

AGS

ACCELERATED GROWTH
FOR SMEs IN ZAMBIA



Enhancing Growth and Competitiveness of MSMEs in Zambia

Creating
business
opportunities
through
Finnish-Zambian
cooperation and
partnerships

2018-2023



**SUOMI
FINLAND**



Ministry of Small and
Medium Enterprise
Development

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We wish to thank all those who contributed to this publication in so many ways – from those who were interviewed and shared their journeys, to those who shared their photos and took the time to share reflections and insights on their experiences with the AGS programme. Finally, we wish to thank our partners and collaborators, and the businesses who walked the journey with us.

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WELCOME Ministry for Foreign Affairs – Finland

The Government of Finland is a long-standing advocate of the importance of the sustainable economy and employment creation. This has been a key element in the long-standing partnership between Finland and Zambia. By supporting our partner countries to accelerate their own economic growth, we can work together to create the best possible environment for companies to grow and expand their business.

The micro, small and medium-sized enterprises are particularly important actors that can help individuals and families to earn income and increase their living standard. The private sector is also a key partner in creating additional resources for financing of the 2030 Agenda for Sustainable Development.

The Government of Finland has been a steady and committed partner to the Government of Zambia in the support of the private sector development in the country. The cooperation has taken several forms in the past, the latest being the Accelerated Growth for Small and Medium Enterprises (AGS) project from 2018 to 2023.

The AGS project has yielded impressive results: 369 unique businesses received training, revenues for those businesses

Top left: Ms Saana Halinen, Ambassador of Finland to Zambia
Above: Mr Pasi Hellman

increased by 270 per cent, and the businesses created 700 decent jobs. Businesses have received nearly 1.5 million euros in equipment and machinery to grow and enter into new contracts and markets. Through the AGS capacity enhancement, Zambian businesses have received nearly 1 million euros in equity, with a total of nearly 2 million euros in new financing through other financial partners and investors.

The AGS project has been a fundamental tool for our countries to tighten relations and expand the potential for cooperation. The development finance institution of Finland, Finnfund, is active in Zambia. The Finnish funded business partnership programme, Finnpartnership, has supported a good number of business partnerships between Finnish and Zambian companies. Zambia is an increasingly interesting target market in Africa for the Finnish private sector. There are also notable examples of cooperation between our countries in the area of higher education institutions, civil society organisations and multilateral trade and development organisations.

The Government of Finland will now expand the fruitful cooperation between our two countries, especially into commercial relations. Our aim is to increase trade and investment and strengthen other mutually beneficial relations between Finland and Zambia. The long and solid history of Finland’s development cooperation with Zambia, covering several sectors still very much relevant today, gives an excellent basis to move the commercial agenda forward. As Zambia and Finland, we know each other and we know where we want to be heading. We are gearing up to lifting our bilateral relations to a new level and I believe we have all the elements in place to make that happen.

Mr Pasi Hellman
UNDER-SECRETARY OF STATE FOR
INTERNATIONAL DEVELOPMENT

Ministry of Small and Medium Enterprise Development – Zambia

The Government of the Republic of Zambia recognises MSMEs as key drivers of economic development. For this reason, the Government has implemented and supported initiatives by various stakeholders including Cooperating Partners to promote MSME growth and development. Among the initiatives worthy noting is the €9 million Finnish Government funded Accelerated Growth for Small and Medium Enterprises (AGS) programme, co-implemented by the Finnish Government through the Ministry of Foreign Affairs and the Government of the Republic of Zambia through the Ministry responsible for small and medium enterprise development during the period 2018 to 2023.

The AGS Programme emanates from the long cordial relationship between Zambia and Finland aimed at fostering the development of the two countries. The successful implementation of the programme has demonstrated how the Government of Zambia through the Ministry of Small and Medium Enterprise Development is partnering with stakeholders to enhance competitiveness of MSMEs in Zambia. The partnership with Finland through AGS has facilitated establishment of fruitful linkages between Zambian MSMEs and businesses in neighbouring countries and those in Europe specifically in Finland.

This publication highlights the successes and lessons learnt from the AGS programme which was



Above: Hon. Elias Mubanga with Ms. Nina Vaskunlahti, Under-Secretary of State for International Trade, Finland.
Above right and right: Hon. Elias Mubanga

implemented in North-Western, Copperbelt and Lusaka provinces, targeting MSMEs in Renewable Energy, Circular Economy, Mining Services, Forestry and Agribusiness with Education and ICT being cross cutting sectors. The AGS programme has certainly created a wealth of experiences which will be used to inform future programme design for the growth and the development of enterprises in Zambia.

As you delve into this publication, the reader will be informed of the various achievements of the AGS programme and have an appreciation of the voices by various stakeholders that have interacted with the programme, from MSMEs, Partners, Business Development Service Providers, the AGS team and others. It is indeed a must-read document for any MSME development practitioner.

Hon. Eng. Elias Mubanga, MP
MINISTER OF SMALL AND
MEDIUM ENTERPRISE DEVELOPMENT

THE AGS PROGRAMME

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AGS at a glance

Programme financing

EUR 9 million

Impacts

- Improved competitiveness and accelerated growth of MSMEs in Zambia
- Strengthened and long-lasting business partnerships between Zambia and Finland, supporting co-creation activities and access to markets locally, regionally and internationally

Outcomes

MSMEs operate in a supportive enabling environment, have enhanced capacity to grow, access finance and compete on local and international markets

Outputs

- MSME development policy consultation process is completed and policy reviewed
- Improved technical and business management skills for registered Zambian start-ups and MSMEs
- Increased innovation activities, business partnerships and linkages between Zambian start-ups and SMEs, and Finnish businesses and universities
- Increased access to local, regional and international markets for Zambian start-ups and SMEs
- Increased access to the Zambian market for Finnish businesses
- Increased access to appropriate finance to implement effective business growth strategies

Priority Sectors



AGRIBUSINESS



FORESTRY



RENEWABLE ENERGY



CIRCULAR ECONOMY



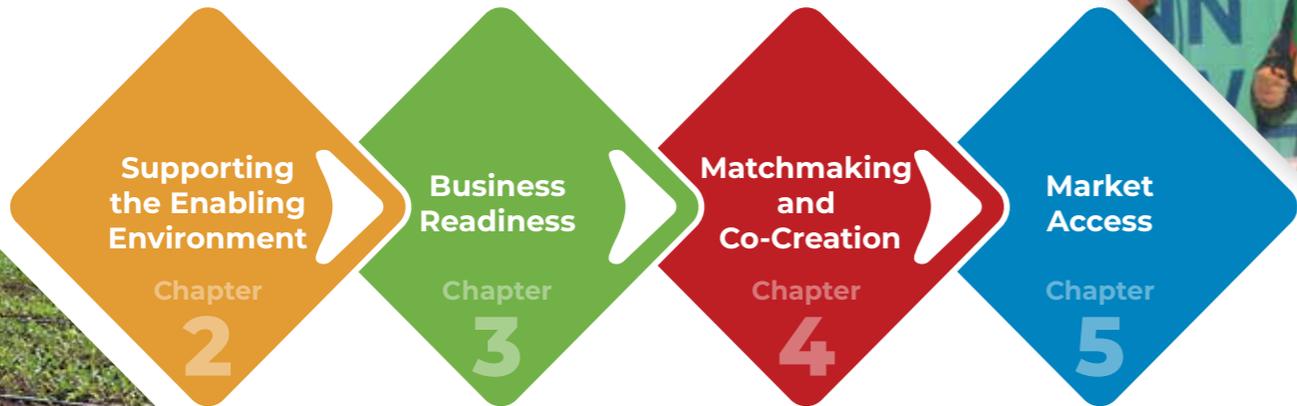
MINING SERVICES



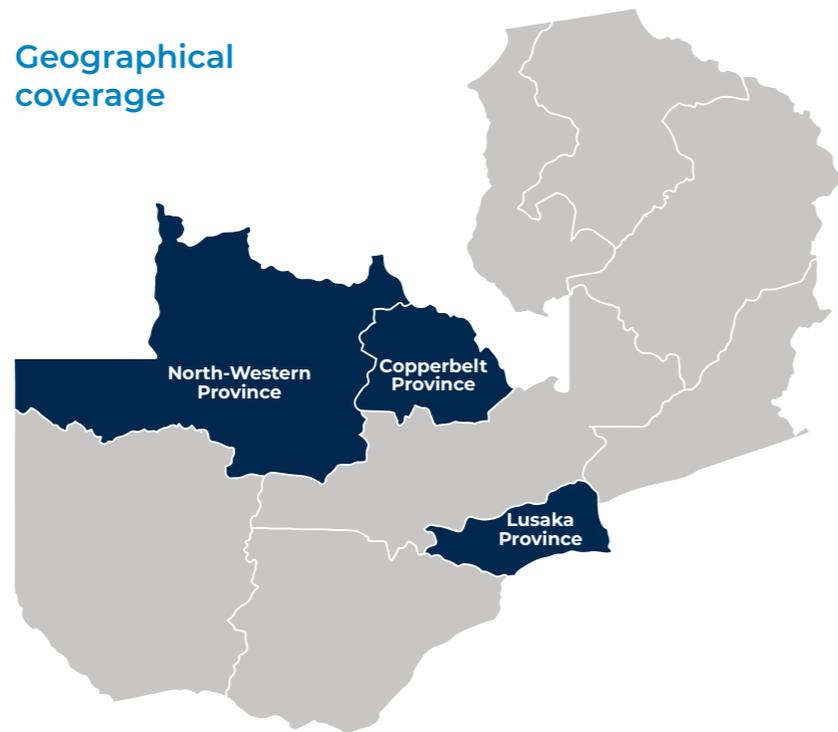
ICT and EDUCATION
as cross-cutting sectors



Key Programme Components



Geographical coverage



Enhancing Growth and Competitiveness of MSMEs in Zambia



AGS Achievements

ACCESS TO FINANCE ACCESSED DIRECTLY THROUGH MSMEs

AGS Commodity Funding*	€1,5 M
Finance accessed through financial institutions directly by MSMEs	€1,8 M

Note: *Data refers to participating MSMEs who qualified for AGS-procured equipment up to a value of €30,000.

STRENGTHENED BDS CAPACITY

Certified ILO Trainers (SIYB)	10 Male 15 Female
Certified ILO Master Trainers (EYB)	2 Male 5 Female
EYB Master Trainers approved for certification	3 Male 5 Female
Certified Mentors - MENTORpreneur Zambia	22 Male 58 Female

CAPACITY BUILDING

Total companies trained	369
Total % of participating companies that are women-led	65%

Note: women-led companies in AGS activities are defined as those that have women as owners, partners, or in senior leadership. The AGS target was to include 30% women-led companies

IMPROVED BUSINESS COMPETITIVENESS

Average revenue growth in participating MSMEs	240%
# of new full-time equivalent decent jobs reported by MSMEs	700
Share of MSMEs reporting improved competitiveness	80%
# new deals to new clients / markets reported by MSMEs	1127
Revenue from new clients / markets reported by MSMEs	64 Million Kwacha

Note: AGS reporting was in Euro (EUR), while Zambian companies reported in Kwacha (ZMW). Depending on the context both currencies were used in this publication. At the time of print, the exchange rate was roughly 1 Euro to 22 Kwacha.

ZAMBIAN-FINNISH PARTNERSHIPS

Number of new business partnerships between Finnish and Zambian companies or organisations	44
Number of new long-term business partnerships between Finnish and Zambian companies or organisations	23
Number of new Finnish companies with offices, daughter companies and/or joint ventures in Zambia	5
Co-creation and innovation challenges	2

Note: The data values above apply to the period 2020 –2023 and reflect total values at the time of publication

Reflections from the AGS team



Gareth Evans
Team Leader

It's been a pleasure leading the AGS Programme over nearly four years. We've watched businesses grow from small family enterprises to professionally run businesses. We've also been fortunate to have a hand in strengthening the enabling environment, by supporting the writing of the new MSME Development Policy, strengthening the capacity of the new Ministry of SME Development, and promoting the quality of business trainers across the country. The trade promotion activities have reopened doors, such as taking the Zambia Development Agency (ZDA) to DRC for the first time in six years, and created new opportunities through the business relationships set up with Finland, through SLUSH, Finland Business Week, and Ministerial level missions to Finland, with the Ministry of Green Economy and Environment, and the Ministry of SME Development. The team are rightly proud of what they have achieved, and I am pleased about all we have done together.

Ernest Muwamba
Business Development Expert



The beginning of AGS had the feel of my MBA studies, too much to read, write, rewrite, unlearn and learn, a very trying period. At one point I thought this was not my calling. But despite this challenge and dealing with my health during COVID, we managed to implement the programme. Today I am happy to have led the training of 369 MSMEs through LEARN, and 123 businesses in seven business acceleration programmes. We have also delivered commodities to 54 companies against a target of 50. All in all, it's been a team effort with team members from Helsinki to Lusaka, and with partners and business development service providers who played pivotal roles. Lastly to our team leader goes the praise for running a mission driven team with punctuations for celebrating birthdays, nice touch Gareth!



AGS Team in action: Solwezi, Daphne's Farm receiving irrigation equipment from AGS. Team AGS, Daphne and her son, two MSMED representatives in the middle right.



AGS Team in Action: Left: Precious Mwangu at Finland Business Week 2023 Finland Mission 2023; Right: Ernest Muwamba (left), Linda Söderholm (middle), Ignatius Mwaba (right).



Anna Erkkilä
Home Office
Expert/ Business
Partnerships Expert

AGS has strengthened my belief in the importance of private sector engagement and business partnerships in sustainable development. Win-win cooperation is the key to success. Seeing MSMEs partner up and succeed together has made this work worthwhile and rewarding. However, it is often a rocky road, and the partnership building requires time, support and open communication to clarify misunderstandings. Working closely together with the Finnish and Zambian MSME and trade development organisations has also been essential in many ways, both for the success of the activities, but also for their sustainability. Finally, teamwork within the multicultural AGS team has been trying and challenging at times when working remotely but was mostly fun and rewarding. I started as home office expert based in Finland and spent about half of my work time in Zambia after the role was merged with the Business Partnership Expert role. Being partly in Zambia and partly in Finland had both advantages and challenges, but I believe it did benefit both the partnership building and the teamwork.



Ignatius Mwaba
Business Development Officer

Reflecting on my time with the AGS programme, two things have become absolutely evident: my personal growth as a development actor and being able to facilitate the growth of the incredible SMEs involved in the programme. Being a part of this journey has been truly rewarding, seeing these small businesses flourish and thrive. It's amazing to witness the impact we can have when we work together and provide support to budding entrepreneurs.



Linda Söderholm
Junior Programme Officer

Time flies by so quickly. It feels unreal that the programme and perhaps even my time in Zambia is coming to an end. Among the many great experiences, my favorite part of this job has been to connect with partner businesses and stakeholders in the SME ecosystem. The highlights of my time at AGS have undoubtedly been the trade missions to Finland and DRC. It's been wonderful to experience new cultures, but also to host Zambian delegates in my home country, Finland.



Precious Mwangu
Finance and Administration Officer

Having the responsibility for all AGS administrative processes, accounting and logistics has been an experience characterised by massive growth and new learning. As a team, we understood each of our strengths and made sure they were used to work together effectively. Given that I am passionate about poverty reduction and seeing meaningful difference in people's lives, I was happy to play my part in building MSMEs that contribute to the creation of jobs, well-being and inclusivity in the Zambian economy.



Abinaidah Chaseba
Communications and Administration

AGS kick-started my career – I moved from being an intern to being hired as a full-time employee and I was ecstatic. I learned so much while interacting with many experts, businesses and stakeholders. The experience equipped me with useful knowledge of the SME sector: the different players in the sector, sources of relevant information for SMEs, the various challenges and opportunities that exist in the sector and an overall understanding of Zambia’s business environment. I was amazed at the magnitude of tasks I executed successfully, all thanks to the team’s support and the great deal of confidence they had in me as a young professional. I was appreciative of the fact that the AGS values aligned with mine, that the participation of youth and women was highly encouraged in its activities, and that their unique needs were considered in implementation.



Kristiina Lähde
Monitoring, Evaluation & Learning Expert

I have worked with AGS as a remote team member, concentrating on monitoring, evaluation and learning. Our quarterly data collection has been insightful, and it’s been very interesting to see the entrepreneurs grow and develop throughout the programme – even with the COVID pandemic and other challenges. It’s been easy to see that the most growth has come for companies who’ve really invested their time and effort into the programme, and who’ve been willing to receive feedback and advice and to change their way of working. The continuous checking in has demonstrated to the participating companies that AGS was interested in their progress even after training and other activities had ended. Personally, I have very much enjoyed working with the multicultural AGS team. The pandemic forced us all to improve our remote working and collaboration skills, but nevertheless the best moments have been the ones where we’ve been able to sit around the same table, whether in Lusaka or briefly in Helsinki.



