



ZAMBIA
IMPACT
INVESTMENT
SUMMIT

ZAMBIA RISING

HARNESSING SOLUTIONS FOR
A SUSTAINABLE FUTURE

POST EVENT REPORT



Lusaka, Zambia
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Partners & Sponsors

The Zambia Impact Investment Summit is supported by esteemed partners, without whom these events would not be possible. Many of the partners not only contribute to the costs of the event, but actively work with Zambian SMEs who attend, and are even showcased at the event.

We consider it a privilege to be part of this vibrant and determined ecosystem, working hand in hand with partners who share our vision.



Ministry for Foreign Affairs of Finland



Unlocking green and inclusive growth in agribusiness, agroforestry and aquaculture





"I always find the event inspiring - to know that there are people and organisations to support you on this journey. You are not alone in your troubles either - this is comforting."

"The summit is such a great event to be involved in. There's so many people with such wide varieties of ideas, and more importantly experiences in the business sectors. And the fact that everyone is so open to discuss their positive and possibly difficult experiences that we all learn from."



"A conference like this one is very important in terms of resource mobilization for private sector development... Last year, we had companies that were successful actually from pitching here and have been able to grow their operations."

Introduction

After the success of the 2022 Zambia Impact Investing Summit, we at Impact Capital Africa (ICA) were excited to continue to build on the themes and networks. We were, once again, so impressed by the enthusiastic response from entrepreneurs, investors, development programmes, banks, business services and support, and other ecosystem enablers.

This was the second year of hosting an impact investing event in partnership with the National Advisory Board for Impact Investing in Zambia (NABII), bringing together the different workstreams that all need to align to create a successful impact investment landscape in Zambia.

ICA’s mission in Zambia is to continue to build this landscape by increasing capital flow to impact entrepreneurs, consistently demonstrating the wealth of opportunity for growth and investment, fostering transparency and collaboration, and driving important, and sometimes difficult, conversations. Impacting investing events like the ZIIS demonstrate the importance of coming together, forming connections, and realising those opportunities.



This year we had 23 investors represented by 34 attendees. This included 9 new investors who have not previously attended an impact investment event in Zambia. These investors enthusiastically participated, with 4 taking on speaker roles, and had very positive feedback.

From an entrepreneur:

"One significant thing that I noticed about the event this year is that it's bigger than last year's. We have a lot more investor pool that are very willing to take a look at opportunities in the Zambian ecosystem.."

From a new investor:

"...an excellent opportunity to meet social enterprises & other investors. The event was well organized & focused on pitches & networking. I plan to attend next year & appreciate having an event within southern Africa, focused on southern Africa."

Updates from ZIIS 2022

"I want deals done, I want to see deal flow – Zambia is a unique position where there is a lot of public goodwill towards the country. But you have to harvest that goodwill. Create deals, do transactions, create the jobs that are required to grow the economy."

Dr Samuel Maimbo, VP - Budget, Performance Review and Strategic Planning of The World bank

ICA's events have always been more than just gatherings of the eco-system for engaging panel discussions and roundtables. We aim to showcase businesses to the wider investment community to get actual deals done. As such we are proud to report on the fundraising progress by the businesses that pitched at ZIIS 2022.

Since last year's event in September, 9 businesses successfully raised a total of \$46.35 million into Zambia; a massive testament to the potential of the Zambian market and pipeline. This funding is split almost equally with \$23.5 million in equity and \$22.85 million in debt. We expect this number to rise above \$50 million in the next 4 – 6 months.



\$46,350,000
raised since
ZIIS 2022



ZAMBIA RISING: HARNESSING SOLUTIONS FOR A SUSTAINABLE FUTURE

The Zambia Impact Investment Summit 2023 (ZIIS23) convened a variety of players in the impact investment ecosystem and sparked new conversations, further discussions, and some creative collaborations. Ranging from regulation to graduate unemployment and everything in between, the roundtables, panels and masterclasses left attendees informed, inspired and ready to apply their discussions to their day-to-day lives. We've picked out a few of the key themes which cropped up at multiple points:

- As in 2022, attendees were enthusiastic about the opportunities in Zambia. The IMF deal has added to investor confidence and the quality of pipeline and entrepreneurs has garnered significant interest.
- Zambia's angel network is gathering steam and venture funds from across Africa are starting to take a serious interest in the market. Their appetite for risk and creative approach to developing new instruments is continuing to power emerging businesses.
- More established businesses are raising subsequent rounds and bringing new investors into the market. As Zambia's market matures it's opening up more opportunities for exit and becoming more attractive to investors.
- That said, macroeconomic influences and reduced availability of capital, investors are keen to collaborate more with enterprise development programmes to target development and de-risk opportunities.
- Banks are beginning to redefine their role in the economy and Zambian society in general, with targets around climate, diversity and other impact goals in place. This is resulting in partnerships which will drive a longer-term and more flexible approach to riskier businesses and move more entrepreneurs into the formal sector.
- The role of technology, as always, is vital to underpin growth in the country. The need to improve digital infrastructure and democratise access to information and digital services will be supported by innovation from both government and the private sector.
- The need for collaboration and sharing information will be key to stimulating growth and investment into Zambia. As parts of the investment pipeline join up, the ability of events like ZIIS to keep information flowing and to connect key players from within Zambia and from the global sector will allow more deals and drive growth.

Pitching business highlights



"Ultimately the top sessions for me are always the pitch sessions. It's amazing to see young entrepreneurs with fantastic ideas that are viable that are seeking finance. So, all of the pitch sessions I attended all of them and I love them."

