

Zambia Inclusive Business Workshop

A joint event between the Business Innovation Facility and Innovations Against Poverty, October 2011



Andrew Kambobe outlines support offered by BIF and IAP to
Zambian business people (Kitwe, 10 October 2011)



Steven Putter of IRDI, a successful recipient of the IAP small grant,
explains the Moringa outgrower scheme (Lusaka, 12 October 2011)

This report shares results of two workshops. The main objectives of the workshops were to:

• Explain 'what is inclusive business?'

• Provided a platform for Zambian business people to share their Inclusive Business models

• Explain the support that Business Innovations Facility (BIF) and Innovations Against Poverty (IAP) can provide, and the application process for that support

What is inclusive business?

Inclusive Business is profitable core business activity that expands opportunities for the poor and disadvantaged in developing countries, engaging the poor in the value chain as suppliers, distributors, customers or consumers etc.

'Pro-poor business' 'Shared value'

Aims and introduction to the sessions

Andrew Kambobe, BIF/ IAP Zambia Country Manager, facilitated both events, with Nina Strandberg of the Embassy of Sweden provided opening comments.

At each event, Andrew Smith (BIF/ IAP International Team) provided a brief introduction to Inclusive Business. See here for the presentation given.

Following this Andrew Kambobe welcomed Zambian business people and entrepreneurs to introduce their Inclusive Business ideas. Following these presentations there was a lively discussion about the different initiatives.

Kitwe inclusive business presentations

• **Sonta Kauti, EnviroCo:** EnviroCo, representing Vagga Till Vagga who have developed a waste to energy inclusive business idea. By producing pellets from waste biomass, saw dust and husks, the result is an alternative fuel source to charcoal, one that is more environmentally friendly and energy efficient as well as smokeless.

The pellets are used in the Lucia-stove, a gas cooking stove, which also produces biochar as a by-product used as a form of carbon sequestration. Weblink to presentation. Vagga Till Vagga have been successful with their application and have been awarded an IAP small grant.

• **Kenneth Chisenga, Top Hive Bar Beekeeping:** The business model aims to enhance the quality of bee products in order to meet local and international demands. The project aims to empower local small-scale farmers to develop an economic self-reliance, as well as promote gender equality through the training of women beekeepers.

• **Sebastian Kapalu, Graypages Financial Solutions:** Using a model from Ghana, and the original Yunus Grameen Bank system, the business plan seeks to develop a rural bank system in Zambia. The project plans to couple finance with training in order to improve the skills of the rural people.

• **Lubilo Mate, Lumwana Mine:** The inclusive business model seeks to build technical and manufacturing capacity in Zambia through a local contractor programme, so that local producers and manufacturers can become the suppliers of equipment and materials needed for different aspects of the mining industry. A focus on improving skills and livelihoods for women is integrated into the business model, teaching sewing and providing sewing machines for women so they are able to produce calico bags required by the mine.

• **Henry Phiri, Awards Engineering & General Dealers:** Awards Engineering and General Dealers have an innovative business plan that includes producing and supplying trailers to the people of Zambia. Currently, some of the parts for the trailers, whether for animal transport, luggage or crops are sourced from South Africa.

Lusaka inclusive business presentations

• **Dr Habatwa Mweene, Sun Marvel Power Innovations Ltd:** Sun Marvel have developed a solar powered LED torch/light that can be used in homes across Zambia for rural use. The cost effectiveness of the unit makes it a pro-poor product, as well as energy efficient and a safe alternative to other forms of lighting used in the home.

• **Ekanath Khatiwada, SNV/CEC:** Copperbelt Energy Corporation along with the Netherlands Development Organisation (SNV) have developed a pilot plant processing jatropha oil into bio-diesel. Over 14,000 small-scale farmers, 30% of them women, will provide the jatropha seeds for the process. CEC are also working with rural communities to identify and support sustainable business initiatives that will contribute to the energy sector.