Åsa Wallendahl
Home Office Coordinator

I joined the programme as Programme Manager and Home Office Coordinator for the last year of implementation and I have been impressed by the way the AGS has built a strong network of Zambian-Finnish partnerships. It has supported efficiently both the strategic development of the MSMEs and contributed to an active and innovative ecosystem for business development in Zambia. I believe the programme serves as an example for how to bridge the shift from development cooperation to private sector cooperation for Finland in its partner countries, and Niras is proud to be part of this process. It has been a pleasure meeting participants both in Finland and in Zambia who give credit to Finland and the committed AGS team. Guided by the Embassy of Finland in Zambia, the Ministry of Small and Medium Enterprise Development and partners, AGS has been able to plan and execute the programme in flexible and responsive ways to strengthen business strategies and profitability, and to support the development of a sustainable MSME policy

We also thank and acknowledge the efforts of earlier team members: **Elina Voipio (International Programme Officer), Ville Pennanen (Business Partnership Expert), and the Inception Phase team**

AGS Team in action:
Far right: Finland Mission 2023 WCEF Participant and Gareth Evans · Right: Precious Mwangi (left) with Elina Voipio, AGS launch

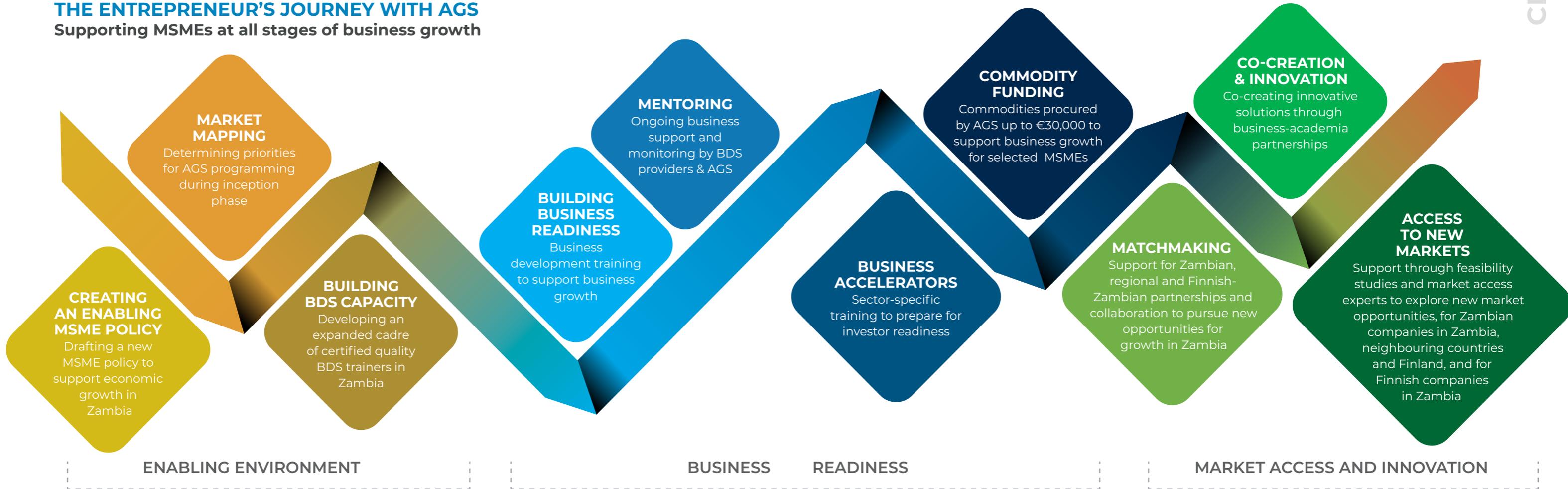


Our Way of Working in the AGS

The AGS programme focused on strengthening the MSME sector, the only way to achieve a more vibrant and dynamic private sector given that SMEs represent 97% of all businesses in Zambia, contribute 70% of gross domestic product, and 88% of all employment (ITC, 2018).¹

AGS adopted a holistic and integrated approach to working with entrepreneurs, aiming to improve their business competitiveness – from determining market feasibilities to providing commodity funding for accelerating business growth; from facilitating Zambian-Finnish business partnerships to supporting university-business co-creation opportunities for innovation. All the programme’s activities were underpinned by advocacy for responsible business principles such as human rights and decent jobs, gender equity, good governance and sustainability practices.

THE ENTREPRENEUR’S JOURNEY WITH AGS Supporting MSMEs at all stages of business growth



¹ International Trade Centre (2018). Promoting SME competitiveness in Zambia. <https://intracen.org/file/promotingsmecompzambiawebpdf>



Top: AGS launch: Dr. Stella Zulu Chisanga, Copperbelt University (left)

Gareth Evans, AGS Team leader (right)

Above: Ms Pirjo Suomela-Chowdhury, Deputy Director General, Department for Africa and the Middle East & Ambassador of Finland to Zambia 2018-2022

Partnerships and Collaboration

Partnerships formed an important part of all AGS programme activities. Key partnerships were identified within each of the four programme components and the programme's success and future sustainability can be attributed to having worked with or through these partners to implement activities.

SUPPORT FOR THE ENABLING ENVIRONMENT

Ministry of Small and Medium Enterprise Development (MSMED)

AGS supported the Ministry of SME Development to develop the revised SME Development policy. The Ministry, with AGS support, commissioned the Zambia Institute for Policy Analysis and Research (ZIPAR) to conduct a study into the status of MSMEs in Zambia. The study report was used by the Ministry to inform discussions on the definition of MSMEs during stakeholder engagement workshops, and to finalise the revised policy. AGS provided direct support by reviewing drafts, facilitating writing sessions, and financing stakeholder engagement.

Business Development Services Providers Association of Zambia (BDSPAZ)

BDSPAZ was a key partner in building the enabling environment for MSMEs. They are responsible for promoting business development training and the continued professional development of their members. In partnership with BDSPAZ the Programme developed the skills of 20 business development professionals and increased their membership by over 50%. BDSPAZ was supported to participate in events that helped to raise awareness about its activities.

AGS PARTNERSHIPS AND COLLABORATIONS AT A GLANCE



Above right: Elsa Nyman, Finnpartnership · Right: Hannah Redders, Elias Chipimo, Nambula Kachuma

BUSINESS READINESS

The Programme worked closely with several partners to implement quality business readiness training.

International Labour Organization (ILO)

In our LEARN training, we engaged with the International Labour Organization (ILO) and their local Master Trainer, Vivian Mthetwa, on the ILO's Start and Improve Your Business (SIYB) curriculum. Finetouch Consulting (South Africa), represented by the Master Trainer Developer Sibongile Sibanda, delivered the ILO's Expand Your Business (EYB) Master Trainer training.

Engaging with ILO and their Master Trainers was essential to ensure that the delivery of business development services was done to the highest standard. Using their tried and tested curriculum ensured that participating businesses could be confident that they received the best training available.



Trident Foundation / First Quantum Minerals (FQM)

AGS provided SIYB training-of-trainers training to staff from the Trident Foundation, the social impact arm of FQM. The aim was to improve the quality of business development support provided to MSMEs in supply chains around the mine.

BDSPAZ was instrumental in the engagement of the trainers and delivering quality training to MSMEs. Twenty-five business development services providers, all members of BDSPAZ, delivered the ILO business development training during the lifespan of the programme.

MENTORpreneur Zambia™

The AGS mid-term review recommended that the programme address the mentoring needs of businesses participating in LEARN, one of the AGS training activities. AGS therefore partnered with the German Sparkassenstiftung for International Cooperation (DSIK), Women's Entrepreneurship Access Centre (WEAC) and MentorMe Zambia to develop a mentoring approach for MSMEs.

MENTORpreneur Zambia™ provides for the development of mentors and mentees. Ninety mentors have been trained on the approach, 18 of whom were AGS-supported BDS providers. The package comprises a handbook and a toolkit to support mentees and mentors. The partnership has since developed an online tool that onboards and matches mentors and mentees.



Abinaidah Chaseba, AGS (left), Heike Friedhoff, DSIK (right) at MENTORpreneur Zambia event

Business Acceleration Partners

For high growth potential businesses, the programme delivered six-month long business accelerator programmes to 123 participating businesses. The accelerators were delivered by Copperbelt University's Africa Centre of Excellence for Sustainable Mining (CBU-ACESM) and Mining Finland, WEAC, BongoHive, Growth Africa, AMSCO and Edgewise Business Solutions Ltd. The success of the programme led to Barrick Lumwana mine engaging WEAC, with AGS support, to design and implement a bespoke accelerator (10X Accelerator) for 15 SMEs that are part of the mine's supply chain.

MATCHMAKING

Embassy of Finland (Lusaka)

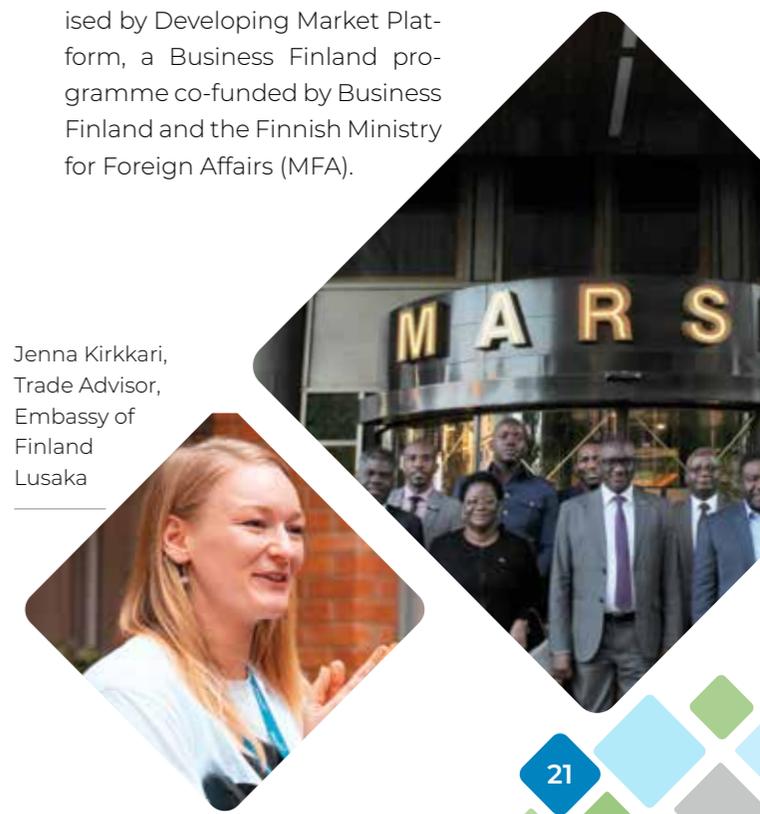
AGS worked with the Embassy of Finland (Lusaka) to implement the Finland Business Week (FinnBiz Week), a premier event that attracted many Finnish businesses and investors to meet with Zambian companies. The goal was to develop business partnerships, joint ventures and investment in Zambia. They were also an important partner for trade missions to the DRC, with a similar B2B event in Malawi later in 2023. AGS provided consultants to implement matchmaking between companies from the participating countries.

Finnpartnership

AGS worked with Finnpartnership to organise the SDG booster on small-scale mining and other networking events to present market opportunities in Zambia to Finnish businesses. Finnpartnership also marketed the FinnBiz Week event in Finland; businesses were able to apply for grants to visit Zambia and set up their businesses in the country. Further, Finnpartnership arranged B2B meetings between Zambian and Finnish companies during the Finland Trade Mission in 2023.

Business Finland

During the Trade Mission to Finland in 2022, a networking event and B2B meetings were organised by Developing Market Platform, a Business Finland programme co-funded by Business Finland and the Finnish Ministry for Foreign Affairs (MFA).



Jenna Kirkkari, Trade Advisor, Embassy of Finland Lusaka

North-Western Chamber of Commerce & Industry (NWCCI)

AGS supported similar activities in North-Western Province with the NWCCI but with a B2B focus on matchmaking smaller and larger Zambian companies. AGS contracted a matchmaking consultant to facilitate B2B meetings and support the delivery of expos.



Above: Minister Elias Mubanga, MSMED (right) attending the NW expo

Zambia Development Agency (ZDA)

AGS supported ZDA in leading two trade missions to the Democratic Republic of Congo (DRC); the first was the first visit to the DRC in six years. Contracted B2B matchmaking consultants supported the initial engagements. ZDA was an important partner to ensure that the events received the appropriate level of political and business engagement.

Partner Programmes

Development partners such as Prospero, USAID Edge, and the Enterprise Challenge Fund were engaged to identify whether any of their businesses could also benefit from B2B engagements with Finnish companies or in the AGS-supported B2B trade missions.

CO-CREATION & INNOVATION

AGS worked with Finnish and Zambian partners to deliver two co-creation and innovation challenge cohorts.

Demola and BongoHive (1st co-creation innovation challenge)

Demola focuses on bringing students and businesses together to solve future scenarios, bridging the gap between academia and the private sector in an innovative way. They engaged with BongoHive and international university students to discuss global 'big issues' and identify innovative solutions.

HAMK, UNZA and Mulungushi University (2nd co-creation & innovation challenge)

These partners focused more closely on the skills and practical needs of businesses. Students, lecturers and industry were matched to discuss business needs, and provide solutions based on innovations identified by students through their studies and research. The partners, with Crazy Town, developed a handbook for implementing student and business engagements, for revising university curricula to include industry engagements, and ensuring that they meet the real world needs of businesses. The handbook was made available to all participating universities.

MARKET ACCESS

As part of the holistic approach adopted by AGS to MSME development, businesses were supported beyond the initial B2B meetings set up through trade missions and other matchmaking activities. Market access support took the form of help to close deals and/or to meet local market requirements, all implemented through various business development service providers.

Access to finance is a key element in enabling participation in a market opportunity, as businesses often have to increase the quantity and quality of their products or services. This requires investment and working capital. The programme engaged with three banks, as well as other investors and donors, resulting in more than €1,75 million finance being received by AGS supported businesses.

Impact Capital Africa (ICA)

Since 2019, AGS has partnered with Impact Capital Africa to support their investment events bringing investors and businesses together. This partnership has largely been used to support the investment summits that were held by the National Advisory Board for Impact Investment (NABII).

National Advisory Board for Impact Investment (NABII)

AGS supported NABII when it was inaugurated in 2021, as well as the joint Impact Investment Summits organised in collaboration with ICA in 2022 and 2023.

NABII is responsible for driving the broader agenda on green investment, gender equality and social impact investments aimed at behavioural change management, as well as supporting the enabling environment for MSME investments. NABII plays an essential role in creating a space for MSMEs to access finance.

Above right: Teija Lublinkhof, Peaberry Coffee Roasters
Right: Lulu Haangala, AGS launch





Human Rights, Gender and the AGS

Applying a Human Rights-Based Approach to MSME Development

The Finnish human rights-based approach to development (HRBA) provided the guideline for the implementation of the AGS Programme, and is based on the principle of respecting, protecting, and fulfilling the aspirations of individuals to lead a dignified life.

By adopting a human rights sensitive approach, AGS aimed to avoid unintentional negative effects of the enjoyment of human rights and to ensure that its interventions did not contribute to discriminatory structures, norms and practices.

A tangible step in adopting this approach was the inclusion of blended training on a Human Rights Based Approach to Business. This was offered to all MSMEs who attended the AGS-supported business readiness training and ensured that MSMEs could

recognise, promote and protect human rights in their business operations as stipulated in the Zambian Constitution and the 2019 Employment Code Act.

The training workshops provided useful insights on the current situation with regards to Zambian MSMEs - the challenges around understanding and providing decent work that promotes productivity in workers while also protecting human rights. Most participants reported that they did not have many of the requirements in place and did not know how to apply them to their businesses.

Training focussed on legal obligations such as registration, legal compliance regarding occupational health and safety, workers compensation, and registration for the new National Health Insurance Scheme (NHIS).

Participating businesses echoed that they found the training very relevant and informative but lacked the knowledge to put theory into practice. AGS therefore commissioned the production of policy templates that could be customised and implemented by participating businesses. These included templates on non-discrimination, anti-corruption, child protection, disability, diversity, equal employment opportunity, gender, drug- and alcohol-free policy, intellectual property, occupational health and safety, sexual harassment, social media, whistleblowers, and the environment

Number of MSMEs trained on decent jobs

TOTAL

228



“As a result of having been involved in this wonderful programme, with so many benefits, on so many levels and for so many stakeholders, I realised that human rights knowledge is needed not only by law students but everyone, be they an engineer, medical doctor or entrepreneur. So now I am pushing for Human Rights Law to become a compulsory course for all first-year students at the university. In the past, I pushed for it to become a compulsory course in the School of Law at the University of Zambia and that was implemented.”

“Part of my work with AGS has also been to support the Ministry in drafting their MSME policy. I’ve been part of the debates and I have shared written submissions. It was encouraging that there was mention of human rights in the draft.”

Dr Lungowe Matakala, Lecturer, Department of Public Law, School of Law, University of Zambia & HRBA trainer

AGS Support for Female Entrepreneurs

Inequalities exist in the labour market in Zambia - while women’s participation in the labour force in Zambia is relatively high compared to other African countries, men continue to participate in larger numbers and hold decision making or leadership positions. According to the World Economic Forum 2021² (Gender Gap index, Economic Participation and Opportunity), Zambia has closed 80.4% of the gap between men and women in the workplace, ranking them 14th out of 153 countries. Despite these actions, gender disparities continue to exist in Zambia, which influence women and men’s participation in private sector development. Most female entrepreneurs operate in the micro enterprise sector and have challenges related to access to information, markets and finance.

AGS supported female entrepreneurs and promoted opportunities for women’s skills development in MSMEs. The programme aimed to achieve a 30% target for the inclusion of women-led businesses, and surpassed it.

