$ USD	ZMW	\$ USD	ZMW	\$ USD	ZMW	\$ USD	ZMW	\$ USD	ZMW	\$ USD	ZMW	\$ USD	ZMW	
Non-current assets															
Property, plant and equipment	48,581,951.04	1,199,974,190.68	172,101,909.03	4,250,917,153.08	341,511,744.42	8,435,340,087.17	337,510,710.24	8,336,514,543.00	357,016,221.59	8,336,514,543.00	357,016,221.59	8,818,300,673.25			
Right to use Assets	4,356,094.33	107,595,529.86	5,219,044.33	128,910,394.86	3,020,184.80	74,598,564.61	1,510,092.40	37,299,282.30	-	37,299,282.30	-	-			
Investment Properties	6,579,675.57	162,517,986.64	5,996,086.96	148,103,347.83	5,996,086.96	148,103,347.83	5,996,086.96	148,103,347.83	5,996,086.96	148,103,347.83	5,996,086.96	148,103,347.83			
Investment in ERP	8,297,328.24	204,944,007.63	7,561,391.30	186,766,365.22	7,561,391.30	186,766,365.22	7,561,391.30	186,766,365.22	7,561,391.30	186,766,365.22	7,561,391.30	186,766,365.22			
Investments in Shares															
Currents assets	67,815,049	1,675,031,715	190,878,432	4,714,697,261	358,089,407	8,844,808,365	352,578,281	8,708,683,538	370,573,700	8,708,683,538	370,573,700	9,153,170,386			
Trade receivables and Other receivables	14,465,009.78	357,285,741.54	10,547,130.43	260,514,121.74	8,437,704.35	208,411,297.39	6,750,163.48	166,729,037.91	5,400,130.78	166,729,037.91	5,400,130.78	133,383,230.33			
Inventories	3,289,605.50	81,253,255.74	2,998,260.87	74,057,043.48	2,998,260.87	74,057,043.48	2,998,260.87	74,057,043.48	2,998,260.87	74,057,043.48	2,998,260.87	74,057,043.48			
Cash and cash equivalents	-591,456.23	-14,608,968.98	1,099,452.45	27,156,475.58	4,416,361.36	109,084,125.64	5,913,772.19	146,070,172.98	7,920,664.13	146,070,172.98	7,920,664.13	195,640,403.91			
	17,163,159	423,930,028	14,644,844	361,727,641	15,852,327	391,552,467	15,662,197	386,856,254	16,319,056	386,856,254	16,319,056	403,080,678			
Total assets	84,978,208	2,098,961,743	205,523,275	5,076,424,902	373,941,734	9,236,360,831	368,240,477	9,095,539,793	386,892,756	9,095,539,793	386,892,756	9,556,251,064			
EQUITY AND LIABILITIES															
Capital and reserves															
Share capital	33,400.20	824,985.00	33,400.20	824,985.00	33,400.20	824,985.00	33,400.20	824,985.00	33,400.20	824,985.00	33,400.20	824,985.00			
Share Premium	25,368,491.68	626,601,744.58	25,368,491.68	626,601,744.58	25,368,491.68	626,601,744.58	25,368,491.68	626,601,744.58	25,368,491.68	626,601,744.58	25,368,491.68	626,601,744.58			
Other reserves	68,654,406.39	1,695,763,842.80	177,735,920.11	4,390,077,222.78	264,093,339.63	6,523,518,725.97	259,515,075.63	6,410,022,363.17	273,785,408.81	6,410,022,363.17	273,785,408.81	6,762,499,617.57			
Reserves	-55,306,774.81	-1,366,077,337.79	-53,807,424.48	-1,329,043,384.61	-53,471,319.78	-1,320,741,598.63	-49,141,184.13	-1,213,787,248.02	-43,617,060.48	-1,213,787,248.02	-43,617,060.48	-1,077,341,393.81			
Net assets taken from RSZ	226,356.28	5,591,000.00	226,356.28	5,591,000.00	243,086.96	5,591,000.00	226,356.28	5,591,000.00	226,356.28	5,591,000.00	226,356.28	5,591,000.00			
Non-current liabilities	38,975,880	962,704,235	149,556,744	3,694,051,568	236,266,999	5,835,794,857	236,002,140	5,829,252,845	255,796,596	5,829,252,845	255,796,596	6,318,175,953			
Other Non- Current liabilities	7,045,801.53	174,031,297.71	7,705,043.48	190,314,573.91	8,860,800	218,861,760.00	9,746,880	240,747,936.00	10,234,224	240,747,936.00	10,234,224	252,785,332.80			
Lease Liability	3,572,753.78	88,247,018.39	4,990,630.28	123,268,568.01	2,790,198	68,917,899.53	1,169,125	28,877,397.53	0	28,877,397.53	0	-			
ZANACO & Concession Loan	1,796,278.63	44,368,082.06	16,000,000.00	395,200,000.00	99,830,000	2,465,801,000.00	96,630,000	2,386,761,000.00	93,430,000	2,386,761,000.00	93,430,000	2,307,721,000.00			
Current liabilities	12,414,834	306,646,398	28,695,674	708,783,142	111,480,998	2,753,580,660	107,546,005	2,656,386,334	103,664,224	2,656,386,334	103,664,224	2,560,506,333			
Trade and other payables	21,492,074.52	530,854,240.53	16,248,249.28	401,331,757.33	15,171,129	374,726,879.94	13,669,724	337,642,179.60	16,409,326	337,642,179.60	16,409,326	405,310,343.36			
Accruals and provisions	12,095,419.85	298,756,870.23	11,022,608.70	272,258,434.78	11,022,609	272,258,434.78	11,022,609	272,258,434.78	11,022,609	272,258,434.78	11,022,609	272,258,434.78			
Taxation payable															
	33,587,494	829,611,111	27,270,858	673,590,192	26,193,737	646,985,315	24,692,333	609,900,614	27,431,934	609,900,614	27,431,934	677,568,778			
TOTAL EQUITY AND LIABILITIES	84,978,208	2,098,961,744	205,523,276	5,076,424,902	373,941,734	9,236,360,831	368,240,478	9,095,539,793	386,892,755	9,095,539,793	386,892,755	9,556,251,064			