Dr Samuel Maimbo, VP - Budget, Performance Review and Strategic Planning of The World bank

Businesses pitching on stage, showcasing their business models and looking for funding has always been considered a highlight for many of the ICA / ZIIS conferences. At the ZIIS, ICA aims to showcase a diverse range of businesses, varying in sectors, business stages, funding requirements and funding instruments.

Since inception, the ICA process has been designed to feed the best opportunities – for investors and businesses seeking finance – into both sides of the investment equation, and to support this by catalysing the whole investment ecosystem. In the lead up to ZIIS23 we worked with key partners, including Prospero, USAID EDGE, the Enterprise Challenge Fund Zambia, and Anglo American to identify businesses that could be supported to be pitch ready for the Summit. Through ICA's screening and selection process we ensure the businesses pitching are ready to engage with investors.

Once these businesses are identified, screened and selected they are supported to get ready to pitch. As demonstrated in previous years, pitch preparation and practice is highly valued by the entrepreneurs and leads to better pitches during the ZIIS. Like last year, Prospero sponsored a pitching masterclass in the week leading up to the ZIIS. During this masterclass, run by Media365, entrepreneurs learn about the key components of a great pitch, and they further develop and improve their pitch and pitch deck. The entrepreneurs get to practice their pitch twice before a panel of experts that provide feedback and input on both the content as well as the delivery. The masterclasses are a great opportunity to build up & grow the entrepreneurs' confidence, as well as build a network with other entrepreneurs.



Pitching business highlights

ZiS²³

At ZiS 2023 we showcased 12 great businesses, looking to raise over \$51 million. As always, the pitches were very well received, and several investor introductions have been made to both new attending investors, like KIVA and Samawati Capital, as well as to local investors like AfLife. Feedback from the participating entrepreneurs has been overwhelmingly positive.

ICA are tracking the progress of ongoing conversations and look forward to sharing investments news in due course.



Key to continuing to develop new pipeline for pitches is supporting earlier stage businesses. At ZiS23 we had a good number of earlier stage businesses attending. The Summit is a great opportunity for them to learn from businesses further along in the business life- and funding cycle as well as interact directly with investors. Next to these learnings we had “informal” pitch sessions for earlier stage businesses in the breakout rooms.

These sessions provide an opportunity for earlier stage / smaller businesses to, often for the first time, pitch their business. In 2 different sessions 7 businesses pitched in front of a panel of investors. The feedback from both investors and the entrepreneurs has been very positive and ICA is keen to give earlier stage businesses a more prominent place on the agenda at future events.

“The investment pitches gave a lot of insight into the diversity of development means and areas for the country.”



"Great opportunities exist for impact investment in Zambia as an important vehicle for access to finance. Capacity building for SMEs in investor readiness needs to continue so that they can take advantage of these opportunities."



"This conference is really important for SMMEs like ourselves. Events like this give you an idea of what type of opportunities are available for funding... Without such events we wouldn't know where to access finance."

"Zambia continues to be a promising investor space, with endless opportunities for growth!"

"Zambia is full of opportunities."



Networking at ZIIS23

ICA have found that networking is a vital component of our events, and one of the key areas about which we receive very positive feedback. Our events are designed to make the right connections, get deals done, and drive networking.

Similar to ZIIS 2022, we ensured that there was plenty of time and space for attendees to network. This year we were still at Ciela Resort, but made more use of their available venue space.

Welcome drinks reception

The ZIIS team welcomed attendees on the eve of the conference with relaxed poolside drinks & snacks. We've found that this informal event allows those that are travelling in to make a few connections in advance of the Summit itself, which can be useful in making further connections on the following days.



Networking drinks on the terrace on Day 1 & 2

ICA have found that the best networking takes place after Day 1, when attendees are excited and eager to continue conversations. After the formal proceedings of Day 1, guests flowed out onto the terrace for a sunset drink and snacks. On Day 2 we had not originally planned to have closing drinks, but the atmosphere was still so electric, with conversation buzzing, that we arranged with Ciela to have another networking session on the terrace - allowing conversations to continue just a little longer. Most Day 2 attendees stayed on for this.



SME and Investor networking drinks and dinner at Madam Butterfly

After the Networking drinks on Day 1, selected attendees were invited to attend an exclusive networking dinner at Madam Butterfly in the barnyard at Ciela. The aim was to allow investors and SMEs a chance to converse away from the main Summit setting, while enjoying local food and music. This was a new venue for the ZIIS and proved to be a beautiful location change. The evening was well-attended, with many staying late to continue chatting.



Partner & Guest Speaker Welcomes



The welcomes of ZIIS23 featured an esteemed lineup, including partners that have supported impact investment endeavours in Zambia for years. This included: Mutumboi Mundia, CEO of Prospero Zambia; Namaya Mbikusita-Lewanika, of Prospero Zambia and NABII; Sam Waldock, Deputy High Commissioner & Development Director - British High Commission Lusaka (FCDO); Cliff Prior, CEO of the Global Steering Group for Impact Investment; and Jan Koivu, Ministry for Foreign Affairs of Finland, Lusaka.

In addition, this year we were excited to have Dr Samuel Maimbo, Vice President of Budget, Performance Review & Strategic Planning at the World Bank Group deliver the guest speaker welcome, kicking off ZIIS23.