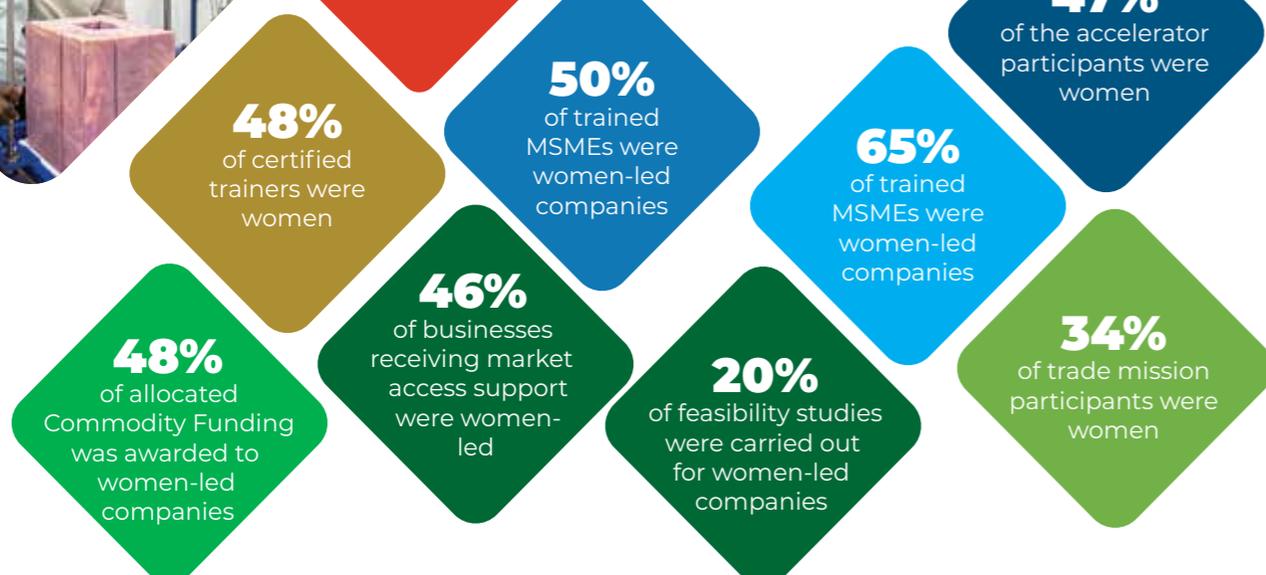
² World Economic Forum. Global Gender Gap Report 2021. <https://www.weforum.org/reports/global-gender-gap-report-2021/>



Women-led businesses were defined as those that are women-owned, women-led or include women in leadership positions in the businesses



HOW WOMEN AND WOMEN-LED COMPANIES WERE SUPPORTED IN THE AGS



AGS KNOWLEDGE PRODUCTS TO SUPPORT BUSINESS GROWTH IN ZAMBIA

Publicly-available market research studies and sector overviews were commissioned for each of the AGS focus sectors.



SUPPORT FOR THE ENABLING ENVIRONMENT

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When the AGS programme was initially conceptualised, two areas were identified that could support the Government of the Republic of Zambia (GRZ) in improving and strengthening the enabling environment for MSMEs: a revision of the existing MSME Development Policy, and building and strengthening business development service (BDS) capacity through training interventions.

Development of a revised MSME Policy

At the time of programme inception, the Ministry of Commerce, Trade and Industry of Zambia (MCTI) was in the process of revising the MSME Development Policy. It had already been engaged in several consultative phases but with AGS support, two further Technical Working Group meetings resulted in a draft policy document and draft implementation plan. Stakeholders included the private sector, government ministries, civil society organisations, partners and key statutory bodies.

The process continued with three provincial stakeholder meetings held in Lusaka, North-Western and Copperbelt provinces in November 2020. However, at the time it was felt that stakeholder consultations were also needed in other provinces outside of the three AGS-focus provinces. Three additional multi-stakeholder consultative meetings were therefore held in the Southern, Eastern and Central provinces.

The change to a new government administration in 2021 led to the establishment of a new Ministry of Small and Medium Enterprise

Development (MSMED), with a clear mandate to support MSMEs. This required structural changes and a policy that needed expansion to consolidate a stronger emphasis on economic growth.

By 2022, further stakeholder consultative meetings were resumed, with inclusion of the findings from an MSME definition study supported by AGS. One meeting was held in Lusaka with 60 stakeholders, followed by two further policy validation workshops in Siavonga, attended by a total of 78 stakeholders. These stakeholder engagements were an important step in the process and allowed stakeholders to engage with and validate the MSME definitions.

Further comments and contributions were requested by the Ministry's Secretariat before the refined draft policy was submitted to the Cabinet Office in December 2022. During 2023, the policy is expected to undergo review and ratification by the Cabinet before it is officially launched.

The AGS programme also provided ongoing support to MCTI and the Ministry of Small and Medium Enterprise Development (MSMED) through access to policy and MSME experts.

During the COVID pandemic, AGS provided electronic equipment and infrastructure to MCTI, and will continue support for the electronic infrastructure development needs of the new Ministry during 2023.

“A successful SME policy requires adequate engagement and consultation especially among the key players in the SME eco-system and these meetings managed to bring together the SMEs, academia, banks, and telecom companies among others. It is definitely a step in the right direction.”

Musheke Kakuwa, Chief Economist, SME Department, MSMED

A responsive policy process with multi-stakeholder engagement was seen as a way of strengthening the relevance and level of commitment to the policy



Stakeholder Workshop Siavonga

AGS supported research to develop updated MSME definitions for incorporation into the revised MSME policy. This crucial research was conducted by the Zambia Institute for Policy Analysing and Research (ZIPAR).

The 2009 MSME definitions required updating to incorporate a stronger sector-specific approach while better reflecting current realities in the Zambian economy

During the COVID pandemic, the Programme provided the Ministry with 20 laptops and two printers, as well as support for the upgrading of the LAN cable network



MSMEs were largely unaware of the existence of BDS providers and what they have to offer

“The other side of the coin is dealing with how we integrate strategic thinking on SME development within the Ministry, to really look at the entire landscape and decide what works for which segment of business, which sectors, and for medium sized businesses.”

Ernest Muwamba,
AGS Business Development Expert

Building and Expanding BDS Capacity

Capacity building for MSMEs was identified as a major need and the training of business development service providers became one of the main work modalities for the AGS programme

During the inception phase of the programme, several studies were commissioned to bring to light priority areas requiring attention in the implementation stage. What emerged was the clear need for expanding and improving BDS capacity in the country.

Few MSMEs were found to be aware of the existence of BDS providers already in operation, and such services were seen as unaffordable. This led AGS to assess what training interventions would be appropriate and a review of three possible methodologies was undertaken:

1. A concept still under development by TEVETA, the Zambian Technical Education, Vocational and Entrepreneurship Training Authority, that aims to create a benchmark qualification so that businesses can be assured of the service quality of BDS providers.

Enhancing Growth and Competitiveness of MSMEs in Zambia



Minister Mr. Elias Mubanga (right) with Nambula Kachumi, Founder/Executive Director of WEAC (left)

“The SIYB methodology is very simple and adaptable, with material that is very easy to understand. The monitoring & evaluation tools are very effective in seeing impacts in the businesses of entrepreneurs. It allows you to monitor their growth before, during, and after training.”

Sanana Munyinda,
Master Trainer, Knutberry Trees Consulting

START AND IMPROVE YOUR BUSINESS (SIYB) TRAINING

The BDS capacity building programme launched in November 2020, with support from the Business Development Services Providers Association (BDSPA), an NGO providing business development services to MSMEs in Zambia.

A Zambia-based certified and accredited SIYB Master Trainer, Vivian Mthetwa, was appointed to provide refresher courses to 12 existing and 25 new SIYB trainers. This was needed to update trainers on new and improved SIYB materials and to upskill their training competencies.

Having completed the Training-of-Trainers' programme, the 27 trainers were required to undergo an evaluation process by conducting actual entrepreneurial training under supervision.

2. EMPRETEC, a training programme established by UNCTAD to support the growth of small and medium sized businesses and promoted by the Zambia Development Agency (ZDA).
3. The ILO's Start and Improve Your Business (SIYB) programme, which eventually became the training programme of choice. The ILO's Expand Your Business (EYB) programme for business growth was later added as part of the AGS accelerator training programmes. More detail is provided in Chapter 3.

The ILO's Start and Improve Your Business training methodology (SIYB) was chosen because of the availability of an accreditation process, the depth of coverage for the various stages of business growth and the availability of a Master Trainer to monitor quality

SUPPORT FOR THE ENABLING ENVIRONMENT

The AGS programme successfully accredited 25 SIYB trainers, creating a pool of competent BDS trainers for Zambia

The SIYB Trainer Certification Tool is used to assess trainers on:

- Marketing and Promotion of the SIYB Programme
- Needs identification and selection of participants
- Training programme and session design
- Facilitation of Learning
- Monitoring and Evaluation of Learning
- Provision of follow up support

AGS encouraged the participation of female trainers and 48% of all AGS-supported SIYB trainers were female



Sustainability through partnerships

AGS formed a partnership with the Trident Foundation, a non-profit organisation based in Kalumbila district, North-Western Province. Trident was set up by First Quantum Minerals Limited Zambia to support the mine's corporate social responsibility and facilitate sustainability around the mine catchment area. As part of the partnership, two of its female staff achieved SIYB accreditation under the AGS programme.

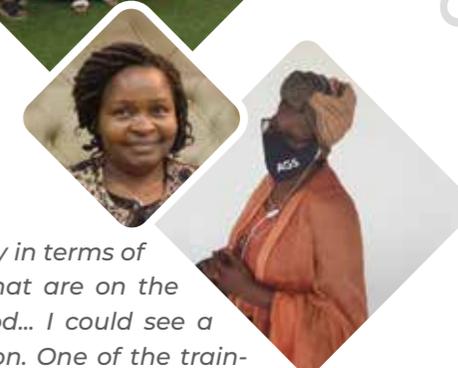
After assessing the learning needs of local businesses, training commenced with 55 Kalumbila-based businesses in agriculture, construction and forestry. The training was conducted in Kaonde and English to ensure that entrepreneurs would not face language barriers in their training.

EXPAND YOUR BUSINESS TRAINING (EYB)

The AGS Programme conducted a Training-of-Trainers (ToT) programme to accredit trainers on the ILO's Expand Your Business (EYB) Programme, an essential component of identifying growth-oriented businesses.

This was conducted by a South African based consulting firm, Fine Touch Consulting. Conducted in February 2022, 21 attended of whom 19 were selected from the original pool of 25 SIYB trainers and 2 were identified from the initial list of applicants received in 2020.

The EYB Master Trainer selected 14 potential trainers for immediate accreditation and allowed two to demonstrate ability through a separate exercise. By June 2021, all these Trainers were certified by the ILO, an important step in ensuring that they could deliver quality, internationally accredited training to MSMEs in Zambia.



"I think the capacity in terms of the EYB trainers that are on the ground is very good... I could see a lot of transformation. One of the trainers was saying, look, I actually prepared a growth plan for my own business and now it's growing."

Sibongile Sibanda,
Fine-Touch Consulting & SIYB Master Trainer

Kafula Mutale-Kutontonkanya, Lead for Local Business Development, explained that AGS-trained businesses reported an increase in sales and appreciated the technical know-how they now have. The businesses have also improved the way they promote their products, integrating innovation and creativity into their planning, and have been able to expand their markets.

"It's important to build business development capacity in the private sector so that through the partnership, actors can change people's mindsets towards capacity-building. This partnership is important because AGS has a well-defined business development structure. It starts with idea generation, which is important for a business even before they find capital," explained Trident Foundation Manager Joseph Ngwira.



CAPACITY BUILDING THROUGH PARTNERSHIPS

Training was delivered through partnerships with the Business Development Support Providers Association of Zambia (BDSPA), Trident Foundation of Kalumbila Mine and the Copperbelt University Africa Centre of Excellence for Sustainable Mining (CBU-ACESM).

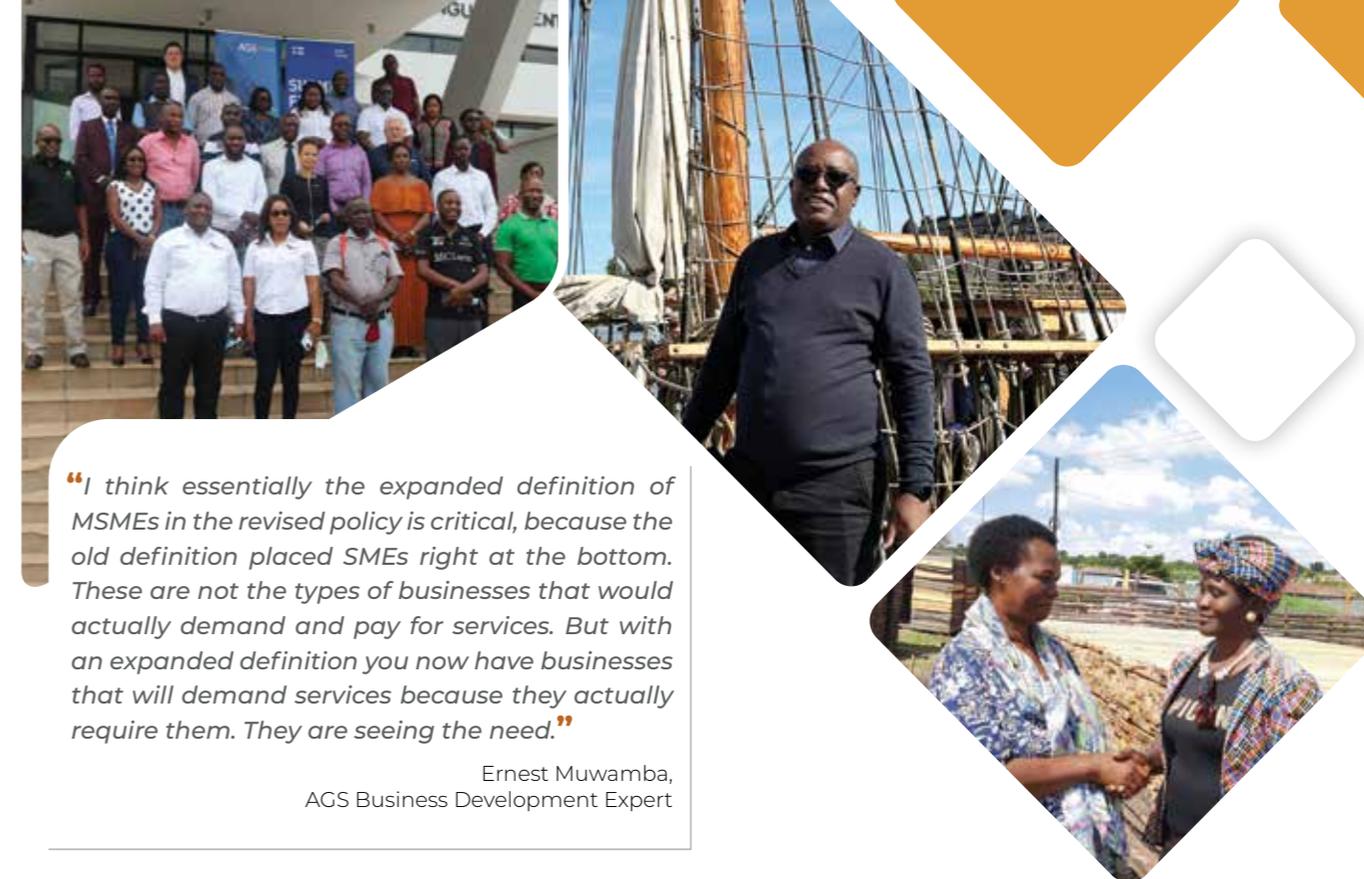
“Before partnering with the AGS programme, most of our training was needs-based, with no clear methodology or consistent structure. I don’t think we really managed to change as many people as we did through AGS and the ILO training.”

We really had to adjust the way we actually ran an entrepreneurship training programme because I think we were using a methodology that was focused more on teaching entrepreneurship academically to students. But with this AGS training, we had to go down to the level of the entrepreneurs because they really had mixed levels of education. On our side, there was a lot of adjustment that needed to be undertaken.

We have now taken the training forward in CBU and have certified Master Trainers who are training our staff internally to become SIYB trainers. We are now internalising this as a short course within the university. We are also in discussion with one of the Master Trainer developers to review the EYB manual and case study to update it and bring in the context of the Zambian situation.

Going forward, we want to build capacity in training trainers at other institutions so that they too can deliver the EYB programme to entrepreneurs.”

Mwansa Chabala
CBU-ACESM



“I think essentially the expanded definition of MSMEs in the revised policy is critical, because the old definition placed SMEs right at the bottom. These are not the types of businesses that would actually demand and pay for services. But with an expanded definition you now have businesses that will demand services because they actually require them. They are seeing the need.”

Ernest Muwamba,
AGS Business Development Expert

AGS has continued building its partnership with the BDSPA in several ways - to strengthen its BDS marketing capacity as well as to develop a syndicated radio programme to support entrepreneurs countrywide. BDSPA has also partnered with TEVETA to develop content for the national curriculum on entrepreneurship training.

During 2023, AGS has continued to facilitate the building of a closer relationship between BDSPA and the Ministry to ensure the sustainability of the SIYB training once the AGS programme has ended. A sustainability plan for SIYB was developed, with AGS support, to provide guidance to MSMED on future training.

“When the AGS started, I was the only master trainer in Zambia. What has happened is that AGS has put a light on SIYB, so there are many more organisations now wanting to use the SIYB because it has performed for the AGS.”

For us as trainers, the environment in Zambia is now so ripe for training SMEs. There is goodwill from the political scene, and we are working with many organisations. So in that way there’s more of a market for the trainers if they can position themselves properly.”

Vivian Mthetwa,
SIYB Master Trainer

MENTORING

The Programme developed an MSME mentorship programme, MENTORpreneur Zambia™, in partnership with the German Sparkassenstiftung for International Cooperation (DSIK), the Women Entrepreneurs Access Centre (WEAC) and MentorMe. The partnership conducted a five-day Training-of-Mentors workshop in which 35 mentors were trained; a further cohort of 58 mentors was trained in 2023.

As part of its sustainability plan, the AGS Programme has ceded its role on the steering committee of MENTORpreneur Zambia™ to BDSPA.



18 AGS-support BDS providers are now accredited mentors through MENTORpreneur Zambia™ - 9 are women

MENTORpreneur Zambia is a structured and measurable mentoring intervention designed for small and medium entrepreneurs. The Programme comprises trained and certified mentors, a Mentorship Handbook and a Toolkit for SME mentors.



“The Ministry is pushing the agenda to ensure that entrepreneurs are supported through training and mentorship. That is creating more awareness across the country that there is such a service that they can access. Being part of the BDSPA has given us a platform to do this training work with the Ministry so there are now opportunities to work across Zambia.”

“Entrepreneurs that have undergone business development training are at an added advantage to access government funds, thus creating a hunger in the market – demand is on the rise for training. Despite the distortion in the market due to heavy subsidisation of training, I am optimistic that people will continue to pay for quality service.”