• **Morgan Chipopu, Sylva Foods:** A family run food processing business who use an outgrower system to source traditional leafy vegetables which are processed and packaged for sale, and for soup ingredients. The products, marketed by Sylva Foods, are aimed at urban dwellers in Zambia, and are also exported to Europe, the United States, and Australia. Sylva Foods have been selected for support by the BIF Zambia

• **Felix Nseluka, Fens Investments:** Manufacturers of domestic and commercial trailers and carts that can be used by small-scale farmers to transport their animals as well as their crops to market. Fens also produce spray race and dip tanks that are important to the health and survival of cattle, and therefore the livelihoods of many small scale farmers. The dip tanks and spray races are arranged at a convenient location for many farmers and when a veterinarian is available to examine the animals, a service that will highly benefit the rural farmers.

• **Steven Putter, Imagine Rural Development Initiative (Private arm of the NGO):** IRDI's moringa outgrower scheme aims to provide resources and skills to improve livelihoods, nutrition, water and shelter. The moringa tree is not only a reliable source of foods, but can be used for oil lamps, wood, paper, liquid fuel, cosmetics and water purification. The inclusive business project provides local farmers with the opportunity to grow moringa, as well as integrating the disabled community in its marketing and packaging outputs. Weblink to presentation. The IRDI moringa outgrower scheme have been selected for an IAP small grant.

Following a networking break Andrew Kambobe and Andrew Smith then gave presentations on the support BIF and IAP offer business people in Zambia, what the application process involves and selection criteria provided.

Top Tips for applicants

1. **More detail on the financial projections, expected profits and costs.**
2. **More information on the current market. What are the competitors doing, evidence that this is innovative?**
3. **Aside from external support, how much expenditure is the company investing?**

Questions and Answers

At the end of each event, there were lively discussions. Questions asked included:

Q. Is it possible for start-ups to apply for support from BIF and IAP?

A. In short yes, start-ups can apply. However, the success of the application will largely depend on the skills and experience of the business leaders and management team, and the financial projections (supported by sound assumptions).

Q. Are we allowed to apply for both the small and the large IAP grant?

A. Technically yes. Although, we would encourage you to apply for one grant, one whose criteria most suits your financial needs, and focus on one inclusive business initiative.

Q. Are there any onerous conditions attached to the successful applicants?

A. No, conditions are not onerous. The successful recipient will have to demonstrate their commitment to the project, whether it be in kind or financial. Commitment to tracking commercial performance and developmental impacts of the initiative are also required.

Q. How long is the application process for BIF and IAP?

A. For BIF, smaller elements of support can be provided quickly (in weeks); for larger elements of support, there is a quarterly committee meeting. For the IAP small grants, a one-step process to approve projects takes approximately 3 months from the submission deadline until the applicant receives the funds. The IAP large grant, a two-step process, takes 6 months from the deadline to first disbursement of funds.

Feedback from Zambia event participants

A good deal of feedback was provided to the Zambia BIF/ IAP management teams during the discussions, and through the event feedback form.

The events were welcomed with enthusiasm and keenness to share experiences and to learn more about Inclusive Business in Zambia. The opportunity for Zambian business people to present their Inclusive Business plans, and especially including those who have been successful with the BIF and IAP support, encouraged and inspired the participants.

Learnings for the BIF/IAP Zambia team was that some of the participants rejected from the previous cycle were keen to receive more feedback in order to help them improve with future applications. One participant in Kitwe suggested that the application forms could be structured in clearer or plainer language. Other previous IAP applicants who received feedback also pointed out that they found that the process in itself beneficial for their business in terms of having a more focused business model.

Overall, the events were a great success with the feedback forms highlighting 90% found the events useful or very useful. The participants left feeling energised and optimistic at their chances of success.

Join the Zambia Inclusive Business community here at our shared Practitioner Hub: www.businessinnovationfacility.org

For more information about the BIF or IAP in Zambia please contact Andrew Kambobe, Bhumika Arora, and Emma Raven at Zambia@businessinnovationfacility.org

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