In his presentation and enthusiastic opening address, Dr Maimbo focused on both the opportunities and the challenges in Zambia, highlighting:

- Infrastructure is crucial, especially in regions like Zambia, which is facing severe levels of debt distress. He underscored the need for adapting city structures in light of natural disasters. He pointed out the World Bank's involvement in infrastructure investment, averaging \$90 billion, and the need for purposeful infrastructure, creating societal impacts while being profitable. He further stressed the importance of understandable language to all stakeholders, including board members of pension funds.
- Traditional financial instruments must adapt to measure impact and demonstrate impact yields credibly. Dr Maimbo's example of this is the Rhino Bond in South Africa, which aligns the bond maturity to the reproductive cycle of rhinos to convey the impact more meaningfully.
- Public policy influences sectoral success, and governments need to align with the changing investor mindset, particularly concerning ESG and climate-related metrics.
- Standards and language in impact investing are crucial, and there is a need for deeper awareness and understanding of these, as well as supporting entrepreneurs to understand these. He highlighted the importance of a comprehensive ecosystem for sustainable finance and impact investment within domestic frameworks.



Key points from the panels

Panels are a feature that most conference attendees expect, but do not always relish. In planning the ZIIS23, we aimed to curate topical panels that would catalyse further discussion in follow-on roundtables and networking sessions. Even more than in 2022, moderators and panellists were eager to engage and shape subjects. In advance of the Summit ICA's programme producer held preparation sessions with all the panellists.

Opening Panel: Building & enabling an environment for Sustainable Finance & SME Growth in Zambia

Moderator: Austin Mwape – Board Member, NABII. **Panellists:** Lyness Mambo – Bank of Zambia; Sheila Garakara – Solidaridad Network Zambia



Top takeaways:

- Effective risk monitoring is needed to create a stable financial system which is resilient and can withstand shocks
- Climate risk is a rising issue and financial institutions and businesses alike must be aware of it and ready to mitigate and work with changes to climate
- Collaboration and data transparency will allow financial institutions to promote lending to SMEs and support growth in the space

Key points from the panels

Investing in Zambia: wins, opportunities and the emergence of a strong ecosystem

Moderator: Sam Musariri; **Panellists:** Sarah Dusek – Enygma Ventures; Basil Nundwe – Inside Capital; Brad Magrath – AHL Ventures; Musonda Chipalo – BII



Top takeaways:

- Panellists observed that the quality of SMEs and entrepreneurs in Zambia is extremely high. Even if the volume doesn't match larger markets like South Africa, investors are finding well-managed growth businesses in Zambia
- Zambia is a fertile environment for innovation and regulators are willing to support experimentation. Tech creates an environment where Africa can lead and by allowing fintechs to test out ideas so that Zambia can lead in the space.
- Opportunities for appropriate funding are vital. BII shared a new initiative they are rolling out with banks which will provide longer term capital and takes into account seasonal revenues and business stress.
- As a developing country, virtually every sector in the country has potential, but these sectors must be initiated and capitalised. Private equity and investors who can support businesses as they grow can see better returns on their investment than more traditional financing models.
- The panel emphasised establishing a robust ecosystem by encouraging initial investment and supporting grassroots-level opportunities. To foster this environment, mechanisms must be facilitated to encourage and enable the initial leap into investment.

Key points from the panels

Compare and contrast: Alternative Investment Asset Classes in Zambia

Moderator: Mafipe Chunga – KPMG; **Panellists:** Mwanda Phiri – Charter Cities Institute Zambia; Mphaso Banda, Kukula; Szymon Starosta – Kukula



Top takeaways:

- Zambia's alternative investment landscape includes various classes, with the most common being private equity, private debt, and real estate. In particular, private debt has been a successful alternative investment class in the country. Financial intermediaries, addressing the financing gap for SMEs, have shown growth and offer attractive returns.
- The real estate sector, particularly in residential projects, is expected to see growth due to Zambia's high population growth and housing deficit. Investors may consolidate portfolios and consider listing on the Lusaka Securities Exchange for exits.
- Charter Cities represent a potential avenue for investment, offering new governance models and development opportunities. They are viewed as long-term projects that require patience but can provide substantial returns.
- Foreign investors in Zambia encounter macroeconomic challenges, navigating foreign exchange volatility and high inflation rates. The nation's history of defaulting on external obligations contributes to a financially challenging environment, resulting in a high cost of debt and impacting investment prospects.
- Exiting companies in private equity poses challenges; the process takes a long time and trade sales and IPOs are not easily achievable. There is a need for innovative solutions like mezzanine financing.

Key points from the panels

What's the status quo for investment across Africa in 2023?

Moderator: Francois Malan – Savant; **Panellists:** Philippa Viljoen – InfraCo; Jade Buckton – Goodwell; Nsamwa Mwandila – Hivos Impact Investments



Top takeaways:

- The global economy has suffered several shocks recently, including the effects of COVID-19, the war in Ukraine and high inflation. Coupled with monetary policy from major economies, this has put additional pressure on African economies.
- Nsamwa of Hivos highlighted the need for development agencies and enterprise support programmes to work with investors to be strategic about developing areas where investors have mandate to deploy capital.
- There is some good news: 2023 has seen a surge in unspecified deal rounds with many investors making bridge financing available to their portfolio companies. Early-stage investors have been generally more robust, with smaller ticket sizes and more diverse portfolios.
- The panel stated they would like to see African economies setting their own agendas and working with technical assistance teams and incubators based on their needs. There is opportunity to cross-pollinate learnings across sectors, such as using the approach of creating guarantees and support for agriculture in a similar manner to jump start green solutions.
- The role of policy is also critical and affects many infrastructure businesses. For innovative businesses opening in new markets, the government needs to work out policies which will support and drive change. Having incentives and frameworks in place will make it easier to bring new solutions to market.
- There is a need to be open minded and for regional integration to help prevent Zambia from making the mistakes others have made. By working with neighbours Zambia can help to stabilise economies and increase trade.