Jessie Nyirenda,
Master Trainer, Knutberry Tree Consulting



“The biggest challenge we had during SIYB training was COVID. We had to sit down and then think, how do we continue? For instance, when we were doing a training needs assessment, we would usually do it physically. We would call the entrepreneurs, then interview them and then do the selection. But during COVID we were doing them by phone so when you called them, they would not give you a lot of facts. For example, when asking about monthly incomes, they would reduce the amount hoping they would qualify for a grant.”

“When the programme was just starting, MSMEs were a bit sceptical in coming for training - they thought it was just one of those workshops where you go and then you just come back, and life continues within the business. But as soon as word went out that this is a good programme, we even had to cut off some people who did not follow the right application process.”

Vivian Mthetwa,
SIYB Master trainer

Knutberry Trees Consulting - how empowered women have grown their BDS business

Knutberry Tree Consulting is a good example of how the AGS programme has changed the lives of two enterprising women, Jessie Nyirenda and Sanana Munyinda. Together they are growing a business that provides financial literacy training and business advisory services to SMEs. Both Jessie and Sanana met the rigorous selection criteria to join a cohort of trainers supported by the AGS programme for the ILO's SIYB and EYB training.

“AGS did not just leave it to entrepreneurs, we were also being upgraded in the programme itself. When we joined AGS we were just trainers and now we are Master Trainers. For our business, that has given us a selling point.

We cannot take it away from AGS – this is now paying off for us as a business as we are now one of the top Zambian BDS provid-

ers. The government is looking for trainers, entrepreneurs are looking for trainers. This training support has given us a niche in the market, from startup to growth businesses.”

These inspiring women believe that AGS has helped them accelerate their growth as a business and that they would only have reached their current status in five years' time without this intervention. They now have an office and a website, as well as gaining new clients because of their association with, and credibility gained through, the AGS programme. Knutberry's training has extended to provinces outside of Lusaka, using trainers supported through the AGS programme.

“AGS was like a launchpad for us because it gave us so many opportunities. AGS participation allowed us to see the demand that there is for quality training. We then decided to develop ourselves to get mentoring certificates through MENTORpreneur Zambia, one of the AGS partners. We also attained training certification for the Agriculture Business Investment Analysis Training (AgBAIT) targeting growth-oriented enterprises in the agriculture sector.

Throughout the programme, we would talk about how to green your business, but we did not necessarily have the tools. That prompted us in 2023 to get SEED certification to allow us to incorporate climate smart decision-making into our BDS training.”



“The intensive association with AGS has had a lot of positives - we were trained as trainers, but AGS also gave us that network beyond what we had at the time as BDS providers, a wider base in terms of our clientele. That was definitely really good and for us it's been a win-win story.

AGS has been able to link us to potential organisations like the mines, which we failed to penetrate before. We are working with Copperbelt University as well, because the AGS partnership with CBU has also given us a platform to attract their university students and lecturers.

We now create demand for ourselves, so we've really intensified our marketing, we do not wait for clients to find us - this is one thing that we learned from AGS.”

Sarah Miti & Thelma Kilale
Onmark Solutions

“What has really helped AGS' visibility and people having confidence in the programme is that they've actually delivered. They are a model of working with business development service providers, especially working with those on the ground - this is actually a big plus. For a long time, you would find organisations based in Lusaka and other parts of the country that would send in a trainer or a consultant. They come in for two days and then they go back and that's it. But where a local organisation is implementing the services, it's easy for SMEs to run to them, as they understand the context and they work within the same environment. I think that was also a plus in the way the programme was designed.”

Sylvia Mutale & Namakau Maswenyeho,
Edgewise Business Solutions Limited, North-Western Province



BUILDING BUSINESS READINESS FOR GROWTH

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AGS Training Activities at a Glance

AGS offered Zambian MSMEs a range of opportunities to accelerate growth. **LEARN** activities focused on strengthening business skills, mentoring and coaching, while **LEVEL UP** prepared high-potential growth businesses for investor readiness.

Businesses were able to enter the training cycle at a level that was appropriate to their stage of business readiness, with at least two training courses available to an interested business. So, a company just starting out could potentially go through all the training modules and eventually 'graduate' to LEVEL UP.

369

MSMEs received AGS-supported training, surpassing the AGS target of

210

123 firms took part in business acceleration programmes

47%

were women-led

54

firms approved to receive AGS-procured commodities valued at

€1,429,756

(June 2023)

4.55/5.00

satisfaction levels of MSMEs for AGS training

LEARN AND LEVEL UP AT A GLANCE

LEARN

Three modules were offered, using the ILO's business training and support packages: Start Your Business (SYB), Improve Your Business (IYB) and Expand Your Business (EYB).

SYB and IYB focus on managing business processes professionally:

- formalising operations
- developing solid business plans
- managing company finances
- attracting more customers through skilled marketing

The first modules for early-stage companies were Start Your Business (SYB) and Improve Your Business (IYB). SYB training was the starting point for micro-enterprises that had been in business less than two years. On completion they could then progress to the following level. IYB training was suitable for post-revenue businesses who had been in business for more than two years.

EYB focuses on business growth:

- developing and managing a growth strategy
- enhancing marketing
- learning to manage a growing workforce
- becoming a respected and responsible business operator

EYB was aimed at businesses that had completed the SIYB training or were potential candidates for joining **LEVEL UP**, the business acceleration programme.

LEVEL UP

High-potential growth businesses that completed the EYB training were invited to participate in a six-month long bespoke accelerator phase that provided more intensive growth-oriented training, coaching and mentoring. On completion businesses were given an opportunity to apply for AGS-funded commodities up to a maximum of €30 000. This could be used for equipment needed in their businesses, such as production machinery, cold storage trucks and irrigation systems.





LEARN – BUILDING BUSINESS SKILLS

The first stage in the AGS training path for Zambian MSMEs was LEARN, a suite of training courses for businesses to travel as they progressed. To be selected, they needed to meet at least three criteria as well as the criteria recommended in the ILO training assessment:

- registered as a business
- operating in one of the AGS provinces (Lusaka, North-Western or Copperbelt)
- operating in one of the following AGS-selected sectors: Agribusiness, Forestry, Renewable Energy, Circular Economy or Mining Services. Businesses in ICT and Education, as cross-cutting sectors, were also eligible if operating in one of the five sectors.

AGS made the decision to increase the number of MSMEs trained to generate a larger pipeline for high-potential accelerator candidates. This would ensure that there were enough businesses who were committed to completing their training and achieving eventual business success.



Lusachi Construction Enterprises

had been earning well from supplying the mines but wanted to explore new opportunities. Following training and mentoring with Onmark Solutions under the AGS programme, they were able to identify a rising need in the North-Western Province for housing and other infrastructure. This has resulted in the creation of a new block making business, assisted by commodity funding from AGS.

“Such stories are so fulfilling. AGS has really become a mind opener actually, even for the mines. They’ve seen the importance of having more of these people capacitated and having a mindset change. This will result in a ripple effect because even the miners will want it. The mine alone cannot do all the development in the area, so they are depending on these entrepreneurs as they’re growing. They are also creating more and more jobs for the locals.”

Sarah Miti & Thelma Kilale, Onmark Solutions

SUSTAINABILITY
HIGHLIGHT



Mireyly Natures Soap Mirey Chimfwembe’s story of her journey into growth

In 2019, Mireyly Nature’s Soap embarked on a humble journey, beginning in the kitchen as a hobby. Mirey started selling her organic soaps at local farmers’ markets and craft fairs, where demand grew steadily. In 2020 she applied to be a part of the AGS Programme’s LEARN programme. Here she was encouraged to register her soap-making venture as a formal and legitimate business, a step that would provide credibility and open doors to future opportunities. Through AGS, Mirey acquired essential business skills and strategies, gaining a deeper understanding of marketing, finance, and production.

The turning point came when Mireyly received an in-kind grant for equipment and machinery through the AGS Commodity Fund. This injection of resources enabled them to scale up their production capabilities and meet the ever-growing demand for their organic soaps. They envisioned a store where they could showcase their products to a wider audience, and this became a reality when the business secured a space at the Lamasat Complex in Lusaka.

With an initial investment of ZMW 5 000, the company has achieved a turnover of ZMW 300,000 in sales revenue. The addition of four employees and the establishment of a physical store exemplifies the company’s commitment to expansion and meeting customer demand.



Bwando Farm Limited a success story in Zambian agribusiness

Bwando Farm Limited, a Lusaka based agribusiness, specialises in feed and pork production, and offers farmer training and extension services. The business started its operations in 2015 but was officially registered in 2016. Lack of funding was hampering the growth of the business and new ideas could not be implemented because of the lack of key human resources and access to technology and innovation services.

In April 2021, Conrad Bwalya, the owner of Bwando, took part in one of the AGS LEARN training programmes and realised that it needed to focus on its core business. For this reason, they stopped growing their own crops for feed production, saving them money and time. The business has since increased its revenue by 15% and has expanded to include a farmer training centre, a crop section and tapped new markets in the hospitality industry. Through the growth of the business, they have increased their number of full-time staff from 4 to 17.

“We now have more capable people in our team and gotten a lot of exposure to capacity building both on the local and international levels”

Bwando Farms Limited

By the close of 2022, AGS had trained 123 MSMEs through seven separate accelerators



LEVEL UP – BUSINESS ACCELERATION

The aim of **LEVEL UP** was to train 120 businesses to be investor ready, have the ability to engage with larger companies as suppliers, and to de-risk their businesses for creditors and large clients.

A call was issued in 2020 for Zambian and international firms to implement the programme. Originally, the intention was to provide broad-based accelerator training with the emphasis on growing businesses in general. However, the need for more sector-specific training emerged, requiring the application of training modules focused on the key AGS-priority sectors and outside the ILO stable of training modules, for example, GIZ’s agribusiness training materials such as AgBAIT.

Nineteen applications to run the accelerators were received, of which ten were recommended to the Procurement and Technical Committee for evaluation. Six were finally selected, each assuming responsibility for different AGS-prioritised sectors.

Although only six accelerators had been planned, a seventh was added as part of AGS’ sustainability activities, implemented jointly as a private sector initiative with Barrick Lumwana Mine. This targeted 15 of its suppliers located in the North-Western and Copperbelt provinces.

Eighteen companies withdrew from the training for various reasons, one being the high time commitment required. Some of these businesses were only participating because of the expectation that they would receive funding by the end of the programme.

AGS Accelerators		
Service provider	Sector	MSMEs trained
Women’s Entrepreneurship Access Centre (WEAC)	Agribusiness	20
Growth Africa	Circular Economy, Renewable Energy	16
Edgewise Business Solutions Limited	Agribusiness and Forestry	18
Mining Finland-CBU	Mining Services	15
AMSCO Zambia	Agribusiness & Education	20
BongoHive	ICT	19
Women’s Entrepreneurship Access Centre (WEAC)/Barrick Lumwana	Mining Services	15



SUSTAINABILITY HIGHLIGHT

Edgewise Business Solutions Limited was responsible for the agribusiness and forestry accelerator, which was based in the North-Western Province. This was the only cohort in AGS working with mostly micro- and small enterprises and was not without its challenges. According to Sylvia Mutale, the co-founder of Edgewise, *“It’s actually possible to move really micro level farmers, in six months,*

to another level, but it requires a different approach and different tools more targeted at micro-, agriculture-based SMEs. Of the eight participating micro-businesses, three to four have now moved to small scale.”

Some applied for AGS commodity funding, and all of these qualified to receive irrigation equipment. According to Namakau Maswenyeho, this has increased their productivity and they are now in their first cycle of production using large scale irrigation. The positive outcome has been that MOUs have been closed with aggregators operating in the mine supply chain, which was not a possibility before the AGS intervention.





Gina Williey is the CEO of **Bellview Tools**, a Kitwe-based company that has been operating in the mining sector since 2001. The company provides a one-stop solution for lifting, construction needs, drilling and mining supplies.

Gina enrolled in an AGS accelerator programme in 2021. At the time, she wanted to look into how the company's human resources were structured and the composition of its technical expertise. The AGS training resulted in a restructuring of the business and re-evaluation of the key human resources needed for business growth. With Gina's newly-found insights, the business improved its productivity and increased profits from ZMW 200 000 per quarter in 2021, to over ZMW 2 M per quarter in 2022.

Under Gina's leadership, Bellview has engaged female technicians to ensure that more females enter the mining sector. In addition, the business has established a local skills development programme for underprivileged and marginalised youth on how to assemble, certify and supply machinery and equipment to the mines. The goal is to replace international workers in the mining sector with skilled Zambian youth. Gina believes that AGS support has enabled Bellview to gain its position among the best in the industry.

"In order for a company like ours to compete internationally, there is need for training in advanced technology, better infrastructure, and improved skills among locals."

Gina Williey
CEO, Bellview Tools



"I now have a better understanding of my business operations, given the training initiatives provided by the programme. They have helped me develop a better framework when looking at the business, in turn informing my decision making for growth."

Joshua Muleya, Agilis Energy



Ebusaka, a digital waste management platform in Zambia, has benefited greatly from AGS support. They faced challenges such as a lack of business development knowledge and inadequate equipment for software development. AGS provided them with training, which equipped them with essential skills for managing a small business, as well as IT equipment to the value of € 5 000. Its founder, Muyunda Kaonga, attended the SLUSH startup event in Finland, participated in the ICT accelerator, a co-creation challenge, and various workshops. These experiences expanded his knowledge, improved their operations, and facilitated networking with potential partners and investors. They also grew their team, expecting further expansion as they enter new markets in Kitwe, Ndola, and Chipata.

Ebusaka is currently running a pilot with two garbage collectors, servicing over 7 000 housing units. The Ministry of Local Government has recently come on board, an important step in moving all city councils onto the platform, so that in future all garbage collection fees can potentially be collected through the Ebusaka platform (website and mobile app).



Managing the Commodities
Fund did present some challenges, with lengthy delays due to the importation of commodities and the onerous follow-up required on documentation from suppliers and beneficiaries. By procuring locally or within the region where possible, this challenge was overcome

Northwold Investments Ltd provides weighing and measuring support solutions to the mining hubs of Zambia and the DRC. When the company joined an AGS-supported business accelerator, it was losing market share to its competitors. Two reasons were identified – uncoordinated customer relationship management and the lack of internationally recognised ISO certification for its services. With assistance from the business accelerator, Northwold was able to improve its internal business systems and set in motion the process for ISO certification. Northwold has recorded over 100% revenue growth since Q1 of 2022.

“The accelerator training opened our eyes on how we managed our customers such that we needed to measure ourselves. Our customer retention ability has improved, we now run statistics in CRM to learn more about how we have supported all our customers. The results are amazing, look at how our profitability and compliance have gone up over such a short period of implementing what we learnt from the AGS programmes.”

Alinani Simumba
CEO, Northwold Investments Ltd.

COMMODITY FUNDS FOR GROWING BUSINESSES

AGS supported companies by procuring commodities for those participating in **LEVEL UP**, the business acceleration programme. This was a competitive process where commodities were granted based on growth and investment plans submitted by businesses in the AGS-focus sectors and that were developed with support from AGS business coaches and mentors. The target was to procure commodities for at least 50 Zambian companies. The Programme has approved 57 applications since 2020.

Companies applying for commodity funding had to meet the following criteria:

- successfully completed participation in an accelerator programme
- submitted a complete and competitive application

COMMODITY FUND ALLOCATIONS

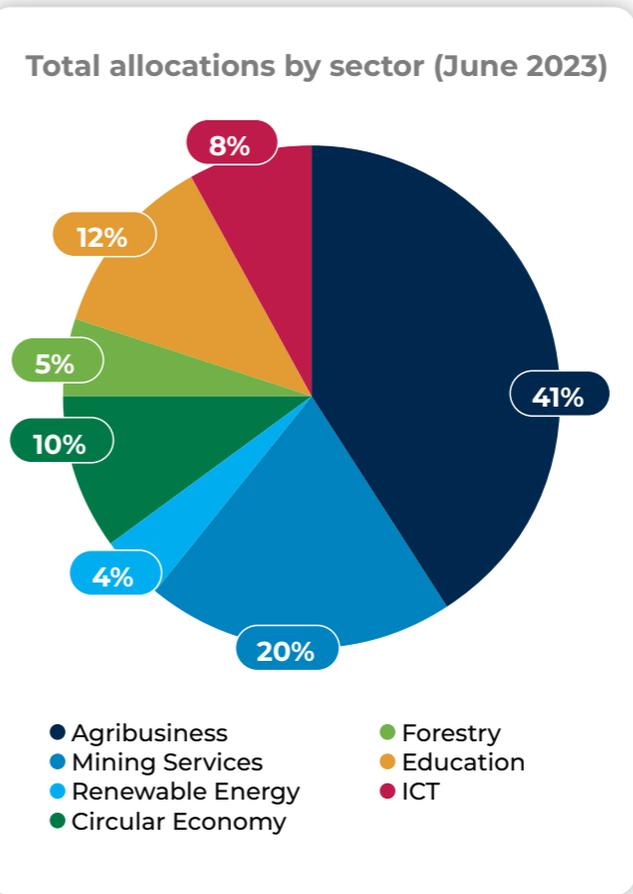

Total successful applications
54

Successful applications from **women-led MSMEs**
48%


Total value of approved applications (2021-2023)
€ 1,5 million
44.4%

Total allocations by province (June 2023)

- 
LUSAKA
€ 794,771
- 
COPPERBELT
€ 349,871
- 
NORTH-WESTERN
€ 285,115



“The LEVEL UP training has been very insightful and has set us on the path of proper strategic planning. This is an area in which I was not confident, and I now have the tools to start documenting and mapping our areas that need improvement.”

Savanna Solutions Limited

Forest Africa's journey towards a circular economy

Forest Africa Zambia Limited is a Zambian registered company that specialises in the production of local indigenous juices, jams, and other non-timber-based forest products derived from wild fruits including baobab, African medlar and monkey bread. The company has a successful business model with its current operations, supplying products to more than 200 retail outlets in and around Lusaka, Southern and Copperbelt Provinces.