ANNEXURE V: RATIO ANALYSIS

Table 1: Ratio Analysis

Parameters	2023	2024	2025	2026	2027	2028
Manpower cost % of total operating cost	36.96%	30.39%	27.03%	29.49%	33.81%	32.58%
Fuel cost % of total operating cost	24.79%	26.25%	21.56%	23.66%	24.14%	26.69%
Repair & maintenance % of total operating cost	7.51%	15.57%	25.40%	21.39%	17.66%	16.33%
Operating cost % of total revenue	89.00%	103.30%	85.59%	85.59%	83.78%	83.47%

Table 2: Ratio analysis

Parameters	2023	2024	2025	2026	2027	2028
EBITDA Ratios						
1. EBITDA Margin						
EBITDA/Total revenue *100	5.61	(3.30)	14.41	17.71	16.22	16.53
A higher EBITDA indicates better operational efficiency						
2. EBITDA to Interest Expense Ratio						
EBITDA/Interest expense	1.73	(1.15)	8.15	13.94	14.34	15.06
calculates the ability of the company to meet its interest obligations						
3. EBITDA to Debt Ratio	0.04	(0.08)	0.22	0.09	0.10	0.12
EBITDA/Total Debt						
This measures a company's ability to repay its debt obligations using EBITDA						
Profitability Ratios						
1. Net profit margins	(32.94)	(31.73)	(3.09)	3.49	3.34	4.60
1. DEBT to Equity Ratio						
Total debt / Total equity	2.41	1.12	0.36	0.65	0.64	0.59
2. Return on Equity (ROE)						
Net profit/average shareholders' equity * 100	-15.89%	-23.96%	-1.34%	1.12%	1.08%	1.58%
3. Return on Assets (ROA)						
Net income/average total assets	-0.14	-0.09	0.01	0.01	0.01	0.01