Key points from the panels

Exploring digital opportunities in Zambia

Moderator: Gilbert Sikazweh – NHIMA; **Panellists:** Chinedu Koggu, – Techmasters; Afshon Wallace – AfriDelivery; Lwando Bbuku – ZICTA; Changwe Kumalinga – Good Nature Agro



Top takeaways:

- One of the biggest barriers to digital opportunities in Zambia is access to smart devices on a population level. Only 35% of the population currently have smartphones and the high purchase cost is a deterrent. We need to work with partners to bring costs down and provide the platforms Zambia needs for digital inclusion.
- Zambia is already solving for common problems and the ZRA has built successful platforms in pensions and health insurance in a short space of time. This lays the foundations for what's possible and reduces Zambia's reliance on foreign consultancies and skillsets.
- Access to regulators and the ability to test out easy-to-use and affordable solutions has driven success to date and will underpin the success of digital rollout across the country.
- Digital solutions work well in urban areas but can fall down in rural areas where connectivity is poor. Developers need to understand the gap between what they want to achieve versus reality and choose the right solutions for the current market.
- Good Nature Agro gives an example of a \$2.1mn digital solution they have rolled out to support farmers in getting out of poverty. Sharing data will allow their partners to monetise much more effectively.

Key points from the panels

Integrating impact investment into traditional banking models

Moderator: Muma Ng'ambi – Prospero; **Panellists:** Mizinga Melu – Absa Bank Zambia; Kalengo Simukoko – ZANACO; Kabanda Lilanda – FNB Zambia; Helen Lubamba – Stanbic Bank



Top takeaways:

- There is increasing pressure on banks to justify their impact on communities from economic, social and cultural standpoints. They are expected to support sustainability across everything from carbon emissions to empowering women and youth.
- The panel commented on the benefits of transitioning a large proportion of the informal sector into the formal sector. This transition is leading to sustainable growth which aligns with the needs of individuals, banks and the economy at large.
- The role of partnerships is essential for banks when entering into impact investment, particularly SMEs. These collaborations generate not only monetary returns but generate value well beyond the financial.
- Data driven decision making is increasingly important, and overcoming information asymmetry in the sector requires comprehensive data. This requires innovation and partnerships to use evolving approaches through different agents and sources.
- Given that the longer-term nature of impact investing does not align with short-term depositor funds, innovative partnerships are necessary to ensure the banks manage risk and remain competitive while also meeting their obligations to society and the environment.

Key points from the panels

Unlocking sustainable finance for environmental conservation and climate action

Moderator: Andrew McNaught – Tandem Circular; **Panellists:** Sophia Mutaleni Mulukinda – WWF Zambia; Ana Hajduka – Africa GreenCo



Top takeaways:

- The collection and publication of natural capital calculations provide valuable insights into the environmental contributions of different sectors. However, there is a challenge in effectively utilising this data to influence investment decisions and attract climate financing for mitigation and adaptation.
- Lack of awareness among SMEs about concepts like ESG and struggles in monetizing social and environmental impact pose challenges in sustainable finance access. Efforts are needed to create an enabling environment for SMEs to adopt these approaches.
- The financing space is evolving with innovative instruments, partnerships, and efforts to standardize reporting and measurement of emissions reduction and positive environmental impacts.
- Innovative financial instruments and partnerships help to address risks, making projects more attractive to conservative lenders and contributing to sustainable development.
- Navigating the transition from traditional to environmentally friendly practices poses significant challenges for large corporates, emphasizing the crucial need for targeted support and initiatives fostering positive environmental impact.

Roundtables & interactive discussions



ICA have found that roundtables and other formats that encourage discourse are a great way to get views from a diverse range of sources, especially from those that do not ordinarily feel comfortable speaking up. These sessions are not recorded, and key points raised are kept anonymous to encourage participation.

Fireside chat: What does it really take for companies to lead on gender equality?

Chilekwa Kunda, Solidaridad; Claire van der Kleij, Prospero

- For SMEs, fostering an environment that recognizes these challenges and actively working toward gender equality and inclusivity is vital.
- A lack of gender-inclusive funding is a significant barrier to overcome. Persuading institutions, often led by men, that women-led businesses are viable and bankable remains a challenge.
- This funding gap is also often hampered by a lack of understanding in navigating the application process for grants or financial support. Technical support and guidance for women will help to widen access for female-led businesses.

The growing role of digital infrastructure in Zambia

Lwando Bbuku, ZICTA; Jason Mwanza, Zamtel; Henry Shoko, Signifide Group Zambia

- The 9th development plan focuses on developing digital infrastructure. Policy-level support and investment in this area are crucial to bridging the digital divide and enhancing connectivity.
- While 18,000 meters of fibreoptic cable is a significant start, more work must be done to maximize the benefits and value of such infrastructure. It's essential to expand connectivity to underserved areas.
- With growing numbers of the Zambian population using smartphones (around 45% currently) and a high number of mobile money transactions taking place across the continent, bridging the digital literacy gap is increasingly important to grow digital inclusion



What does AI mean for entrepreneurs in Zambia?

Chinedu Koggu, Techmasters

- AI has revolutionised market structures and expedited work processes, making content creation and workflow automation more efficient. From predicting customer behaviour to diagnosing diseases, there are many possibilities.
- AI can be transformative in facilitating easier collaboration and supporting the rule of law, regulations and data privacy
- There are still unanswered concerns around the obsolescence of job roles, cyber security and an over-reliance on technology which will reduce resilience for Zambian businesses in the case of failure.