Looking forward into the future, the company is diversifying from indigenous fruit seeds and the production of fruit juices to the creation of a genetic fruit seed bank for the preservation of indigenous fruit seeds. These indigenous fruits and fruit seeds are collected by communities in the catchment areas of Eastern Province, Mazabuka and Sinazongwe, and transported to the factory in the Chilanga District for processing. Through the community-based agroforestry out grower scheme, indigenous fruit seeds from the genetic seed bank will be returned to these rural communities for re-planting and reforestation,

with the intention to develop a community-based agroforestry out grower scheme.

Unlike many other reforestation programs which have been unsuccessful in Zambia due to erratic rainfall patterns, the reforestation of indigenous baobab and other indigenous wild fruit trees are particularly well adapted to drought prone areas, including those where agricultural production has been a challenge in the past due to climatic conditions. Currently, Forest Africa has about 2 500 baobab plantlets ready for planting at its factory in Chilanga.

They also received assistance from the AGS Commodity Fund to purchase a backup generator, and a truck with which to expand their delivery capacity.

Forest Africa completed the six-month LEVEL UP Accelerator programme which they see as "providing a confident platform to pave its way to greatness."

"I am now confidently able to borrow for stocking up my supplies (invest) because I know the returns will be beneficial to my business"

Cajoline Honey

"[AGS should]... continue monitoring how we are applying what we have learnt so far in our business. It is very encouraging when you receive a call from AGS following up on how the business is faring."

Entrepreneur, AGS Quarterly Data Collection



Beloux Enterprises, operational since 2011, is a horticulture and market gardening operation based 15 km outside Solwezi. It produces high-value vegetables such as broccoli, cauliflower, cucumbers, coloured peppers, carrots, butternuts, cherry and ordinary tomatoes. With no tank storage facilities on the farm, water was pumped directly from the river to the field. This meant that the enterprise could not penetrate the mine supply chain due to the stringent conditions imposed by the mine canteen, which does not purchase vegetables cleaned using river water. Lack of electricity also meant that the cost of pumping water was high.

AGS supported Beloux with business management training specifically geared at farming, as well as commodity funding for a borehole, solar water pump and a delivery truck. Their business has grown from a one-person survivalist operation to one that now employs 10 staff. Revenue from vegetable sales has doubled and they have signed deals with larger hotels.

“Through AGS, we were fortunate to apply with a Finnish organisation, Mining Finland, to run an accelerator. In the end those that went through all the training also managed to apply for commodity funding.

They’ve bought what they needed to spur their businesses and you can see that these are very happy businesses. They’ve actually gone back to tell others – see, as we persevered, we did what we could, and these are the benefits that we’ve gotten. And so the impact has been good and there are a lot of success stories.”

Mwansa Chabala,
Copperbelt University, Africa Centre of
Excellence for Sustainable Mining

In 2021, 103 companies yielded the required minimum of two datasets to calculate business growth. By 2023 this had grown to 364 companies for two datasets

98% reported some improvement in their business capabilities, and over 80% reported moderate or considerable improvement

MEASURING BUSINESS GROWTH

Data collection formed an important part of measuring business growth in participating businesses, through tracking growth in revenues and job creation.

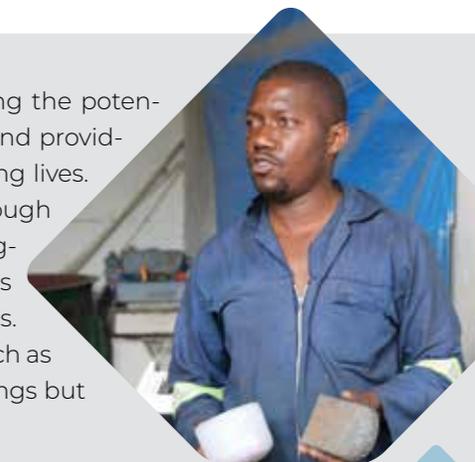
The team of BDS providers played an important role in regular quarterly follow-ups with businesses to ensure that data was gathered and entered on a database, was accurate, and could be verified. External validators conducted further spot checks through interviews and company visits to ensure the validity of the data. Separate surveys supplemented this data

by collecting AGS-supported participant feedback from events.

The Programme also tracked three quality variables to which the benefiting MSMEs applied the following values – not at all, slightly, moderately, and considerably:

- I feel more capable as a business owner
- I am more confident in managing my business finances
- I am more confident in being able to manage the day-to-day operations

Newtech Recycling Limited has made a significant impact by harnessing the potential of plastic waste. By purchasing plastic waste from vulnerable communities and providing a premium for collection, they have created value while positively transforming lives. Their product range includes school desks, outdoor furniture and fence posts. Through the AGS Programme, Newtech procured recycling machine spares to ensure long-term sustainability. In addition, investments in a plastic mould and hydraulic press machine have facilitated their entry into the production of construction materials. Newtech is now actively engaged in designing mining sector-specific products such as core boxes, pipe holders, and signs. This expansion not only diversifies their offerings but also broadens their customer base.



GROWING BUSINESSES THROUGH MATCHMAKING, CO-CREATION & INNOVATION

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The trade missions provided a platform for Zambian companies to network and create linkages with potential buyers, retailers and distributors in southern DRC

TRADE MISSIONS TO LUBUMBASHI, DRC 2021 - 2022

The AGS programme, in collaboration with the Zambia Development Agency (ZDA) and the Embassy of Finland in Lusaka, organised two trade missions to Lubumbashi DRC in 2021 and 2022. AGS provided full sponsorship for AGS-participating companies, with the remaining applicants applying through ZDA. AGS participants were selected through application or shortlisting by the **LEVEL UP** accelerator service providers.

The Democratic Republic of Congo (DRC) is the largest country bordering Zambia. Given its large population, strategic location and proximity to Zambia, it is potentially a rewarding and increasingly appealing market for Zambian exporters. DRC's lack of industries and manufacturing sector create many opportunities for Zambian producers and manufacturers.

DRC as a market is very dependent on the importation of goods, with the country's economy almost solely concentrated on the mining sector. The DRC is, however, undergoing economic transformation and has a strong will to diversify its economy, and particularly to improve its agriculture.

For foreign SMEs to succeed they need to create strong networks and find local partners on the Congolese side. The AGS trade missions were therefore the perfect vehicle for fact-finding, networking and initiating business deals. Gathering knowledge about the Congolese business environment was a vital first step for most Zambian businesses, but many also established first contacts and found local partners.

103 Zambian companies participated in the two trade missions, of which 26 businesses were selected and sponsored by AGS. All of these 26 companies had graduated from one of the AGS **LEVEL UP** accel-

LINK-UP - MATCHMAKING



An important part of AGS was to foster tangible business partnerships between Finland and Zambia, and to enhance learning between the two countries. This was supported through various match-making activities such as trade missions from Zambia to Finland, the annual Finland Business Week in Lusaka, a series of workshops targeting collaboration between Finnish and Zambian businesses in the mining sector, and lastly, participation in the largest global startup event, SLUSH, held annually in Helsinki.

To foster regional partnerships, AGS also facilitated two trade missions to the DRC and a trade mission to Malawi in November 2023 to explore new business partnerships between Zambian and local businesses.

AGS viewed these matchmaking activities as a way to build long-term business partnerships within Zambia, regionally, and between Zambia and Finland. It also aimed to support Finnish companies establishing legal entities in Zambia, either in the form of a registered company or joint venture.

To facilitate business partnership creation, the programme conducted business opportunity studies in the circular economy, mining and forestry sectors.

Pre-arranged business to business (B2B) meetings formed a key part of all organised events, as these allowed companies to meet with potential partner candidates during the event.

Zambian companies with sufficient resources were found to benefit more from AGS-supported trade missions. Feedback from participating companies shows that targeted B2B meetings are the most beneficial part of trade missions and networking events, with exhibitions more useful for feedback on consumer products and marketing awareness.

New business resulting from AGS-supported trade missions

Total signed contracts
(2021 - 2022)
USD 25M

Total business leads
(2021 - 2022)
USD 56,7M

Source:
Zambia
Development
Agency

erators and had been able to develop their business to the point where they were ready to enter an export market.

Each trade mission commenced with an official high-level opening ceremony, and the Embassy of Finland hosted a networking reception for delegates on the opening day.

This was followed by the trade mission programme consisting of:

- an exhibition where Zambian businesses showcased their products to their Congolese counterparts
- sectoral meetings
- pre-organised B2B meetings based on the business interests of participants.

How the DRC trade mission became a game changer for C&B engineering

AGS recognised the potential of C&B Engineering, a company that supplies a wide range of products to the mining sector and manufacturing industries. Extended support to the company took the form of business training and funding for skills development to enhance the expertise of their workforce which has seen an increase of 46%. Procurement of essential equipment such as a forklift worth over ZMW 400 million, tools and sandblasting equipment greatly enhanced their workshop capabilities.

A milestone in C&B Engineering's journey was their participation in the DRC trade mission, a funded trip supported by AGS. This opportunity proved to be a game-changer as it exposed them to numerous companies in the DRC. The exhibition provided a platform for C&B Engineering to showcase their expertise and establish connections with potential clients and partners in the DRC market. The company has witnessed a significant transformation in their operations and growth prospects, capable of delivering high-quality services and products.

REFLECTIONS – A FINNISH PERSPECTIVE ON THE DRC TRADE MISSIONS

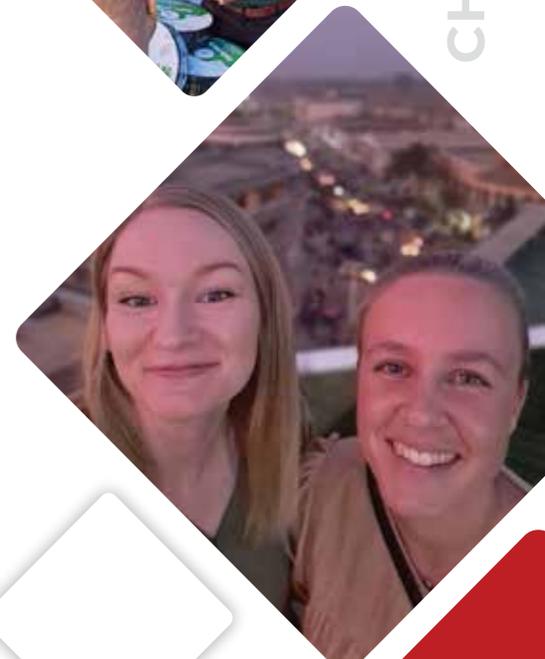
Vibrant, fast paced, fashionable and colourful – Lubumbashi is all of this at once. It was an amazing experience to visit DRC and experience first-hand the unique culture and way of life with all its contrasts. It was exciting seeing the Zambian businesses immerse themselves in the local business environment and create initial contacts, often without speaking a common language. For us as organisers it was an exciting experience to collaborate with our Congolese partners and to create this event together as a team.

The DRC trade mission in 2022 opened up several new avenues for enhanced relations with the DRC and strengthened our understanding of the Congolese environment. Operating in the DRC presents challenges for businesses, yet it holds immense potential. It was a valuable experience for all of us to witness concrete interactions and learn from them.

The DRC missions in 2021 and 2022 have had a meaningful impact on Finland's country image in the region. Finland is often associated with these missions, and there is a genuine curiosity to learn more about our experiences. These missions have equipped the Embassy with valuable tools to address DRC-related matters and support the Finnish private sector in connecting with key stakeholders in the country.

Despite the language barrier and cultural differences, there were many lessons learned during the mission, and we all returned home with a newfound motivation to learn more French. Fortunately, communication is a lot more than just words, and by the end of the trip we were quite fluent in body language.

Jenna Kirkkari,
Trade Advisor at Embassy of Finland in Lusaka
& Linda Söderholm,
AGS Junior Programme Officer



“Our participation in the AGS Trade Mission to Lubumbashi DRC has had a massive impact on our business. We now have about 200 Congolese customers and have partnered with two Congolese shop owners to stock our irrigation equipment and machinery. This has also greatly increased our dollar transactions.”

Sally Yambayamba,
Chief Executive Officer, Modern Agricultural Solutions

By mid-2023 14 of the 26 participating companies had closed sales and exported goods or services to the DRC and there were continued discussions with potential collaborating partners such as distributors, and direct customers such as retail chains and mining companies.



The 26 participating AGS-sponsored companies reported a total of more than 200 meetings with potential clients and rated their business growth after the trade mission with an average score of 4,6 /5.

The trade mission to the DRC was quite an important mission for Okavango as it exposed us to a new market. The best part about Lubumbashi is that the market has similar needs and tastes to Lusaka, Copperbelt and to Zambia in general, so it's an easy market for us to break into.

We are in the process of registering a company there so that we can reduce the cost of doing business - as a foreigner you pay a lot more. So registering Okavango in the DRC allows us to own property in the country and cross-shipments are easier at the border, thereby lowering the cost.

Chanda Masabo,
CEO, Okavango Foods Ltd



It was so amazing and exhilarating to receive a phone call from AGS informing us that we were one of the enterprises selected to be sponsored by AGS for the Lubumbashi Trade Mission to DRC, hosted by the Zambia Development Agency (ZDA). Our strategic objective was to explore the regional market and DRC is crucial to the expansion of our operations.

Fast forward the Trade Mission at Hypnoses' Mall, with Zambian companies from different sectors displaying their merchandise, ranging from food, industrial products, cosmetics and agriculture. At our stand we exhibited our agricultural products such as maize meal, rice, beans, pop-corns and maize samp. The patronage was excellent at our stand, with visits by people from various backgrounds: household consumers, representatives of business entities such as supermarkets, hotels, breweries and farmers among others. We had several engagements, B2B as well as B2C.

We managed to clinch a business deal worth USD 350 000 USD to supply maize meal to a supermarket in Lubumbashi. Unfortunately, the deal failed as there was a change in government policy relating to the export of maize and related products. However, we are now working with an Export Access Expert who is ensuring that we register our presence in DRC and tap into the business opportunities existing there.

Madalitso Mwanza, Managing Partner/Co-Founder: Forbes Agri Business Ltd

TRADE MISSIONS TO FINLAND 2022 - 2023

In 2022 AGS organised a circular economy and forestry focused trade mission to Finland in conjunction with a visit by the Honourable Collins Nzovu, Minister of Green Economy and Environment in Zambia. Five Zambian companies joined representatives from the Zambia Development Agency (ZDA) and the Ministry of Small and Medium Enterprise Development (MSMED).

The aim of bringing Zambian companies to Finland was not necessarily to create immediate trade between the two countries, but to lay the groundwork for long-term business partnerships, boost knowledge transfer, and to showcase / offer knowledge transfer from the advanced circular economy and forestry sectors in Finland.

The programme in Finland included company and field visits and individual B2B meetings. Zambian businesses were also given the opportunity to join Honourable Nzovu's meetings with relevant Finnish ministries and public organisations.

Twenty-six B2B meetings were organised between Zambian and Finnish companies in collaboration with the Business Finland Developing Markets programme and four companies had a meeting with the Finnish development investment organisation, Finnfund. Other places visited were the Nuukio Nature park and the HAMK project site at Evo, among others.





“Most valuable to meet companies and seeing what they do, and to learn about efficiencies and new technologies. Building contacts is also a big take away for us.”

Girish Sharma,
Alpha Polyplast Limited

Finnfund, the Finnish Fund for Industrial Cooperation Ltd, is the Finnish development financier and impact investor that offers long-term investment loans and venture capital to private companies for projects in developing countries

The trade mission increased awareness and interest towards Finnish solutions in the circular economy and forestry sectors. As a result, AGS decided to organise a second mission in conjunction with a visit by the Honourable Elias Mubanga, Minister of SME Development in Zambia, to coincide with the World Circular Economy Forum (WCEF) held in May - June 2023. The Zambian delegation included 14 circular economy businesses, of which half were women-led. They were joined by representatives from the Ministries of Small and Medium Enterprise Development (MSMED), Green Economy and Mines, as well as the Zambia Association of Manufacturers (ZAM) and Copperbelt University / African Centre of Excellence for Sustainable Mining (CBU-ACESM).

In addition to the WCEF main event and accelerator sessions, Finnpartnership coordinated twelve B2B meetings with Finnish companies and five companies met with Finnfund.

One of the highlights of the trip was a visit to the Kujala Waste Management Centre in Lahti, where the Zambian delegation learnt how waste is circulated and managed in Finland.

“One key mission really elevated our credibility as a renewable energy player in Zambia. The 2022 trade mission to Finland with the newly formed Ministry of Green Economy provided us with a unique opportunity to physically see our concepts in action. Waste-to-energy in Zambia faces many execution risks as the expertise and appetite is only now being realised. Our participation in this mission has not only opened up new networks for our new venture but has helped us build on our already existing core business.”

Emmanuel Sakwanda, Grid Transmission

Enhancing Growth and Competitiveness of MSMEs in Zambia



“Did you know that Finland was the first country in the world to prepare a national road map for a circular economy in 2016? So, as an environmental enthusiast, I was elated to have been selected to represent my business, Entomo Farm, as part of a Trade Mission to Helsinki, Finland. We were one of 15 Zambian companies working in the Circular Economy. Our business turns food waste into a sustainable, organic and inexpensive livestock feed and fertiliser for small and medium scale chicken, fish and pig farmers, by farming the Black Soldier Fly for its larvae.

The trip included networking opportunities and sector-specific visits with potential partners as well as participation in the World Circular Economy Forum 2023. My experience during the week-long visit to Helsinki was nothing short of fulfilling! I learnt a lot about how Entomo Farm can contribute more positively to the environment and economy by reducing biodiversity loss and implementing smarter and sustainable farming practices.

I also had the exciting opportunity of visiting the company Manna Insect in Kempele, Northern Finland, a possible partner and fellow Black Soldier Fly enthusiast. We learnt more about their technology and the benefits of working with it in Zambia and are still in talks with them. We are hopeful that we can work together in the near future.

