

For Immediate Release



Republic of Zambia
Ministry of Finance and National Planning

BRITISH INTERNATIONAL INVESTMENT (BII) COMPANY AND ZANACO SIGN M.O.U FOR A US\$ 50 MILLION FINANCING FACILITY FOR SMALL AND MEDIUM ENTERPRISES, AND CLIMATE RELATED PROJECTS

Saturday, 15th October, 2022 - The British International Investment Company and Zambia's Zanaco Bank have signed a memorandum of understanding for a US\$ 50 million financing facility for Climate Related Projects and support to Small and Medium Scale Enterprises, at an event held in Washington DC, Friday, and witnessed by British Minister for Development VICKY FORD, MP, and Zambia's Minister of Finance and National Planning Dr. SITUMBEKO MUSOKOTWANE, MP.

The memorandum of understanding was signed by the two parties on the sidelines of the ongoing Annual Meetings of the International Monetary Fund (IMF) and the World Bank Group (WBG).

Zanaco Managing Director Ms. MUKWANDI CHIBESAKUNDA signed on behalf of the Zambian Bank while Mr. NICK O'DONOHUE signed on behalf of the British International Investment Company in his capacity as Chief Executive Officer. The facility is targeted at Small and Medium Scale Enterprises and Climate Related Projects in Zambia.

Speaking at the event, Dr. MUSOKOTWANE affirmed that the funds will be available for small and medium enterprises in Zambia and added that the facility compliments the vision of the Zambian Government to create business opportunities and jobs for country's young population.

"Thank you for successfully negotiating the package, we are now looking forward to its implementation," said the Minister to representatives of the British firm and Zanaco.

Dr. MUSOKOTWANE took the opportunity to commend the United Kingdom for the positive impact that most of their investments have had on the Zambian economy and urged the British International Investment Company to take advantage of Zambia's improved business environment to invest more.

Meanwhile speaking on behalf of the United Kingdom, Ms. FORD said she was extraordinarily excited to witness the signing event between British International Investment and Zanaco. She described the strides that the country has made in repairing the economy over the past one year as phenomenal.

"Zambia has been on a remarkable journey, what you have achieved in the past year or so has been phenomenal," stated Minister FORD as she also acknowledged the Zambian Government's efforts in stabilizing the economy, embarking on a remarkable economic journey, acquiring official creditor assurances for the debt restructuring process, and setting a clear pathway for the future through the Eighth National Development Plan.

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Minister FORD said the event between British International Investment and Zanaco is about investing in the future and unlocking opportunities for small and medium enterprises for their role as the backbone of the economy.

“I am delighted that Zambia is focusing on the young people in her economic journey and Britain is absolutely pleased to be with you on the journey,” she affirmed.

And Ms. Chibesakunda says “economies grow when Small and Medium Enterprises grow.” The Zanaco Managing Director says her Bank would give special attention to women-led and climate-change focused ventures.

She said the partnership between Zanaco and British International Investment Company created a foundation for further grassroot growth by giving people the economic means to expand in a sustainable manner.

Meanwhile, at the ongoing annual meeting of the IMF and the World Bank, Dr, MUSOKOTWANE is today expected to deliver a statement on behalf of African Finance Ministers. And later during a caucus meeting with the IMF Managing Director KRISTALINA GEORGIEVA, Dr. MUSOKOTWANE is expected to deliver a statement on the topic: “Rising vulnerabilities to debt distress and lessons from the common framework.

The Minister is also schedule to meet the IMF Executive Director for France and matters of mutual cooperation.

Dr MUSOKOTWANE is accompanied to the Annual Meetings by Secretary to the Treasury FELIX NKULUKUSA, Permanent Secretary (Budget & Economic Affairs) MUKULI CHIKUBA, Bank of Zambia Governor Dr DENNY KALYALYA and the Bank of Zambia Deputy Governor, Dr FRANCIS CHIPIMO.

The Annual Meetings of the International Monetary Fund and the World Bank Group bring together Ministers of Finance, Central Bank Governors, Investors, and several other stakeholders to a common space to discuss and agree on solutions to the challenges facing the global economy such as low commodity prices, unstable macro-economic environment’s, low investments, and debt.

Issued by:

(Original Signed)

MINISTRY OF FINANCE AND NATIONAL PLANNING

REFERENCE NOTES

A few months ago, the Governments of Zambia and the United Kingdom signed a Green Growth Compact Agreement worth £1 Billion. This was on the sidelines of the COP26 Climate Summit held in Glasgow, Scotland.

The Compact set targets for delivering billions of pounds of new investment, doubling trade volumes between the Zambia and the United Kingdom, and channeling over £100m of new financial resources to Small and Medium sized enterprises.

The Compact will also strengthen coordination between the entire UK business community and Zambia; including opening up financing opportunities for Zambian businesses. It will also provide the framework for collaboration with UK institutions that are researching and innovating in renewable energy, urban planning, trade connectivity and more.