Leveraging capital markets for Zambia's sustainable development

Linah Lungu, LuSE; Philip Chitalu, SEC

- Capital markets, facilitated by entities like the LuSE, play a crucial role in mobilizing resources for various sectors of the economy, such as agriculture, manufacturing, and infrastructure. This is crucial for sustainable development as it enables financing projects and initiatives that contribute to economic growth and job creation.
- The nature of capital markets allows for the creation of tailored financial instruments, including private equity, listings, and real estate investment trusts, aligning with specific sustainable development goals. This flexibility enables targeted investments in water and sanitation, aligning financial objectives with sustainable development outcomes.
- Regulatory oversight by entities like the SEC ensures market integrity, investor protection, and adherence to governance standards, contributing to transparency. Transparent and well-governed markets build investor confidence, attracting diverse sources of capital that can be channelled toward sustainable projects.
- Capital markets, by their nature, align with SDGs, especially with regard to long-term financial instruments that promote sustainability. Investors can actively engage in impact investing, supporting projects and companies that contribute positively to social and environmental goals while generating financial returns.
- LuSE aims to be the preferred destination for investments, indicating an openness to diverse sources of funding that can fuel sustainable development.

Roundtables & interactive discussions



'Ask me anything': Getting the deal done - valuations, due diligence, and negotiation

Gaurav Vijayvargiya, 260 Brands; Afshon Wallace, AfriDelivery; Darryl Higgins, Kukula; Calvin Chitangala, Renew Capital

- When valuing SMEs in Zambia, our panel advised to aim for a range rather than a final number, precision at an early stage is not expected.
- Impact will only add a premium to the valuation of a business for some investors. This will always need to be underpinned by the ability to demonstrate and quantify the impact delivered in a tangible way.
- Angel investors don't invest in ideas, they invest in people. They expect entrepreneurs to be as committed to their business as they are and build relationships based on trust and respect. Knowing your market is the most important place to start.

The role of corporates in the impact investing ecosystem

Emma Parker, Anglo American

- Collaboration initiatives amongst major corporations are vital for sustainable management practices and allow corporates to leverage their influence to draw attention to financing needs for transitioning firms.
- Failure of corporations to replenish environmental resources not only poses risks to sustainability and reputational standing but also conflicts with the principles of responsible and impactful investment.
- Establishing corporate partnerships facilitates risk sharing, creating a collaborative environment for effective engagement in impact investing initiatives.



Roundtables & interactive discussions

What is the role of pension funds in Zambia's impact landscape?

Nasilele Ng'umbi, Aflife

- African pension funds offer unique opportunities for impact investments in smaller ticket sizes, ranging from \$5 million to \$15 million, enhancing their appeal for impact-focused initiatives.
- There are concerns about liquidity, particularly in private credit and impact investments with extended lockup periods. This is critical for pension funds, as members may need access to funds during job changes or retirement.
- Regulatory changes, especially concerning pre-retirement benefits, impact market liquidity. Both pension funds and banks feel the effects, highlighting the significant role regulations play in shaping investment landscapes.
- A shift from a historical emphasis on treasuries (80-90%) to real estate and local equity markets signals a changing investment landscape in pension fund portfolios.



The opportunity for guarantee products to boost the Zambian ecosystem

Peter Bwalya, Kukula Seed Fund; Nicolas Megelas, Inde Credit

- Guarantors are profit-driven and require assurance of fund recovery, posing a challenge in the absence of collateral for project guarantees. This hesitancy to support projects without sufficient security could potentially impact the Zambian ecosystem.
- There is a challenge in communication and understanding between potential beneficiaries and guarantors or policymakers. Clarity on the purpose and necessity of guarantees is crucial for successful implementation.
- There is a need to explore alternative approaches, such as providing guarantees at a portfolio level, to boost the Zambian ecosystem.
- The guarantee model used in Sweden, providing portfolio guarantees to local banks, offers a potential policy perspective for Zambia to consider in structuring guarantee products.

Roundtables & interactive discussions



Mapping (and overcoming) the skills gap in Zambia

Perphas Kabaso, AfriDelivery; Jingala Chitiya, 260 Brands; Natasha Mwembe Munthali, MyBucks; Lulu Matakala, University of Zambia; Tidzitwa Zulu, USAID EDGE

- Building a better feedback loop between education and employers would boost the employability and skills of graduates entering the workforce and support business growth in Zambia
- Businesses can work with the government and enablers to offer internships which will build the skills base on the country and help move unemployed youth into work.
- Company culture is vital. Businesses which offer employees opportunity and training, stretch them, succession plan and demand high standards will get better outcomes than their competitors.



Understanding ESG in Africa

Nick Charalambides, Imani Development

- African businesses, well-versed in SDGs and ethical initiatives like fair trade, must leverage their expertise to address emerging sustainability challenges.
- There is widespread confusion among businesses regarding sustainability concepts like ESG, SDGs, and impact investing. Clarifying these concepts and improving communication is essential to avoid misconceptions, particularly in differentiating specific area improvements from overall ESG enhancements.
- Businesses must adapt and transition to meet emerging environmental challenges, including regulatory mechanisms like the Carbon Border Adjustment Mechanism and deforestation regulations, which pose obstacles not only to finance but also market access.
- Companies meeting ESG reporting requirements stand to benefit from lower financing costs, with impact investors potentially offering concession financing tied to positive returns on metrics like gender equality and other impactful measures.

Roundtables & interactive discussions



Masterclass: What to do when cashflow gets tight *Changwe Kumalinga, CFO, Good Nature Agro*

- Masterclasses such as these are very well received by entrepreneurs. Anecdotal, peer-to-peer conversations help entrepreneurs better understand the evolution of business stages, and what it takes to adapt, as well as what it takes to raise finance.
- Well-regarded impact entrepreneurs like GNA are great candidates to host masterclasses like this one, as they are trusted and honest about their experience. They have also dealt with a variety of investor types and raising stages, so can speak with a range of experience.