I learned a Finnish word during my interactions, “Sisu” which describes anything along the lines of grit, perseverance, willpower, courage and endurance. And so, after my trip to Finland, I do believe, “With Sisu, anything is possible!”

Priscilla Musenge,
CEO, Entomo Farm

“The visit to Lahti highlighted the need for a circular economic model with huge opportunities for imported waste management and energy generation in Zambia. It also highlighted the need to maximise resource utility.”

Ninza Sichinga,
Copperbelt Forestry Company



GROWING BUSINESSES THROUGH MATCHMAKING, CO-CREATION & INNOVATION



Olibul Investment Limited trades in quarry, silica mining and transportation while Earthcheck is a solid waste management company.

“It was such a privilege to be given a sponsored opportunity by AGS for a trade mission in Finland to attend the WCEF2023. This was quite a challenging mission for me and my team as I had quite a number of personally developed integrated projects to discuss with different prospects in the circular economy market. We managed to create four partnerships and deals with three prospects, through MOUs and LOIs, attracting a collective potential investment of about 1.8 million USD in the Zambian waste management industry. We learnt a valuable lesson during the trade mission.”

Kyembe Mushinkula,
Director: Olibul Investment Limited &
Co-Founder: Earthcheck Investment Limited

“It is very important to always create a favourable atmosphere that makes other people comfortable to learn about your country and this creates a value stream for investment.”



Karugrid is a Finnish-based company that offers self-installable smart electricity and mobile networking for off-grid sites, communities, and businesses. Karugrid participated in the AGS Market Access Services Programme in October 2022.

“First of all, FinnBiz Week, coordinated by Finnpartnership and AGS, opened a massive number of connections for us to pursue further business discussions and arrangements with Zambian collaborators. The Programme connected us to an exceptional local business expert with deep knowledge of regional markets in Zambia and surrounding areas. Our offering was clear to the expert from the start, and the search for local business collaborators and market opportunities started immediately and continued with an in-depth market report. It provided us with a multi-step business roadmap which we are now following. On top of all this, the support from the Embassy of Finland has been smooth and insightful, providing us with backing that we did not dream of having. All in all, what can we say: Great stuff for Finnish businesses to go abroad!”

Antti Pinomaa, Co-founder, Karugrid

FINLAND BUSINESS WEEK – FINNBIZ WEEK

FinnBiz Week, an annual Finland Business Week event organised jointly by the Embassy of Finland in Lusaka and AGS, quickly became the highlight event of the year. This networking event brought together Finnish and Zambian businesses in the AGS key sectors. The common goal was to create partnerships, encourage dialogue, and boost not only trade but also knowledge transfer between the two countries. Related

Zambian ministries and sectoral organisations were invited as speakers or participants.

The first physical event took place in 2019, with B2B meetings and a main seminar forming the common core for this and all subsequent events. As a result of the COVID pandemic, the following two events (2020 and 2021) had to be offered online. From 2022 onwards, the event could once again take place as an in-person event in Lusaka.

Each annual event varied in format:

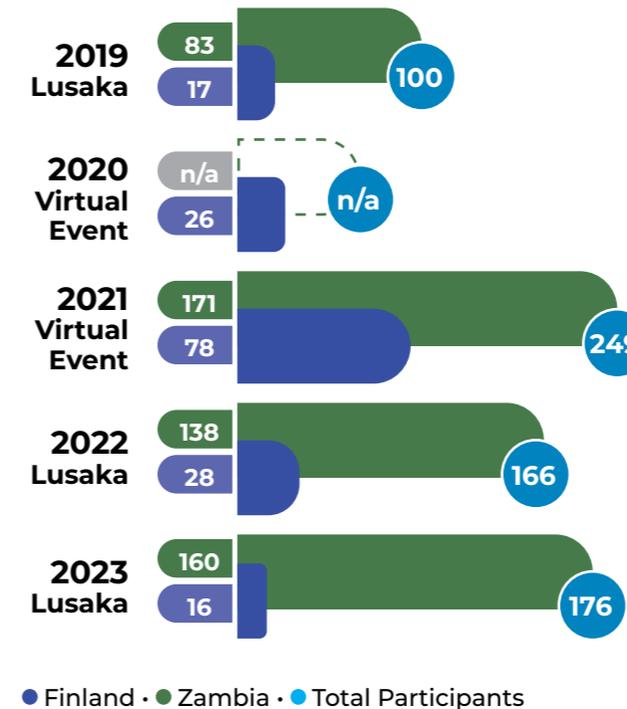
2019

A one-week event that included a bootcamp on “How to do business in Zambia” for 17 Finnish companies. A “Doing business with Finland” seminar was organised in collaboration with Finnpartnership. About 100 participants attended the event at the Finnish Pavilion at the Agritech Expo, the largest annual exhibition in Zambia.

2020

A smaller virtual event that attracted significant participation from Finnish and Zambian businesses and organisations. B2B meetings between the businesses were organised online in breakout rooms.

Number of Participants in FinnBiz Week 2019 -2023





2021

A three-day virtual event that attracted about 300 participants at the opening session and sectoral discussions on agribusiness and forestry, renewable energy and the circular economy, mining and education. B2B meetings between the businesses were organised online in breakout rooms and partly as online meetings after the event.

2022

A one-week event with a launch seminar that brought together more than 150 delegates. The event witnessed the official signing of three MOUs between Zambian and Finnish partners.

52 pre-arranged B2B meetings took place between more than 40 Finnish and Zambian companies.

The attendance of Ms Nina Vaskunlahti, Deputy Minister for International Trade (Finland) gave this FinnBiz Week a special twist by allowing Finnish businesses the opportunity to participate in several meetings with Zambian line ministries. The week ended with participation in the Agritech Expo.

2023

A two-day event brought to Zambia nine Finnish companies with a further ten Finnish companies represented by Finnpartnership. The first day focused on the circular economy and doing business with Finland, with the second day being a company-specific programme for Finnish and Zambian companies. 56 pre-arranged B2B meetings were held.

The annual FinnBiz Week has been a successful tool to boost business between Finland and Zambia, and it has had a significant impact on the creation of partnerships between companies. FinnBiz Week was often the first point of contact for Zambian and Finnish partners, leading to the signing of MOUs, knowledge and technology transfer, representation contracts or joint business ventures.

Building a network and entering a new market takes time and effort, hence continuous support after such events is vital for the materialisation of long-term partnerships

SDG BOOSTER 2021

To strengthen partnerships between Zambian and Finnish companies and organizations, AGS provided information on market opportunities in its focus sectors. The SDG booster was one such initiative, with a focus on the Zambian mining sector. The intention was for joint project creation led by Finnpartnership in collaboration with Business Finland, Education Finland and Fingo (Finnish Development NGOs), AGS and Mining Finland.

Three workshops were held between April and June 2021, with participation of about 50 Zambian and Finnish companies and organisations.

The first workshop in April presented the findings of the market study with the aim of creating common understanding on the needs and challenges in Zambia. This laid the groundwork for the development of joint solutions contributing to the sustainable development goals (SDG).

In the second workshop in May, with only Finnish participants, four areas were selected as having the most interest and potential for the SDG booster participants:

- Quality, health, safety & environment
- Skills development and training
- Mining, processing and exploration
- Mining, processing, exploration and logistical solutions

The third workshop in June allowed Finnish and Zambian participants to continue the search for joint solutions in the selected areas. Twenty Zambian



and eight Finnish entities had one-on-one contacts to discuss further collaboration. There have been 15 facilitated meetings between 15 Zambian and seven Finnish participants, and in addition five initial communications between five Zambian and four Finnish participants. After the SDG booster process, discussions continued around two concepts, later leading to Finnpartnership funding applications.

Catalysed by the Zambia mining sector SDG booster, Finnpartnership received funding applications in 2022 from five Finnish companies targeting African countries, three of them for business partnerships in Zambia



AGS commissioned a market study based on the **NEEDS AND CHALLENGES IN THE ZAMBIAN SUPPLY CHAIN** based on interviews with key stakeholders and companies representing different parts of the value chain

SLUSH 2021 & 2022

The annual SLUSH events in Finland were an important part of building partnerships between Finnish and Zambian companies. Participation in SLUSH allowed:

- Capacity building for Zambian start-up companies through participation in the full SLUSH programme, as well as bootcamps with pitching training
- Networking opportunities with other tech start-up founders and investors
- An opportunity to access finance
- Bringing the start-up culture and Finnish best practice models to Zambia.

AGS supported ten start-ups, one student and two start-up ecosystem representatives from Zambia to participate in SLUSH in 2021 and 2022. The start-ups were selected through a video pitching competition. In addition to the SLUSH event, the programme in Finland included tailored B2B meetings, pitching workshops with experts in the field, and networking events.

The first SLUSH trip highlighted that many start-ups were not ready for such an intensive investor event and did not gain the full benefit out of the experience. This resulted, in 2022, in AGS addressing this gap by adding preparatory training and mentoring sessions in Lusaka for those start-ups who needed it. This made SLUSH more of a journey than just an event.

The SLUSH visits were a success, with noticeable professional development in the participants throughout the journey – from preparation sessions in Lusaka to workshops in Helsinki and ultimately the actual SLUSH event.

SLUSH is the world's leading start-up investment event organised annually in Helsinki. The event connects start-up founders with investors, the intention being to build a new, inclusive, and more purposeful culture of entrepreneurship.

SLUSH offers inspiring talks on start-up success stories on four stages, many sector specific side events, and most importantly, offers a matchmaking tool and meeting area for investors and start-ups to connect.

The development and support of the start-ups continued through other AGS activities, e.g. commodity procurement and networking events.

SLUSH side-events organised in partnership with the SAIS programme in 2021 and Think Africa (2021 & 2022) aimed at creating awareness of the opportunities and start-up scene in southern Africa. From a Finnish-African partnership perspective such exposure is vital for increasing interest towards African countries in Finland and Europe.

Visits to SLUSH served as highly energising networking and learning opportunities even though most investors in SLUSH were not focusing on African markets.

*“I was very nervous in the beginning but with the pre-arranged side events and the workshops organised by the AGS team, I learnt to analyse the markets and learnt to pitch in a minute. The SLUSH experience, and pairing it with **LEVEL UP**, has given me a boost for my personal growth in ways that, any business I do, I analyse and plan for it accordingly. I am a better co-founder, leader and my customer services are top notch. This has my confidence levels high and perseverance strapped on, acknowledging that my work is not a hobby but a business. SLUSH was an amazing experience and the links formed are still being nurtured and collaborations are taking place.”*

Olivia Chombela,
CEO, Brolliance Micro-finance

Participating start-ups in 2021 and 2022 held 88 meetings with potential investors and 22 partnership discussions are in progress

“The increase of confidence, ideas and networks was visible. It seemed like we were sending caterpillars to SLUSH, but butterflies came back.”

Anna Erkkilä,
AGS Home Office &
Business Partnerships Expert



When you
run alone you
run fast. When you run
together you run far.

Zambian
proverb

Top left: Mr Peter Vesterbacka, Founder, SLUSH
Top right: Ambassador Saana Halinen,
Above: Dr. Chitundu Kasase (NTBC),
Above left: Minister of Technology and Science
Mr. Felix Mutati.

LUSAKA SLUSH'D 2023

An exciting development has been that the National Technology Business Centre (NTBC), in partnership with the AGS, successfully applied to organise Lusaka Slush'D in September 2023. This presented an excellent opportunity to introduce a Finnish-born model to strengthen the start-up culture and start-up financing in Zambia.

Slush'D events are smaller-scale, global extensions of SLUSH, organised by local startup ecosystems all over the world. AGS was one of the core sponsors of the Lusaka Slush'D event.

“The biggest constraint we had from the investors at SLUSH was that they didn't really have appetite to finance and invest in Africa.”

John Samaras, Sampay Limited

“As a representative of my company, I had the opportunity to attend the 2022 SLUSH event. As I arrived at the venue, I was struck by the buzz of excitement in the air.

SLUSH featured a jam-packed schedule of seminars, workshops, and panel discussions, covering topics ranging from founder stories to new technologies and innovations. The speakers were all experts in their fields, and their insights and perspectives were truly eye-opening.

I had the opportunity to network with other attendees and exchange ideas and best practices. I met people from all walks of life, including seasoned executives, young entrepreneurs, and aspiring business leaders, all with a common goal of learning and growing. As the conference drew to a close, I felt energised and inspired by the experience. I returned to my company armed with new insights, fresh ideas, and a renewed sense of purpose.”

Rhoda Kakoma, BongoHive



As a small programme, the operational default mode of Finnpartnership is close collaboration with other Team Finland organisations as well as partner organisations overseas sharing the same mandate. Simply put, leveraging your network of partners is a must when pushing for results.

The collaboration with the AGS programme and the Finnish Embassy in Lusaka forms a prime example of small programmes and entities pulling together for results, and importantly, the strong mutual mindset to benefit from one another.

The SDG Booster online event in the spring of 2021, with all three of us as key organisers, very much solidified the collaboration and dialogue for the years to come. Since then, additional smaller events, concrete schemes, and efforts have jointly been put in place for showcasing the potential that the Zambian market presents, as well as linking Finnish companies with viable local partners.

Close collaboration with key partners definitely makes sense. It can even be regarded as the only

logical way of working. Still, at the end of the day it boils down to the involved individuals taking an active approach in what they do. Close collaboration with the AGS has led to us working together as colleagues throughout the implementation of the AGS programme.

Birgit Nevala,
Programme Director, Finnpartnership

When looking at the entire portfolio of projects funded by Finnpartnership, Zambia has become one of the most popular markets in 2022

“The lessons learnt, and the experience lived, during the SLUSH business trip, has developed my personal growth and outlook on being a founder, running a business, and leading a team. I have realised the potential of our business to scale in regions other than Zambia, and its impact on the quality of life for other people. The SLUSH event is a phenomenal space to be exposed to the right institutions and people regardless of which stage one's enterprise is at.”

Hanna Siliya, AccessBubble



NABII is a non-profit organisation that aims to accelerate the growth and effectiveness of the impact investment ecosystem in Zambia. It aims to achieve and maintain the Sustainable Development Goals in Zambia by supporting the creation of private sector driven impact. NABII also plays an essential role in creating a space for MSMEs to access finance

SPONSORED NETWORKING EVENTS

INVESTMENT SUMMITS

Impact Capital Africa (ICA) and the National Advisory Board for Impact Investment Zambia (NABII)

Since 2019, AGS has partnered with ICA to support their investment events bringing together investors and businesses. This partnership was used largely to support the investment summits organised by NABII Zambia.

AGS first supported NABII when it was inaugurated in 2021, with further support for the 2022 and 2023 Zambia Impact Investment Summits. This was organised by NABII in partnership with AGS, Prospero and ICA.

B2B NETWORKING EVENTS

AGS also supported B2B networking events such as expos in the North-Western and Lusaka Provinces in partnership with Prospero. These were important in linking small and large businesses within and between the two provinces.

North-Western Chamber of Commerce and Industry (NWCCI) Expo

NWCCI hosted a B2B Expo and Conference in 2022 in Solwezi, North-Western Province. The event served as a platform for SMEs to access retail chains and multinational companies that are suppliers to the mines, while also providing information regarding access to finance and markets.

The event was a two-day event with an audience of about 257 participants and exhibitors, including growth-oriented MSMEs, key private sector organisations, government ministries and agencies, and other key stakeholders in the financial and market sectors of the economy. As part of the AGS sponsorship, ten participating companies were allowed to join the event free of charge. Sponsored businesses were selected from companies shortlisted by AGS-supported accelerator BDS providers.

54 potential B2B linkages were recorded by AGS-supported MSMEs on the evaluation forms submitted after the event

Lusaka Business Expos

Two Lusaka Business Expos were organised in 2022 and 2023 by Push Women's Network. AGS sponsorship of the 2022 event included ten exhibition booths and participation in a panel discussion on financial support instruments for SME development. Three companies joined as exhibitors in 2023. Exhibiting companies were selected by an internal evaluation panel among businesses shortlisted by AGS accelerator BDS providers. As the exhibition was open to the public, consumer goods companies were given priority. Pre-arranged B2B meetings were targeted at the sponsors only i.e. AGS instead of the exhibiting companies.



There were over 1000 participants who took part in this three-day Afrilabs event

Afrilabs Annual Gathering 2022

AGS provided support for regional MSME network organisations through the 2022 Afrilabs Annual Gathering that took place in Lusaka, organised by local innovation hubs - BongoHive, Jacaranda Hub, NyamukAfrika and WEAC.

Established in 2011, AfriLabs is a network organisation supporting more than 400 Technology and Innovation Centres across 52 African countries. These hubs provide support to African entrepreneurs, innovators, developers, and youths by providing physical co-working and dedicated office spaces, as well as inclusive training, business, legal and financial support.



LEAP Co-creation and innovation

To strengthen the linkages between industry and academia, AGS created concrete opportunities for co-creation and collaboration between students and businesses. This allowed Zambian MSMEs to learn new methods for innovation and development, and students to gain experience from working with real-life business challenges that needed innovative solutions.

Two co-creation and innovation challenges were organised by AGS and facilitated by selected innovation professionals from Finland and Zambia. All the participants were selected through an application process. Companies were matched with student teams who worked on the challenges created by the companies.

Co-creation within AGS activities refers to multi-disciplinary student teams working on challenges identified by private sector companies within an innovation challenge competition, and occurring over a two- to three-month period

Workshops where students from different universities and company representatives can meet each other face-to-face, improve the levels of collaboration and results of innovation challenges remarkably. This should be taken into consideration when planning and budgeting such challenges

Companies were selected based on their innovativeness and growth orientation, alignment with sustainable development goals, as well as motivation and commitment to the process and approach



DEMOLA & BONGOHIVE: 1ST CO-CREATION AND INNOVATION CHALLENGE 2021

The first co-creation and innovation challenge was implemented by Demola and BongoHive.