GLOSSARY AND DEFINITIONS

Glossary

Abutment	A structure built to support the lateral pressure of an arch or span
Active Fleet	The total number of locomotives and wagons currently operational in the system
Air Brake	A power braking system with compressed air as the operating medium
Alignment Failure	Derailment cause classification for all derailments that occurs due to poor track geometry such as uneven cross levels
Auxiliary Generator	A compact combination of diesel engine, alternator, and rectifier. It generates power in line with the relevant requirements of the vehicle and converts to the voltage of the on-board system
Axle	A pin/shaft/bar on which a wheel or pair of wheels revolves
Axle Load	A critical measure of infrastructure physical capacity and strength; it is the total permitted weight of a loaded rail wagon or locomotive divided by the number of axles on the piece of rolling stock
Ballast	Aggregate stone or gravel forming the track bed on which sleepers and track are laid to ensure stability, ride comfort and drainage
Bogie	A swivel-mounted wheel assembly
Bridge Deck	The surface of the bridge
Cabin	A railway cottage at the railway station for railway workers controlling train operations
Cant (Super Elevation)	The angle of the outer rail over the inner rail on a curve
CTC	Centralized Train Control
Culvert	A bridge having a span of 3m or less
Diesel Electric	A diesel engine, that is connected to an electrical generator, creating electricity that powers electric traction motors
Formation	A non-structural compacted surface on which the rail pavement is settled on
Gang	A team of labourers under the control of a Track Supervisor
GE/GM	General Electric/ General Motor
Girder	The main horizontal support of a (bridge) structure which supports smaller beams
Governor	A mechanical device used to govern the speed of machines such as an engine; without any effect of changing the load.
Grade Maximum 1 in 80	A slope on a horizontal and/or vertical curve of 1.25%
Guard Rail	A safety rail used on bridges, turn-outs, and level crossings to guide wheels and prevent damage to other structures in a case of a derailment.
Holding Fleet	The total number of locomotives and wagons in the system's stock (Inventory).
Level Crossing	A place where the railway and road cross each other at the same level
Load Factor	The number of times a wagon is utilised in a month
Long Hood	Backward (reverse) movement of the locomotive
Marshalling	To assemble and/or arrange wagons to make up a train

Material Failure	Derailment cause classification for all derailments that are due to wear of infrastructure materials such as broken rail.
Periodical	Occurring or appearing at intervals
Permanent Way	The rails, sleepers, fastenings and ballast laid and fixed on the formation in proper position for the passage of trains
Pier	A vertical load-bearing member such as an intermediate support for adjacent ends of two bridge spans
Platform	An area alongside a railway track proving convenient access to trains
Propelling	Forward movement of the locomotive
Rehabilitation	The action of restoring the track to standard and acceptable specifications
Remanufacture	Rebuilding a product (Locomotives/wagons) to specifications of the original manufactured product using a combination of reused, repaired and new parts.
Repairs	Restore something damaged, faulty or worn to a good condition
Scheduled Maintenance	Maintenance task that is given a deadline and assigned to someone (technician). It can be either a Can't recurring task done at regular intervals or a one-time task
Scrap	All railway materials and/or items that have been discarded or removed from service
Serviceable	Capable and ready to perform its intended function, usually after being overhauled
Shunter	A railway worker engaged in shunting (marshalling) trains.
Spread/Tight Gauge	Derailment cause classification for all derailments that are caused due to the distortion of the track gauge.
Tamping	Track maintenance activity equipped with track lifting facilities by use of paddles that push ballast beneath a rail track to assure its level and Cant
Track	A pair of rails over which rail borne vehicles can run
Traction Motor	A large electric motor that powers the driving wheels of an electric or diesel electric locomotive
Train	One or more railway vehicles hauled by one or more locomotives or railcars; or one railcar travelling alone; running under a given number or specific designation from an initial fixed point to a terminal fixed point
TSR	Temporary Speed Restriction; A Planned speed restriction imposed for temporary conditions such as track maintenance
Turn Out	A mechanical installation enabling railway trains to be guided from one track to another, such as at a railway junction or where a siding or spur branches
Under Deck	The part of the bridge that lies beneath the bridge deck
Unscheduled Maintenance	Repairing equipment once it's already broken.
Vacuum Brake	A braking system, powered by a vacuum from the locomotive but the application is by atmospheric pressure
Vee Piece	Guard rails at the bridge's approaches.
Yard	Function structure for train arrivals/departures, and in some cases, parking, and/or shunting operations

DEFINITIONS OF ZRL TECHNICAL TERMS

Capitalisation

In finance, Capitalisation refers to raising funds for a business venture/organisation through equity (shareholders), debt (borrowing), grants (non-repayable funding) or other forms of instruments.

Derailment

This is when wheels come off the two parallel rails which they move on. The various kinds of derailments that may take place are divided into the following classes based on their seriousness:

i. Class A

Derailment of a train resulting in loss of life of passengers or Railway employees or others and/or grievous injury to passengers or railway employees or others and/or damage to railway or public property to the value of K 180,000.000.00 or more and/or interruption to through traffic for a period of 24 hours or more.

ii. Class B

Derailment of a train on the mainline not coming under Class A.

iii. Class C

Derailment during shunting in marshalling yards, loco yards, private sidings, etc., not involving a train.