Some of Changwe's key points were:

- In tight cash flow situations, introspect to unearth root causes. Understanding the origins provides clarity for crafting a strategic rescue plan.
- Seek bridging finance during cash flow challenges to navigate toward a planned positive turnaround. Focus on obtaining support strategically rather than continuous assistance.
- Using customer funds as a solution demands careful consideration. Assess long-term implications and associated expenses before tapping into customer money for solutions.
- Define when to pause operations, consider closure, or explore alternative paths. This strategy guides decisions during tough times and provides transparency to stakeholders.



Roundtables & interactive discussions



Opportunities for growth in Zambian agriculture

Kenneth Obiajulu, Agricorp; Chobota Miyoba, Prospero; Sheila Garakara, Solidaridad Network

- Financial institutions show a preference for agricultural projects, creating an environment conducive to financing and growth opportunities for the agricultural sector.
- The resilience of the agriculture sector provides a strong foundation for developing and testing innovative financing models, paving the way for inclusive and sustainable financial solutions tailored to the sector's needs.
- The agriculture sector continues to attract sustainable funding, indicating a sustained appetite among investors. SMEs should strategically leverage this interest to grow their businesses.



Masterclass: Opportunities in digital finance

Chilufya Mutale, Premier Credit; Muchu Kaingu, Lupiya

- The rise of digital finance in Zambia is evident, driven by the widespread use of smartphones and the digitization of banking processes. This reflects an opportunity for financial institutions to tap into the growing digital ecosystem.
- The question of interoperability among multiple fintechs and collaboration among financial institutions suggests an opportunity to create integrated platforms for seamless transactions, benefiting both service providers and users.
- There is a need for improvements in the regulatory environment given the current limitations, licensing processes, and skills gaps. Streamlined processes could unlock opportunities for faster and smoother development within the digital finance sector.
- The gap identified in digital skills and marketing suggests an opportunity for educational and training initiatives to develop a workforce equipped to navigate the evolving digital finance landscape.
- The success of the agent network signals an opportunity to further expand and optimize this model, potentially enhancing financial accessibility in more remote or underserved areas.

Pitching business profiles



Africa GreenCo (GreenCo) acts as an intermediary offtaker and service provider, purchasing power from renewable Independent Power Producers (IPPs) and on-selling that electricity to utilities and private sector offtakers and markets of the Southern African Power Pool (SAPP). GreenCo mitigates purchaser risk default through securing alternative buyers or through short-term trading on the SAPP electricity markets.

Through participation in competitive power markets, GreenCo promotes cross-border power transactions and a more dynamic and liquid short-term power market; a deep, dynamic market ultimately stimulates the supply of, and demand for, finance for energy projects, facilitating the mobilisation of private sector capital more quickly towards critical and transformative capacity addition. GreenCo's Vision is to lead in sustainably transforming renewable energy (RE) markets in Africa with its innovative approach to addressing offtaker creditworthiness, the single most important obstacle to unlocking private sector investment in new RE generation capacity on the continent.

Ask: \$17.2m – Mix of equity, debt and capital grants.

Raise may be subject to change as GreenCo is in the process of conducting a detailed Feasibility Study with K&M Advisors



Hrvst is a pioneering start-up dedicated to combating global food insecurity through innovative technology-driven solutions. In Phase One, Hrvst successfully created a marketplace that connects farmers, vendors, and customers through user-friendly mobile apps, enabling direct transactions and valuable data collection. Their vision for Phase Two includes the deployment of urban container farms equipped with advanced technologies like aquaponics, AI, and IoT.

This strategic expansion is aimed at optimizing crop production, increasing yields, and eventually addressing food deserts. By integrating machine learning and IoT, Hrvst plans to strategically position these container farms to bridge existing supply gaps and with the aim of supporting global exports in the future. Embedded IoT devices within these container farms enhance precision farming techniques, making Hrvst a promising player in the quest to transform agriculture and address pressing global food challenges.

Ask: \$500K – SAFE

Pitching business profiles



Forest Africa Zambia Limited operates a unique Indigenous Wild Fruit Value Chain that integrates rural Women & Youths as primary collectors of wild fruits within their community forest areas. The business model gives relief and enhances adaptive capacity by creating opportunities for building resilience of the vulnerable Women and Youths at rural community level through sustainable community-based non-timber forest enterprise linkages. The wild fruit sub-sector is an unexploited entry point for Community-Based Natural Resources Management (CBNRM). The income impact of wild fruit valorization is very high because wild fruits are free to communities within proximate forests areas.

Ask: \$500K – Debt & equity



Patumba is a digital investment platform designed to offer multiple investment products to the unbanked and underserved populations across Africa. It is accessible across any device and as well as multiple digital channels. It has various investment plans such as Mutual Funds, Education Plans, Retirement Plans, Stocks, Bonds, Commodities, Fixed Income Instruments.

Investing is made easy for new investors with a streamlined process that simplifies account setup and investment selection. Users can build a diversified portfolio with user-friendly tools that align with a variety of financial goals.

Ask: \$1M – Debt & equity



Farmers face challenges every day that they cannot control. Farm Depot partners with farmers, offering the best products and services to ensure they have the knowledge and financial support they need to be successful and profitable. With 26 retail outlets throughout the Copperbelt, North Western and Luapula provinces of Zambia, Farm Depot has a database of over 115,000 small scale farmers, with 30,000 active, providing them with Day Old Chicks, Stock feed, Vegetable and Maize seeds, Fertiliser, Chemicals and hardware.

Farm Depot has expanded their offering to enhance the customer experience, and take their farmers to the next level by providing (in addition to critical agri-inputs and knowledge): in store veterinary officers, customer training, and revolutionary micro-finance solutions.