Fifteen Zambian and two Finnish companies were selected to proceed to the actual innovation challenge with student teams.

Participation opportunity was opened to all Zambian students in Higher Education Institutions (HEIs), as well as international students in the Demola networks. This was to build new cross-university interaction and personal networks.

Eleven teams were formed with approximately six students in each team. Two teams were terminated prematurely due to inactivity and finally seven teams submitted final reports.

There were weekly follow-up workshops for students and bi-monthly follow-up calls with the company representatives, all planned as an online activity.

Students rated their overall experience of the programme

9.1/10



89 applications were received for the first co-creation and innovation challenge by Demola and Bongo Hive from 41 different universities in 9 countries. 38 participants came from Zambian HEIs, 3 from Finnish HEIs

HAMK, UNZA and MU have been successful in finding funding from EU and other sources to organise new courses that include innovation challenge projects with companies. Participating companies have found the innovation challenge model beneficial to their businesses, and some companies have continued collaboration with university students within new projects. Demola has organised new challenges through their networks, including with BongoHive and Zambian students. There is also a concrete plan to continue the activities under the auspices of the Ministry of Technology and Science, within NTBC.

The final event was planned as a hybrid event - live in Lusaka with the possibility for online participation.

Unfortunately, due to a COVID outbreak within the ranks of the organisers, the event had to be moved online at short notice. This was not ideal as many students struggled with connectivity. This meant that the team reporting suffered from the last-minute change. Written reports were shared with the companies. The experience was still seen as positive, and both the students and companies developed skills in working with future scenarios.

“I would say teamwork is both a driving force and an opportunity to actively learn from others. This challenge has opened my mind up to the many aspects and ways any project can be viewed, analysed, and worked on.”

Participating university student

2ND INNOVATION CHALLENGE 2022

The second co-creation and innovation challenge was implemented in collaboration with the Häme University of Applied Sciences (HAMK), which had overall responsibility for the project management, Mulungushi University, University of Zambia and Crazy Town. It focused on agribusiness, renewable energy and the circular economy.

The process included two online workshops and one live physical event in Lusaka. The participants were clearly happier with the live workshop.

17
33
Zambian
companies
selected

77 students selected through existing courses at participating universities: HAMK, UNZA and MU students earned study credits from the activity

50 students completed the challenge and earned a certificate

8 HAMK	20 UNZA	22 MU
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“The workshop was so beneficial for me in the sense that I have ideas on how to expand my business, how to build a community” but AGS needs to “scale up the skills more widely to other students.”

Workshop participants

By mid-2023 NTBC had signed MOU's with seven Zambian universities that wanted to implement the innovation challenge concept as part of their course curriculum

CREATING MARKET ACCESS OPPORTUNITIES

LAUNCH - a market access
service for MSMEs

84

Feasibility studies

84

Market access consultancy services

86

Increased access to finance

89

LAUNCH - a market access service for Zambian and Finnish businesses



The AGS programme supported Finnish and Zambian companies in selected business sectors to explore new market opportunities for specific products and services. Two tailored support modalities were offered for finding partners, exploring product-market fit and succeeding in the Zambian or southern African business context:

- Feasibility studies
- Access to specialist market access consulting services.

FEASIBILITY STUDIES

AGS-supported feasibility studies aimed to verify the market potential and business model feasibility as well as to target customers offering the highest potential for future business. These studies were aimed at both Finnish and Zambian businesses.

Five rounds of applications were opened, with a total of 20 feasibility studies supported throughout the programme. One call was targeted at Zambian lead companies and one to Finnish lead companies only.

Applications by Finnish-Zambian consortia were encouraged, and partnership building was emphasised throughout the process as collaborative feasibility studies have proved to be a good tool for testing partnerships.

Enhancing Growth and Competitiveness of MSMEs in Zambia

LEAD COMPANIES



11
Zambian



9
Finnish

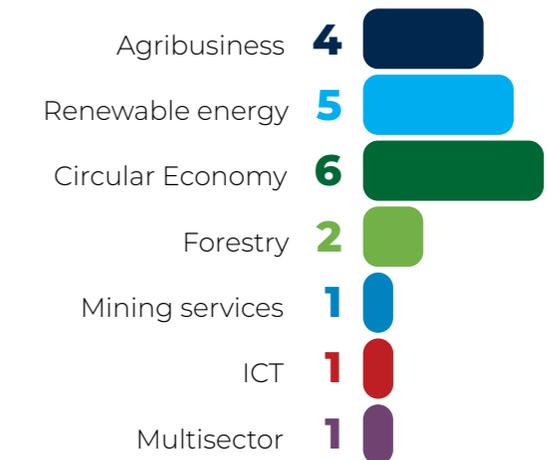
Shortlisted applications had to meet specific minimum criteria:

- The product or service had to focus on one or more of the AGS focus sectors
- A minimum of 25% had to be self-financed, with AGS financing capped at €20 000
- The lead partner/s had to be SMEs from Zambia and/or Finland
- The planned project needed to have developmental impact (economic, social and environmental) and support Finnish development priorities and cross-cutting themes
- If proven feasible, projects were expected to create long-term partnerships and commercial opportunities for Finnish and Zambian companies

The feasibility studies were perceived as a concrete offering for both Zambian, and especially Finnish companies, who could not join the **LEARN** and **LEVEL UP** training programmes. They were also important for creating awareness of the Zambian market and provided tangible evidence of AGS activities in Zambia.

CREATING MARKET ACCESS OPPORTUNITIES

SUCCESSFUL APPLICATIONS BY SECTOR



Finnish businesses conducting the studies on the Zambian market, or vice versa, were encouraged to find local partners to conduct the study. This contributed to overall long-term partnership creation between the two countries, a welcome by-product of the activity.

Feasibility studies have been an important tool for AGS-supported businesses to enter new markets, build partnerships and pilot business ideas

In most cases, a company would already have identified a possible business opportunity or business model for which the feasibility needed to be researched. Some conducted the study together with a potential partner, while others mapped potential partners required for their business model. Most businesses received positive feedback for their planned solutions and/or business models and intended to continue their planned business activities. Some businesses are now in the planning phase, but a few have already materialised their plans and moved onto further phases.

MARKET ACCESS CONSULTANCY SERVICES

These services were aimed at assisting AGS-supported companies to gain access to new markets. It was offered to both Finnish and Zambian companies that had participated in previous AGS activities, especially **LEVEL UP** and Trade Missions.

Businesses could choose from a pool of six AGS-appointed market access experts, although companies could also propose their own choice of expert depending on their needs, sector and target market.

During the period 2021-2023 AGS opened three calls for proposals for market access services, with interest growing as the AGS programme unfolded.

Throughout the process, companies struggled to identify areas where they needed assistance. As a result, most applications in the first round were too broad and unclear.

The quality of applications improved significantly when AGS organised application workshops for the next two rounds. These workshops advised on how market access expert services could be used, how the application forms should be completed, and how

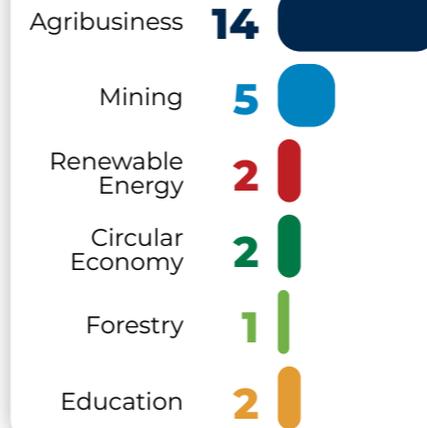
experts could be contacted early in the application stage to assist in scoping specific needs.

This resulted in a smaller number of applications but of higher quality. Given that the AGS pool of experts was well-versed in both the opportunities and limitations within the activity, they were able to provide realistic advice to applying businesses. For example, experts were asked to advise on required certification for intended markets, e.g. retail chains or exports, or if a business needed to focus more on domestic markets before launching into export markets.

SUCCESSFUL APPLICATIONS FOR MARKET ACCESS SERVICES

	Zambian	Finnish
1st round: 72 applications 8 successful	7	1
2nd round: 20 applications 14 successful	10	4
3rd round: 15 applications 4 successful	2	2

APPLICATIONS BY SECTOR



MARKET ACCESS SERVICES

107



Total applications (2021-2023)

26 total successful applications
12 female-led companies



Tespack is a Finnish company that specialises in creating smart mobile micro grids for challenging markets, bringing reliable, green energy infrastructure to remote locations. Tespack was one of the Finnish companies that made use of the AGS' market access and feasibility study support. These played a pivotal role in overcoming challenges and achieving remarkable results in the company's endeavours in Zambia, for example, sales deals and partnerships were closed with World Vision, Save the Children, and local edtech companies. The AGS market access experts brought invaluable understanding of the local market, regulations, and cultural nuance, making them a reliable and trustworthy partner in navigating the complexities of expanding into Africa.

Mario Aguilera, CEO, Tespack

Arbonaut is a Finnish company that designs tools for integrating all aspects of timber resource data collection, analysis, and management. The company received AGS support to assess the feasibility of geographical applications serving the timber value chain in Zambia. The study found that it would be commercially viable and that there was a great need in forestry operations for maps and other resource information.

“Since the very first meeting with our partners, it felt like Arbonaut had arrived home.”

Working with an AGS-appointed market access expert, Arbonaut was requested by the Zambian Minister of Green Economy and Environment to produce a concept note on what value the company's application could bring to the sector in Zambia. This has subsequently facilitated the market entry of Arbonaut into Zambia.

Jarno Hämäläinen, Head of Consulting, Forest Information Services



Okavango Foods expands into new markets with advice from an AGS-sponsored market access consultant

Okavango wanted to expand its production and explore new markets to grow its business. Following the recommendations made in a customised feasibility study for Okavango, the business is now moving in new directions. Okavango has targeted the home shop market and will be introducing new branding and smaller packaging for its samosas, sausages and other products in smaller sizes. This will allow them to improve their short-term cashflow while waiting for their wholesale offtakers, e.g. the supermarkets, to settle their bills. The market access consultant also provided linkages to buyers from the mines, which are being pursued as a new market opportunity.

In terms of meat processing, they have decided to follow the feasibility study's recommendations to start their own farm for chicken products, a new business that will address the problem of major inconsistencies in the supply of bone chicken, as well as the high costs of buying chickens from farmers.

“As one of the AGS Market Access Experts, I worked with several agribusiness companies. These companies doubled their revenue, increased their product offerings and sales volumes to current clients, improved their standards to meet the market requirements, improved their industry knowledge and now have a market access strategy to guide them to further growth. I see the AGS programme as a success for companies big and small, foreign and domestic.”

Renier van Vuuren
AGS Market Access Expert: Agriculture

Panuka Farm expands its market access with AGS support

In 2022, Panuka Farm was awarded a market access facility by AGS. This was in the quest to broaden the farm's market options and mitigate against single offtaker risk. Following an initial diagnosis of the farm's operations, the AGS-contracted consultant linked a supplier of catering services to a mine in the North-Western Province and a supply relationship commenced in late 2022.

As of June 2023, linkages with additional offtakers were being finalised, which will enable the farm to broaden its client base further. Access to market still remains one of the thorny issues for most horticultural farmers. The Market Access facility offered by AGS is thus a game changer, more so as it was customised to the needs of the enterprise.

INCREASED ACCESS TO FINANCE

One of the key AGS outputs was to increase access to appropriate finance so that effective business growth strategies could be implemented. AGS used several indicators to measure progress:

- At outcome level, the total amount of funding to participating MSMEs was measured in Kwacha (ZMW). This included the total amount of funding businesses were able to raise as loans, grants or investments from banks, donor organisations or investors. The figure excluded AGS commodity funding and funding from private individuals.

- To be able to receive funding, the number of companies applying for funding needed to increase. AGS measured this with three indicators:
 - number of MSMEs applying for financial services and products
 - number of MSMEs receiving financial services and products
 - number of funders engaging with the MSMEs through AGS activities.

By the end of 2022, companies had reported total funding of ZMW 37 million raised against a goal of ZMW 5,8 million

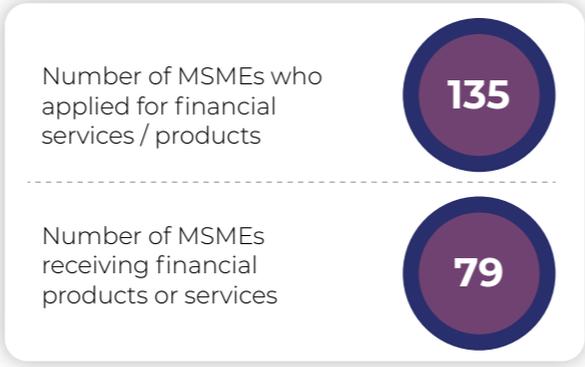
The last indicator aimed to reflect MOUs and other agreements signed by AGS with funders, who would in turn work with AGS trained companies. This target was not reached, but proved to be a less important indicator than originally thought as other indicator targets were exceeded by the end of 2022.

Empowering MSMEs through Access to Financing: A Transformative Journey

The trajectory of MSMEs accessing financing has been a narrative of continuous growth and empowerment. Their journeys highlight the resilience and adaptability of these enterprises in the face of economic challenges. MSMEs embraced the opportunity to tap into financial services and products, bolstered by AGS training in access to finance, business and technical services. This led to numerous businesses actively applying for funding from banks, grant funds, investors and other funders.

Grants emerged as a vital lifeline, particularly during the unpredictable phases brought about by the COVID pandemic. These grants, exemplified by two businesses receiving ZMW 522,000 from Prospero and the Zambia Agribusiness and Trade Project, underscored the enduring value of diverse funding sources. Furthermore, a journey beyond borders materialised with Zambian start-up companies engaging on an international stage. Their participation in the SLUSH 2021 and 2022 start-up financing events in Finland not only showcased their innovative spirits but also demonstrated the broader reach of their ambitions.

The consistent rise in funding applications and approvals, with 33 successful funding applications in 2021 and 44 in 2022, underscored the unwavering determination of these enterprises to secure the resources necessary for their growth. The story of these MSMEs serves as an inspiration, affirming their critical role in shaping a resilient and thriving economy.



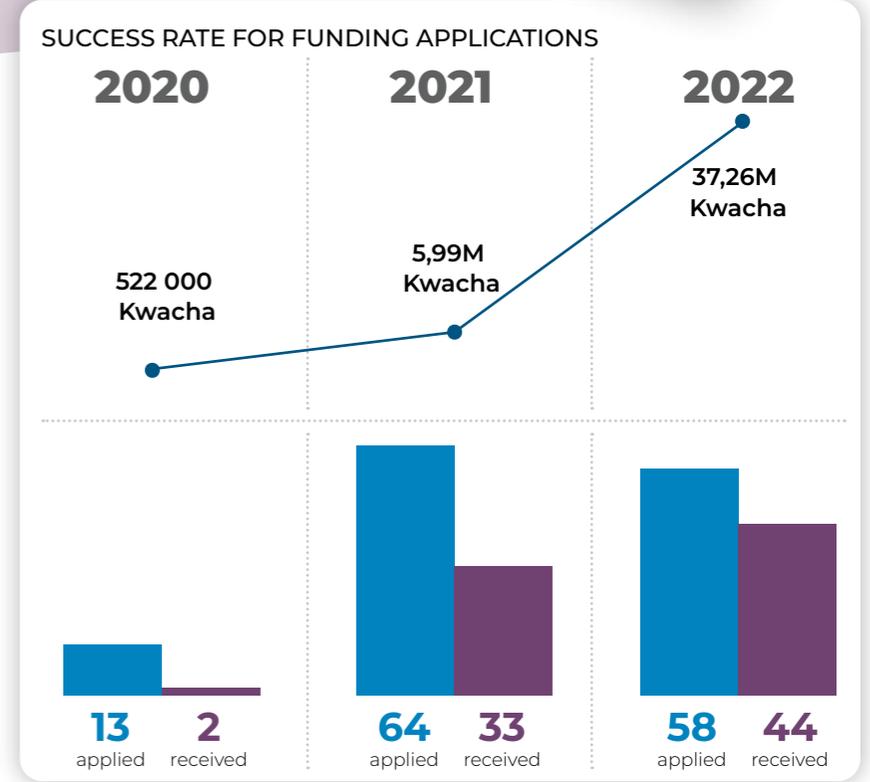
AGS produced a useful directory for MSMEs to explain the various options for financing, as well as institutions that can assist in providing finance in Zambia



Funding Partnerships

By the end of 2022, MOUs had been signed with the National Savings and Credit Bank (NATSAVE) (2020), Zambia National Commercial Bank (2021) and Atlas Mara in 2022.

AGS has also taken other actions to facilitate linkages with funders. The ten Zambian companies visiting Finland during the SLUSH 2021 and 2022 start-up investment events reported 88 initial meetings with investors during the event. Discussions with 22 different funders were reported to be continuing.



LESSONS LEARNED & MOVING FORWARD BEYOND AGS

Lessons learned

94

Moving forward beyond AGS

101





Lessons Learned

As AGS draws to an end, the team would like to share some of the lessons learned along the way with other practitioners, funders and academics interested in the approach AGS adopted. Some of the lessons may sound self-evident, but they may still add value to the planning processes of similar initiatives.

Different approaches may add value at different times and circumstances. It should be noted that these thoughts are not the result of any rigorous academic research process, but rather the thoughts and findings of the AGS team based on our day-to-day work with the programme.

LESSON #1: Entrepreneurship development, if it is to have impact, needs to be tackled holistically, with support provided throughout the entrepreneur's journey

AGS did things differently from other programmes in many ways, but its success can largely be attributed to the way it built long-term relationships with the companies it brought on board throughout the programme's lifetime.

In the early stages of AGS, the focus was on identifying and training a large base of Zambian companies, much larger than originally planned. This allowed the selection and inclusion of companies with strong growth potential and high levels of commitment, who could be nurtured through the AGS' structured and well-managed growth path. The use of ready-made structured learning programmes allowed AGS to train large numbers of companies relatively quickly.