Financial Sustainability

- Financial sustainability is the capacity of a firm to earn revenue or get a return on an investment that covers all expenses and makes a profit.
- It means selling a product or service at a price that not only covers expenses but also creates a profit. In a crisis, it represents the ability to meet financial obligations- past and present.
- It speaks to the viability of an entity/a project and whether investing resources in it will generate a sufficient return for investors/stakeholders.
- Financial sustainability means ensuring the longevity of the organization through optimum utilisation of resources resulting in good financial performance and position.

Locomotive availability: This measures the number of days the locomotive is available for operations during a quarter. This is measured daily and is an average.

Locomotive reliability: This measures the quality of Locomotives by the number of failures per distance travelled. The reliability of an individual main line locomotive is calculated by dividing the total distance covered in a period (quarter) by the number of times that it experienced total failures.

Partial Failure: This is any abnormal condition on a locomotive that disrupts the safe running of the train which is cleared by immediate intervention either through the control office in liaison with the crew or technical staff on site hence allowing normal train operations to be restored.

Sectional Speed: This is the maximum authorized speed at which trains are allowed to travel on a specific section of the railway track.

Total Failure: This is any abnormal condition on a locomotive that completely disrupts the safe running of the train which cannot be cleared by immediate intervention, either through the control office in liaison with the crew or technical staff on site hence requiring major repairs at a Workshop. Train operations are disrupted, and another locomotive must be made available to ensure the train proceeds to its destination.

Transit Speed: This is the average speed at which a train travels from one point to another, including any stops enroute to the destination, slowdowns, and delays.

Transit time: This is the total time taken for a train to travel from its origin to its destination, including all stops, delays, and any time spent waiting enroute to the destination.

Travel Speed: This is the average speed of a train during a specific journey, excluding any time spent stopped at stations or halted due to operational delays.

OTHER ZRL TERMINOLOGIES

1. **AAR:** Association of American Rail
2. **Abbreviations:** Refers to the "locations" worksheet for a complete list of station names, abbreviations, and regions/domain.
3. **Air brake system:** It is the braking system where air brake components on air brake vehicles are charged with compressed air from the locomotive.
4. **Angle cock:** It is a shunt off cock found on each end of an air brake vehicle.
5. **Arrival:** Denotes arrival into the station from other stations - applicable to wagons and trains.
6. **Available wagons:** Wagons that are empty and readily available for use.
7. **Bad Order wheels:** Defective wagons with wheel related defects.
8. **BO:** Bad Orders. This refers to defective equipment.
9. **Bogie:** It is an assembly of specifically designed steel structure arranged or mounted on wheels and fitted to a vehicle.
10. **Bound:** The direction in which the wagon is moving.
11. **Brake cylinder:** It is used for brake application.
12. **Brake van:** A vehicle attached to the rear of the train equipped for emergency application of vacuum/air brake.
13. **Clearance indicator:** A short length of rail sleeper or other approved material painted white, laid horizontally between and at equal angles between two converging lines to indicate fouling point.
14. **Closed wagons:** Wagons that are covered on all the sides as well as the roof. They have access doors on both sides for offloading and loading.
15. **CMI:** Cracked Mechanical Industries.
16. **Comments:** Remark by appropriate user to highlight more on a wagon.

17. **Commodities list:** List of all commodities that can be ferried.
18. **Condition:** The state in which the wagon is as at any specified date e.g. Good Order (GO), Yellow Cross (Yx), Red cross (Rx), Scrap, etc.
19. **Consignment note No.:** Reconciliatory reference number assigned to every wagon for revenue related matters.
20. **Couple:** To bring or join two rail vehicles together.
21. **Coupler height:** It is the distance from rail level to the center of the coupler.
22. **Coupler:** It is the device used to couple rail vehicles together.
23. **Crossing loop:** A running line auxiliary to main line provided for the crossing and passing of train.
24. **CTC:** Centralized Train Control
25. **Current location:** "Supposed" exact location of the wagon as of the updated date.
26. **Customer list:** List of customer names that deal or have at any time dealt with ZRL.
27. **Customer:** The actual client making a payment to ZRL. This is not necessarily the consignee or consignor.
28. **D:** Carried Dead on Train
29. **Data:** Worksheet with raw data where all the other pivot tables derive their results.
30. **Defects:** Identified mechanical problems on a wagon in need of repairs
31. **Departure:** Denotes the movement from one station to other proceeding stations. This is applicable to both the train and the wagon.
32. **Derail/catch points:** It is a device or tongue rail applied to the line, which derails or diverts vehicles or engines in case of irregular or unwanted movement(s).
33. **Derailment:** This is when wheels come off the two parallel rails which they move on.
34. **Destination:** The delivery point of a wagon
35. **DHL:** Dead Home Line
36. **Electric point:** Power operated points which may be operated by hand or by means of a crank.
37. **Engine:** Any self-propelled unit, or a combination of such units operated
38. **Enroute:** Refers to the through traffic.
39. **ERTMS:** European Railway Train Management Systems
40. **ETCS:** European Train Control Systems
41. **Export:** Good order ZRL iron Wagons that can cross over to RSA - with good wheels, good draw gears, good floors + all TFR active wagons on our lines
42. **Facing and trailing points:** Points are facing or trailing depending on the direction of the movement over them. Points are said to be facing when blades are facing an approaching movement. Points are said to be trailing when blades are pointing in the direction of the movement.