Ask: \$750K – Debt & equity

Pitching business profiles



Premier Telecom, with its experienced team, is at the technological forefront of delivering high-speed internet, which will be a driver for growing the economy and the education sector. It lowers costs for information, data transfer, transactions and e-services. It fosters digital inclusion to underserved communities and businesses.

Premier Telecom is an open access fibre network operator that will bring reliable high-speed internet to homes and businesses across the country.

Ask: \$6M – Debt & equity



VITALITE was founded in 2013 as a community distribution and service company making quality products, services and renewable energy accessible to all Zambian households. They differentiate their value proposition through bundling and cross sales of Solar, Agriculture and Clean Cooking solutions with over 60K Solar Home System, 12K Clean cookstoves and 5K seed input loans/solar pump customers to date. VITALITE was first to pioneer Pay-As-You-Go in Zambia and today have a decade of experience providing consumer finance and managing portfolio quality to drive affordability in a financially sustainable manner.

VITALITE's unique community based approach provides deep reach and trust through 600 community based agents who are supported through 38 sales and service centers in a cost-effective hub-and-spoke model.

Ask: \$3M – Equity



Legacy is a wholly Zambian owned company based in Lusaka. Legacy's focus is nutritious food production and uses locally produced grains such as soybeans, maize, millet and sorghum to produce soya chunks, corn snacks and soya instant porridges. These products are currently being supplied to all 10 provinces of Zambia at both retail and wholesale level.

Apart from manufacturing and distributing, the business also works with local farmers to make purchases of soya beans and maize and due to the purchase tonnage. Legacy are looking to expand by creating an outgrower scheme comprising different people in rural areas. They aim to penetrate markets in big supermarkets and neighboring countries while expanding the capacity of their outgrower scheme.

Ask: \$1.5M – Debt

Pitching business profiles



Zambia Home Loans (ZHL) is a specialised mortgage finance business. Company is owned by African Life Financial Services, Sofala Capital PTY (SA) and Saturnia Regna Trust. ZHL started operations in August 2014 after receiving an operating license from Bank of Zambia. It is the first specialised mortgage finance company Zambia and its core focus is on low to medium income groups, helping them build or complete building their houses, helping Zambia to bridge the housing gap.

Ask: \$10M – Debt



TechMasters Zambia Limited, established in 2013, is a Zambian-owned Private Limited Company focused on bolstering the ICT industry. The company's mission is to create employment opportunities, contribute to economic growth, and provide high-quality services to clients. With 100% Zambian equity, the company has expanded its presence to other African countries, including the Democratic Republic of Congo, Malawi, Angola, and Ghana, through Service Level Agreements for the supply, installation and maintenance of UPSs, Solar equipment, and Thermal Imaging Cameras. With a skilled workforce of 65 employees TechMasters Zambia's commitment to innovation, integrity, excellence, and customer-centricity drives their success.

Ask: \$2M – Debt



Incorporated in 1996, Shigu Limited is a Mkushi headquartered farming enterprise that produces seed maize, soya, wheat, macadamia nuts and milk. A family owned the business, Shigu enjoys bottom line profitability, has positive cashflows from operations and 84% of its revenue is in US\$ through a series of offtake agreements with multinational corporations. The second generation of its owners have been operating the farm for the last five years and are now looking to expand the overall operations

Ask: \$6.7M – Debt & equity



Thrive Residential Ltd is a vertically integrated, mission-driven real estate developer focused on unlocking aspirational housing for lower and middle income Zambian households. Thrive is deploying full value chain capabilities, primary market data, and creative financing to deliver its sustainable and scaleable housing solutions.

Ask: \$3M – Debt

Post-Summit feedback

Incorporating feedback from 2022

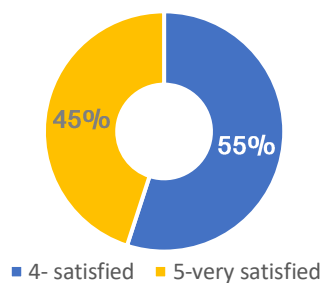
In planning for ZIIS23 we took on board feedback from 2022 participants, including:

- Adjusting the programme to ensure there was little to no overlap with the pitch sessions, as these are a highlight for many attendees
- Adding 2 additional, earlier stage pitch sessions with targeted feedback from investors
- Adding breakaway sessions featuring Zambian businesses that have been successful in fundraising and that can demonstrate their path to success
- Reducing the number of panels, focusing more on the well-received roundtables and masterclasses. We also aimed to link the topics of the panels with roundtables, allowing more people to further the topical conversations.
- Allowing more time for networking
- Demonstrating commitment to sustainability, using a local purified water company (Jibu) that has participated in ICA investment readiness programmes, to provide reusable water bottles and water fill-up points.

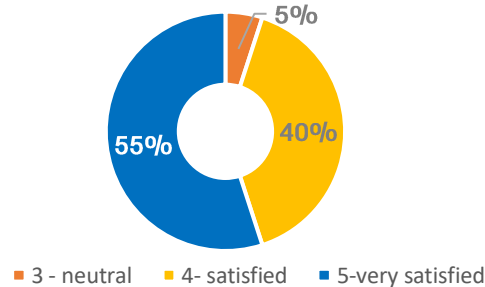
2023 Feedback

Following ZIIS23 ICA invited participants to share their feedback through a brief post-Summit survey aimed at capturing overall impressions and suggestions for future events. The graphs below summarise overall sentiment, which remains very positive.