Companies who went through the whole AGS structured learning process were found to have higher levels of commitment and motivation, with better comprehension and implementation of learning. They were also found to have gained skills in 'learning how to learn' while acquiring a solid base of shared understanding of key business concepts relevant



The smaller group of more advanced companies benefited from further business acceleration training and tailored learning that allowed for individually supported growth. Because accelerator trainers were closely involved with these businesses, they played a crucial role in working with the AGS to shortlist successful companies for benefitting from commodity funding to grow their businesses.

High levels of engagement were maintained with AGS-supported companies through quarterly follow-ups and data validation to monitor business growth, ongoing invitations to events, and matchmaking activities such as trade missions to facilitate new business opportunities and partnerships.

LESSON #2: Do not re-invent the wheel – use existing concepts, models and innovation processes that have worked well and been tried and tested elsewhere

Since its inception phase in 2018-2019, AGS intentionally established partnerships with institutions that could provide resources of value to the programme. This freed up the limited resources within AGS and allowed them to be used more effectively elsewhere. One such example was the decision to use the ILO's SIYB and EYB training – the implementation of an existing, tried-and-tested curriculum was important in allowing AGS to move forward quickly and effectively with its MSME training and capacity building.

Another effective collaborative mechanism was the joint implementation of accelerator programmes by both Finnish and Zambian service providers. This allowed for sector-specific knowledge transfer as well as capacity building and the establishment of future reference networks among service providers. Such collaboration will ensure sustainability post-AGS for future entrepreneurial development pursuits.



“What I have appreciated with the AGS programme is that it has thought through key components of entrepreneurship development. It was not just a hit-and-run as other programmes do, where they just run Training-of-Trainers, or they just run training of entrepreneurs. And then what?”

I like the fact that there is integrated coaching and support with market linkages, and support with different components, to ensure that a particular entrepreneur is successful. So that in itself, I think, makes the programme different from other ones.”

Sibongile Sibanda,
AGS Master Trainer

LESSON #3: Entrepreneurship development needs to be focused, with a clear understanding of the sector- and size-specific target beneficiaries it is servicing: one size does not fit all

The AGS programme expanded its original focus from support for small and medium enterprises to also include micro-enterprises. This was not entirely successful as the needs and focus of the latter are generally not growth-oriented nor are they able to absorb and implement the type of training provided by AGS. A separate programming stream for micro-enterprises might have yielded better results.

Given the limited resources of the programme, a more effective approach would have been a targeted sector-specific focus on larger, more active companies where job creation was more likely. Access to specialised business development services, such as product quality improvement and accounts auditing, would also have added more value.

“I think the way AGS has worked with BDSPAZ to build its capacity has stabilised things for trainers who are members of that association. So, they will leave trainers in a more sustainable organisation and there are also many more chances that other organisations will tap BDS providers from the same association.”

Vivian Mthetwa,
SIYB Master Trainer



LESSON #4: Strengthening BDS capacity is a key element in future-proofing the national support system for entrepreneurs

The provision of BDS through AGS has been beneficial to many MSMEs, although this has caused a level of market distortion and financial expectation from BDS providers. Some have used the exposure and opportunities provided by AGS to their advantage and have expanded their businesses. Others will continue to be reliant on BDSPAZ to promote BDS provision in the country while educating BDS providers about the need to deliver their services as a business. BDSPAZ and its members will also need to ensure that other non-ILO approaches and service providers are included. They will also need to include training organisations as members going forward.

Success stories are also important in bringing new companies on board - their experiences need to be communicated extensively. Some of the larger companies did not believe that they could benefit from business acceleration and initially did not see the need to learn new skills. However, once the positive results from other AGS-participating companies became known, this perception changed.



LESSON #5: The ability to collect and analyse company data effectively, from programme inception, is important

Data collection formed an important part of the AGS programme and the quarterly data gathering process was an important modality for keeping contact with companies. With hindsight, however, the programme was hindered in these efforts because it opted for a tailor-made database rather than a ready-made solution, resulting in unnecessary delays due to database development challenges.

Business growth is never linear, and more thought needs to be given to how to improve data analysis to take these peaks and troughs into consideration when data is reviewed. Further, qualitative information is interesting but costly in terms of time taken for collection and analysis. A more effective approach would have been to focus on quantitative data combined with small, focused studies and selected interviews. The Programme would also have benefited from solid baseline data prior to programme implementation.

Going forward, it will be essential to improve data collection of Finnish and Zambian businesses engaged in direct matchmaking services. The Programme lost this key institutional knowledge, which also slowed down progress towards implementing feasibility studies and market access consultancy services.

“Mining was included as one of the cohorts in the AGS accelerator programme, with the aim of growing and diversifying the Zambian mining business ecosystem. Mining Finland worked with 14 companies representing a wide range of business interests, with only a few focused specifically on mining. When we interviewed these companies, it became clear that the entire mining value chain and potential entry points for companies were poorly understood. Networking with synergistic companies to widen the offering was not really seen as an option. Instead, the key focus during coaching was on improving business processes. Companies were also trained to pitch their businesses, emphasising the added value that they could produce for their mining customers. It was a pleasure to see how companies recognised areas for further business development and how they improved their business communications during the programme. New linkages were also created between Zambian and Finnish companies.”

Harry Sandström,
CEO, Sandström Consulting
(previously CEO, Mining Finland)

LESSON #6: Matchmaking takes time and requires a significant amount of preparation of participating companies and institutions

Finding clients, funders and partners, especially from another country, is a long process that requires time in addition to tailored support, market information, matchmaking, pre-arranged meetings and other logistical preparations. The expectations from both countries need to be clearly defined and communicated to participating companies.

AGS experience has shown that participants were ill-prepared, did not understand their capacity and limitations, and had unrealistic expectations of what matchmaking activities could deliver. For example, there was little understanding, particularly in the first round of events, that a trade mission is only the starting point and continued commitment is a prerequisite after the event.

Some businesses also did not have the insight that their businesses were not yet ready to expand internationally.

To provide a solution to these challenges, AGS made provision for market access consultants to assist companies, but company needs were often unclear or unrealistic. For example, a company requesting expert support in HACCP certification to enter retail chains or export markets was found to lack the required levels of production volumes and quality systems. (HACCP is a food safety system designed to identify and control hazards that may occur in the food production process).

A better understanding is needed of the cultural differences, business practices (and expectations) between countries, with more effort put into resources to educate about cultural differences, power dynamics of working across cultures, and the differences in thinking on time, money, agreements and business etiquette. In Finland, for example, potential partners expect more equality from partnerships, whereas Zambian companies viewed Finnish companies as potential investors. Trade missions and participants need to be confirmed well in advance, at least one month before the event, in order to allow for sufficient preparation time for both the participating businesses and the B2B meeting organisers.

Feedback from companies also suggested that sector-specific and targeted trade missions be offered in addition to general trade missions.

LESSON #7: Co-creation challenges need to ensure that there is a match between the needs of industry and the maturity levels of participating students

Co-creation challenges can be useful to a wide range of companies, but the process may need to be different for different types of businesses. The logistical challenges of agribusinesses, for example, may require different approaches to developing the service model for a mobile edutech company. Anyone running co-creation processes should be prepared to adapt to different levels of ability in the participants and should be able to deal with emerging challenges that may be low or high-tech, solving big issues with scalable solutions or smaller on-the-ground practical solutions. Alternatively, the participants need to be vetted carefully beforehand to ensure a homogenous group with the right qualities for the planned process.

Participating businesses need to provide students with well-defined and comprehensive descriptions of the challenges they face. Both business representatives and students need to be committed to the process.

The co-creation process could be improved if business representatives are not expected to participate for several days but are available for questions when the need arises.

The challenge should optimally be linked to the study curriculum as part of a course or vocational training.

LESSON #8: Trade partnerships are important to facilitate relationships between Finnish and Zambian companies

Programmes such as AGS play an important role in strengthening business partnerships and such programmes are an important vehicle for the Team Finland work and for facilitating trade partnerships. Trade and export organisations in the donor partner countries should take advantage of the opportunities presented by such programmes and be prepared to work with them to gain maximum benefit for businesses in their countries. The enthusiasm and dedication of individuals in these organisations should be recognised as a key success factor; however, the challenge lies in ensuring that institutional systems and knowledge management are put in place to allow future replication and sustainability of these impactful efforts.

Joint activities need to be embedded in the programmes and objectives of institutions in both countries. It is also important to understand the roles of MSME support, and trade and export promotion organisations in both countries. Relevant departments, individuals or programmes should be identified in the initial planning stages of the bilateral programmes or at the latest during the inception phase.





“Impact speaks for itself. If SME’s look at their neighbours who have attended training - never mind that they attended it for free - and they see the results, they would be willing to pay for it.

I think as programmes generally, not just AGS maybe, we have not given enough attention to mindset shift, especially the bigger businesses, because they need to prioritise their capacity building. Once they’ve prioritised their capacity building, it also means they should then be able to say, OK, we are putting 5% aside for business development and training. So I guess that is maybe the next level, but it will be interesting to see if we are making a move in that direction because the lower levels, yes, they need the subsidies, but should we really be subsidising someone who is driving a brand-new car?”

Sibongile Sibanda,
Fine-Touch Consulting & AGS Master Trainer

Moving Forward Beyond AGS

One of the key cornerstones for AGS was to ensure that its activities continue after the programme ends in December 2023. To this end, AGS put in place several sustainability measures that will strengthen and expand Zambian capacity in supporting MSMEs going forward.

Strengthened research capacity on Zambian MSMEs

The Zambia Institute for Policy Analysis and Research (ZIPAR), a national think tank, was contracted to produce an MSME study as input into the draft policy development. This has increased knowledge on MSMEs in Zambia and improved the capacity for research into MSMEs in the country.

Strengthened implementation capacity in the Ministry of Small and Medium Enterprise Development (MSMED)

The MSME Development Policy will be approved in the near future, ensuring long-term implementation of MSME activities informed through the AGS Programme. The Ministry’s implementation capacity has been strengthened in various ways:

- MSME service provision mapping to improve coordination and integration with cooperating partners, donors, industry stakeholders, implementing partners and other government agencies.

- Capacity building in enterprise development through the training of trainers to deliver the ILO’s SIYB curriculum.
- Upgraded IT equipment and hardware.

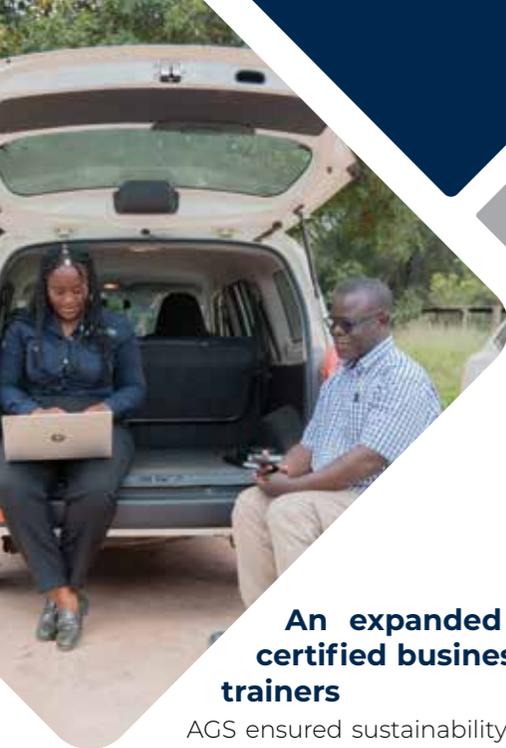
Strengthened marketing capacity in BDSPAZ

BDSPAZ was supported financially by AGS to develop a website providing information about business development services and opportunities in Zambia. They also implemented a marketing campaign to raise awareness among MSMEs of the need for business development services and what services are available.

Raised standards for the delivery of quality BDS services in Zambia

With funding from the Programme, BDSPAZ in partnership with TEVETA are developing a benchmark qualification for business development services (BDS) providers in Zambia. This will ensure that businesses feel confident in using BDS providers whose quality of training matches the TEVETA standard.

An additional measure has been the MOU developed between MSMED and BDSPAZ to provide training on the BDS services currently available in Zambia, and to ensure that the Ministry and Provincial / District offices know which service providers they could use for MSME training.



An expanded skills base of certified business development trainers

AGS ensured sustainability in BDS capacity by certifying Master Trainers through the ILO. This will allow further certified trainers to be trained across the country and ensure that the quality of the SIYB / EYB training will be monitored and improved on an ongoing basis. The training provided to Master Trainers also emphasises the need to market their services to businesses and stakeholders, and to build out the platform as a business growth opportunity for themselves and their businesses.

Continuation of business acceleration programmes (LEVEL UP)

AGS engaged with the private sector – especially the mines – to implement accelerators with AGS service providers. There is demand to keep these activities going, as evidenced in the Barrick 10x accelerator programme. AGS has also worked with CBU to

build their capacity to deliver similar programmes in the province. This, together with BDSPA's work in promoting business development services, should be instrumental in ensuring that there is increased demand for acceleration services.

Ownership of AGS-procured commodities will be passed to participating MSMEs through the Government of Zambia

All commodities procured through AGS will transfer to the Government of Zambia when the programme closes. This includes the productive commodities procured by the programme for use by the MSMEs. As part of the bilateral agreement, the documentation of the commodities will be transferred to the Government, with the expectation that ownership is then proffered to MSME recipients, without any further cost or obligations on their part. The productive commodities, equipment and machinery used by the programme will be submitted to the Zambian Ministry of Works and Supply in December 2023.

Enhanced business linkages and partnerships, locally, regionally and with Finland

The connections to AGS-participating Zambian and Finnish companies will continue to be utilised in the Team Finland work of the Embassy of Finland in Lusaka. This will allow the Embassy to continue engagement with these companies in periodic events such as the Finland Business Week. Engagement with Finnpartnership will continue through the Team Finland effort, so that Zambia remains prominent in opportunities for Finnish companies.



Strengthened capacity in implementing trade missions

AGS Intends to work with ZDA staff to build capacity around planning, decision making and project delivery for trade missions. AGS-developed tools and resources will be disseminated to the various agencies and other stakeholders to assist in future planning and implementation initiatives.

Supporting co-creation and innovation projects between Zambian and Finnish entities and capacity building for Zambian entities in developing private sector cooperation models

Häme University of Applied Sciences (HAMK), Crazy Town, the University of Zambia and Mulungushi University collaborated to produce a handbook for universities on how to engage businesses and industry so that university curricula respond to real world skills requirements and create a co-creation space for research and development with business. Training on the curriculum was implemented in six universities, coordinated by the National Technology Business Centre (NTBC).



Promoting future market access to markets for selected Zambian businesses and Zambian markets for Finnish businesses

BDSPA has been capacitated to market qualified and experienced consultants and service providers who can support businesses in gaining access to new local, regional and international markets. The consultants and BDSPA will be able to develop and use case studies from AGS businesses to highlight their experience and capacity.

AGS will seek to ensure that MSMED and ZDA are engaged with the BDS providers used in the programme, and who have established their credentials in directing businesses looking to enter new markets.

Facilitating access to finance for Zambian start-ups and MSMEs

Access to finance is essential for businesses to continue to grow. It provides capital to invest in new machinery, equipment, and processes, as well as funding working capital to meet operational needs. Details of AGS-supported businesses will be provided to MSMED, allowing the Ministry to advocate on their behalf with organisations such as the Citizens Economic Empowerment Commission (CEEC).

ABBREVIATIONS and ACRONYMS

AGS	Accelerated Growth for SMEs in Zambia Programme
B2B	Business to Business
BDS	Business Development Services
BDSPAZ	Business Development Services Providers Association of Zambia
CBU	Copperbelt University
CBU-ACESM	Copperbelt University - Africa Centre of Excellence for Sustainable Mining
CEEC	Citizens Economic Empowerment Commission
DEMOLA	Innovation Ecosystem Network
DRC	Democratic Republic of Congo
DSIK	German SparkassenStiftung for International Cooperation
EMPRETEC	UNCTAD Entrepreneurship Training Programme
EUR	Euro
EYB	Expand Your Business (ILO training)
GRZ	Government of the Republic of Zambia
HEI	Higher Education Institution
HRBA	Human Rights Based Approach
HAMK	Häme University of Applied Sciences (Finland)
ICT	Information and Communication Technology
ILO	International Labour Organization
ITC	International Trade Centre
IYB	Improve Your Business (ILO Training)
LOI	Letter of Intent
MCTI	Ministry of Commerce, Trade and Industry (Zambia)
MFA	Ministry for Foreign Affairs of Finland
MOU	Memorandum of Agreement

MSMED	Ministry of Small and Medium Enterprise Development (Zambia)
MSMEs	Micro, Small and Medium Enterprises
NABII	National Advisory Board for Impact Investment
NATSAVE	National Savings and Credit Bank
NGO	Non-Governmental Organisation
NHIS	National Health Insurance Scheme
NTBC	National Technology Business Centre
NWCCI	North-Western Chamber of Commerce and Industry
SAIS2	Southern Africa Innovation Support Programme Phase 2 (ended 2022)
SEED	United Nations Programme Promoting Entrepreneurship for Sustainable Development
Sitra	Finnish Innovation Fund
SIYB	Start and Improve Your Business (ILO training)
SLUSH	Annual start-up and tech event (Finland)
SMEs	Small and Medium Enterprises
SYB	Start Your Business (ILO training)
TEVET	Technical Vocational and Entrepreneurship Training
TEVETA	Technical Education, Vocational and Entrepreneurship Training Authority (Zambia)
ToR	Terms of Reference
USD	United States Dollar
WEAC	Women's Entrepreneurship Access Centre
WEF	World Economic Forum
WCEF	World Circular Economy Forum
ZAM	Zambia Association of Manufacturers
ZDA	Zambia Development Agency
ZIPAR	Zambia Institute for Policy Analysing and Research
ZMW	Zambian Kwacha



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