43. **Flat wagon:** Wagons that have a flat or pan trailer like design - mostly used for container carriage.
44. **Floor repairs:** These are repairs conducted in regular 5-year intervals after the service entry date.
45. **F-Repair:** Scheduled repairs conducted on wagons every five (5) years targeting the 'Floor' and other minor repairs.
46. **General repairs:** These are repairs conducted in regular 10-year intervals after the service entry date.
47. **Green cross label 31/5261 (F.T. 111) minor defects:** If a vehicle is defective but is not unsafe to travel and can carry a load, this label shall be affixed on both sides and the nature of the defect will be indicated on the label.
48. **G-Repair:** Scheduled repairs conducted on wagons every ten (10) years targeting 'General' repairs, 'Floor' repairs and replacing all components as general overhaul.
49. **GSM:** Global System for Mobile Communications
50. **GSMR:** Global System for Mobile Communications for Railways
51. **Hot box:** This is when a bearing or axle box is run at much higher temperatures than normal due to insufficient grease or oil respectively.
52. **Lists:** Numerous lists for formula linkages as well as drop-down listings
53. **Locations:** Abbreviations, full names of all the stations along the rail network and regions where they belong.
54. **Log wagon:** An open low sided wagon ideal for carrying various bulk cargo.
55. **Long-term repair:** Wagons which will take long to be repaired owing to severity of the defects or non-availability of spares.
56. **Minor repairs:** Any repair which can be carried out by one man without any delay to the vehicle or train.
57. **MSN:** Selected good LOG wagons fit for Sulphur loadings in Messina. These are purely meant for this project. If declared unfit for this exercise the wagon falls off the list.
58. **Net tonnage:** This is the "net tonnage" loaded on a wagon in question (Actual weight of the loaded commodity)
59. **NRZ:** National Railways of Zimbabwe
60. **Open wagon:** Refers to wagons that have side panels as well as well end panels but no roof top. They are opened from the sides.
61. **Origin:** Initial originating point/location of a wagon
62. **ORS:** This is the tag for all cargo that is moving for free on ZRL's lines. This cargo is not paid for and usually belongs to ZRL e.g., concrete slippers, wheels, etc.
63. **OST:** Out of Signal Territory
64. **Owner:** The rail administration that owns the wagon.
65. **Pilot:** The employees assigned to operate a train, i.e., a train driver or train assistant that is acquainted with the line over which the train is to move.

66. **Piston stroke:** It is the distance between the gland packing box chock works when the piston goes up and when it is released.
67. **Power car:** It is a rail vehicle that supplies power to the passenger vehicles on the passenger train.
68. **Rail gauge:** It's the distance between two steel parallel rails.
- a) 1067mm above 400m radius
 - b) 1067mm between 240m – 400m radius
 - c) 1086mm between 240m radius
69. **Railway:** It is a mode of transportation in which freight and passenger carrying vehicles with flanged wheels move on two parallel steel rails
70. **Re-rail:** To bring back the wheel that dropped off the rails.
71. **Rebuilding:** These are repairs conducted in regular 20-year intervals after the service entry date.
72. **Red cross label (31/5367 T.F. 112) not to go:** This is the label put on a vehicle which is not loaded correctly, or when the load has shifted during movement.
73. **Red cross label 31/5228 (T.F. 110) not to go:** If a vehicle is found to be unsafe to run upon examination of a train, this label is affixed on each side of the vehicle.
74. **Rehab:** Wagon earmarked for rehabilitation
75. **Repair labels:** These are red, yellow, green, and purple. They are used by the examiner during train examinations to indicate the type of defect found.
76. **Repair siding:** It is a separate siding consisting of one or more roads for effecting repairs which cannot be conducted in the traffic yard.
77. **Right away signal:** A green flag held at arm's length moved slowly up and down, thus by day. A green light moved slowly up and down.
78. **Road work:** These are repairs which are performed outside the examiners' depot.
79. **RSZ:** Railway Systems of Zambia
80. **S:** Carried Spare on Train
81. **Scotch block:** A device placed across the lines to prevent the escape of vehicles.
82. **Scrap:** Wagon that is of no use and can be disposed of.
83. **Short-term repair:** Wagons which will not take long to repair.
84. **Side bearer clearance:** It is the gap or space between two side bearer blocks (Top and Bottom)
85. **Side lined:** Wagons kept aside/offline to permeate traffic flow - the other category is for YX wagons that have been defective for more than 3 years.
86. **Sitting:** Waiting to be allocated for a movement - more applicable to defective/empty wagons.
87. **SNCC:** Société Nationale des Chemins de fer du Congo - The rail administration in the Democratic Republic Congo