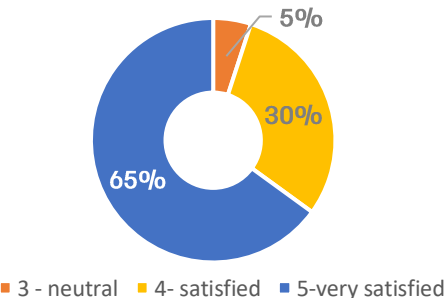
How satisfied were you with the Summit?



How likely would you be to attend the Summit in the future?



How likely would you be to recommend the Summit to a friend?



Common highlights for attendees

- The Business Pitches
- The networking opportunities and exchange of contacts
- Energy in the room
- Meeting great people
- The breakout rooms and panel discussions, particular those on technology
- Curation of the sessions

Post-Summit feedback

Key points of feedback on what we can do differently in future:

- Enhance panel diversity: Improve diversity on panels to better represent different perspectives.
- Improve the registration process: Address issues with registration, particularly in ensuring that badges are readily available.
- Grow the investor pool: continue to add more investors, including local institutional investors and more DFIs
- Increase green business participation: Work on increasing the pool of green businesses participating in the Summit.
- Expand on networking opportunities: such as the addition of an app or platform that attendees can use in advance to connect, and/or creating introducing a separate full-day activity with an expo-style arrangement for product/services providers to network with buyers/investors.
- Expand pitch / deal rooms: Incorporate 'deal rooms' between investors and businesses in addition to showcasing pitching companies.
- Include policy makers: Include a session involving policy makers, even at a technical level.
- Add more SME-focused fireside chats or roundtables: Include sessions like fireside or roundtable chats to help SMEs negotiate better deals with investors and educate entrepreneurs on deal structuring.

Biggest takeaways

- Familiarisation with key players: Recognition of what is currently happening in Zambia and awareness of key players investing in the ecosystem.
- Awareness of impact requirements: Increasing awareness, particularly for businesses seeking funding, about the requirements from funders to consider impact, and to be able to tell an impact story, and building these into valuations and accounting practices.
- Appetite of banks to change: recognition that banks are ready or open-minded to change.
- Zambia's potential: Consensus from businesses and investors alike that Zambia continues to be a promising investment space with opportunities for growth.
- Cooperation, collaboration & building relationships: Emphasis on improved collaboration and transparency between programmes, businesses, and investors to minimise duplication of effort, and build a more cooperative, supportive chain of support for businesses.
- Inspirational & supportive community: The event served as an inspiration, emphasizing the support from people and organizations on the entrepreneurial journey, fostering a sense of community and shared challenges..

Media coverage

Media365 managed the media accreditation and registration for ZIIS23. The event was well attended by the media in Lusaka.

For media to attend the event, the event was placed on the ZANIS Media diary, and the media were asked to apply for accreditation 4 days prior to the event. Media365 also physically delivered press invitations addressed to the news editors of all major print, tv and radio media organizations. Media365 received a total of 23 requests for accreditation.

19 media personnel were accredited, and 18 media personnel from 18 media houses attended the ZIIS23.

Press coverage for this period was as follows:

Media outlet	Date	Timing / format
Revelation TV	12-Sep-23	News package
KBN TV	12-Sep-23	News Package
KBN TV	12-Sep-23	News Package
The Observer Zambia	13-Sep-23	
Revelation Tv	13-Sep-23	Main News - 19:40
Prime Tv	13-Sep-23	Main News - 19:00hrs
Kumwesu Multi Media	13-Sep-23	
Phoenix FM	13-Sep-23	Main News - 18:00hrs
Pan African Radio	12-Sep-23	Main News - 19:00hrs
Capital FM radio	13-Sep-23	
Power FM	12-Sep-23	Main News - 13:00hrs
Hot FM	12-Sep-23	17:45hrs
MILLENIUM	14-Sep-23	12:30hrs
RADIO	14-Sep-23	
Muvi TV	12-Sep-23	19:30hrs
Komboni Radio	12-Sep-23	18:30hrs

The Zambia Impact Investment Summit 2023 once again gathered a range of diverse players (some old, some new) to foster dialogue, collaboration, and innovation. The event not only addressed critical issues facing Zambia but also showcased the growing momentum and enthusiasm surrounding investment opportunities in the country.

One significant highlight was the palpable optimism among attendees regarding the opportunities in Zambia – evident in the level of engagement, the post-event feedback, and the focus on and enthusiasm about tangible investment opportunities in Zambia. We saw new investors commit to attending the event, and also get involved in discussions and seeking out contacts that can support their increased presence in Zambia.

As more established businesses raise subsequent rounds, attracting new investors, Zambia's market is evolving, offering increased opportunities for exit and making it more attractive to investors. However, challenges such as macroeconomic influences and reduced capital availability underscore the need for collaboration with enterprise development programmes to de-risk opportunities and drive sustainable development.

The pitch sessions, showcasing a cross-sector range of businesses, have become a cornerstone of ICA's impact investing events. The Pitching Masterclass arranged by Prospero in the lead up to the Summit was essential to ensure pitching businesses were prepared and confident to present. This type of support not only helps businesses prepare to pitch, but also to network at the event.

We incorporated feedback from ZIIS 2022, such as making more time for networking, and making sure the pitches took centre stage, all of which was well received, and the feedback has been glowing. However, the number of impact- and investment-focused local and international events is increasing, meaning ICA will need to find ways to differentiate our events to continue to capture the interest of investors, businesses, and development partners.

The heart of these events lies in collaboration and information-sharing, pivotal elements for stimulating growth and attracting investment. The growing interest in the ZIIS and events like it demonstrate the continued need for convenings, as well as the supporting programmes that find and prepare businesses to engage successfully. We look forward to continuing with our partners; and adapting and building on the success of this event.