88. **Stop signal:** By day, a red flag or one or both arms held vertically above the head. By night, a red light displayed steadily.
89. **Sub-category:** A further extension of the wagon's condition depending on the technical assessment - It can take the form of Rehab, Sidelined, Long-term/Short-term repair.
90. **Tanker:** Tank wagons designed to ferry liquid traffic.
91. **TFR:** Transnet Freight Rail
92. **Tracking report pivot:** Reconciliatory pivot with customer tracking reports.
93. **Traffic yard:** It is the main station yard where trains are marshalled, received, depart, and where all shunting and examination activities are conducted.
94. **Train crew:** The train driver and assistant employed to move a train.
95. **Train driver:** The employee in charge of a train and responsible for operating the engine or a track unit.
96. **Train examination:** Examinations that are carried out on all in-coming and out-going trains to ensure vehicles are in good condition to travel and can be allowed to go forward.
97. **Train number:** Number given to every train systematically for easy identification and tracking.
98. **Train pipe:** It is a steel pipe that runs the full length of a rail car.
99. **Train:** An engine or more than one engine coupled with or without vehicles displaying tail lamps or combined front and rear markers.
100. **TWS:** Train warrant system
101. **Tire gauges:** These are gauges used to determine wheel defects.
102. **TAZARA:** Tanzania Zambia Railway Authority
103. **U 15 C:**
U – Universal
15 – 1500 Horsepower
C – Coco type of bogie
104. **U 20 C:**
U – Universal
20 – 2000 Horsepower
C – Coco type of bogie
105. **U 30 C:**
U – Universal
30 – 3000 Horsepower
C – Coco type of bogie
106. **Up and down train:** Up trains are designed by 'even' numbers and down trains by 'odd' numbers.

- 107. **Update date:** The latest date a wagon made a movement and/or changed its status.
- 108. **Vacuum:** It's the space void of matter and will often refer to the brake availability of a train.
- 109. **Violet cross label 31/5293 (T.F 295):** This label is used only by engine men to label vehicles which have developed defects in sections.
- 110. **Wagon ID:** Wagon numbers column. Only valid wagon numbers are permitted and are supposed to be captured in the column. All wagons being monitored.
- 111. **Wagon Symbol:** An extension distinctive feature to every wagon.
- 112. **Wagon Type:** Distinctive feature on a wagon that helps users to differentiate one wagon from another according to design and usage.
- 113. **Wagons fleet:** Table showing all the NLPI wagons both existing and not, plus other foreign administration wagon that have frequently traversed ZRL's network.
- 114. **Wheel gauge:** It is the distance between two wheel discs (990.2mm to 992mm).
- 115. **Wheel:** This "wheel" column identifies all wheel related defects on a wagon - by formula.
- 116. **Work lines:** An extra train assigned to perform within a section.
- 117. **Wrong ID:** Wrong wagon number that does not conform to check digit formula.
- 118. **Yard lines:** Lines provided for shunting, making up of trains, storage of vehicles and for other purposes.
- 119. **Yellow cross label 31/5196 (T.F 109) not to be loaded:** This is the label affixed to the vehicle which is safe to move but unsafe to be loaded.
- 120. **Yellow cross label 31/5207:** It is used on vehicles going to workshops for repairs.
- 121. **ZICTA:** Zambia Information and Communications Technology Authority









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Wheels of the Nation

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Industrial
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Group of Companies