From Aid to Markets: Unlocking Refugee Lens Investing in Zambia

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REFUGEE INVESTMENT NETWORK

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Expectation State

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Abbreviations and Acronyms

COR – Office of the Commissioner for Refugees

DFI – Development Finance Institution

DRC – Democratic Republic of the Congo

FDI – Foreign Direct Investment

JICA – Japan International Cooperation Agency

KII – Key Informant Interview

KYC – Know Your Customer

MFI – Microfinance Institution

NGO – Non-Governmental Organization

RIN – Refugee Investment Network

RLI – Refugee Lens Investing

SBGI – Small Business Growth Initiative

SME – Small and Medium Enterprise

TA – Technical Assistance

UNDP – United Nations Development Programme

UNHCR – United Nations High Commissioner for Refugees

ZRHCP – Zambia Refugee and Host Communities Project

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1. Executive Summary

Zambia presents a timely opportunity to mobilize private capital for refugee economic inclusion. Refugees are already economically active across the country and businesses are sourcing from or exploring opportunities in refugee-hosting areas. Development priorities in these areas, including robust agriculture value chains, financial inclusion, and private sector growth, also create opportunities to advance refugee self-reliance. Yet these activities remain constrained by limited access to finance, weak market linkages, regulatory barriers, and declining humanitarian support. Refugee Lens Investing (RLI) offers a framework for connecting this economic potential to the capital, markets, and business partnerships needed to scale it. This shift from aid to markets aligns with UNHCR's 50 by 35 vision of more than half of aid-reliant refugees in protracted displacement moving beyond aid to self-reliance by 2035.

This report is RIN's first RLI assessment in Southern Africa and is part of RIN's broader effort to develop and expand RLI across new markets, building on its track record in East Africa. RIN has conducted country assessments in multiple markets to identify investment opportunities, develop pipelines, mobilize capital, and strengthen the enabling environment for RLI. This assessment applies the refugee lens to Zambia and maps the economic landscape for refugees and host communities across Zambia's three main settlements (Meheba, Mayukwayukwa, and Mantapala) and urban centers, identifies high-potential sectors and value chains, presents a pipeline of enterprises with refugee lens potential, and provides an overview of the capital landscape. Its purpose is to equip impact investors, development finance institutions, policymakers, and development partners with the evidence and analysis needed to mobilize capital for refugee economic inclusion in Zambia.

The assessment identified the following key findings and opportunities for RLI in Zambia:

- **Refugees are economically active despite barriers.** Refugees in Zambia face significant structural constraints, such as prohibitive business licensing costs, movement restrictions, documentation gaps, and limited market access. Yet despite these barriers, refugees are already farming, trading, supplying mines, producing honey, and running enterprises across all three settlements and in urban areas. The opportunity in RLI is to formalize, capitalize, and scale the economic activity already undertaken by refugees and host communities.

- **Private sector demand creates potential market opportunities.** Research identified multiple buyers interested in sourcing from settlement areas, and North-Western Province's mining economy provides an anchor market for agricultural produce. In several cases, the principal near-term constraints appear to be supply-side organization and working capital rather than a lack of off-taker interest. The assessment identified a pipeline of enterprises with refugee lens potential, alongside financial institutions that could form an RLI capital ecosystem. Financial inclusion is also a critical enabling opportunity: refugee access to financial services is legally permissible and operationally precedented, but remains significantly underscaled.

- **The policy environment is moving in a positive direction.** The 2024 National Refugee Policy, the World Bank's $30 million Zambia Refugee and Host Communities Project[1] [2] (which is financing road upgrades, settlement electrification and digital ID integration) and Local Area Plans for Meheba and Mayukwayukwa are laying the groundwork for improved enabling conditions, though formal rights do not yet consistently translate into practical usability.

- **Impact capital is already flowing.** Between 2021 and mid-2025, Zambia attracted approximately $1.4 billion across 128 impact transactions, concentrated in renewable energy, financial services and agriculture, which are the same sectors this assessment identifies as high priority for RLI.

- **RLI is both a necessity and an opportunity.** Traditional donor funding for refugee livelihoods in Zambia has declined sharply. Only 38% of UNHCR Zambia's operational needs were funded in 2025, and programs that previously supported refugee livelihoods have been paused or cut.[3] This structural funding gap makes market-based approaches both desirable and necessary and creates opportunities for investors willing to move first.

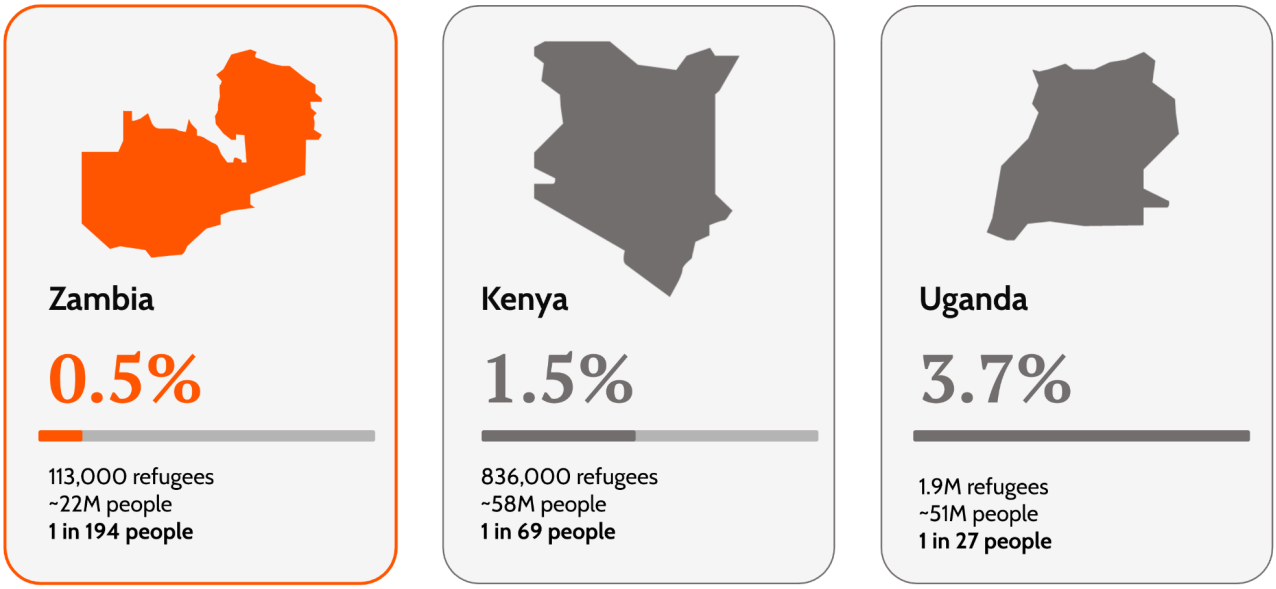
- **Zambia can provide a pioneering model.** Zambia's smaller displaced population (around 113,000 compared to roughly 840,000 in Kenya), growing impact investing ecosystem, and limited prior RLI activity create an opportunity to test approaches that may be relevant to other similar refugee-hosting markets.

- **Clear next steps for investors and partners.** Near-term priorities include agricultural outgrower and aggregation finance through established off-takers, a portfolio guarantee to scale MFI lending to refugees, investment in farmer data infrastructure, and a Zambia RLI investor community of practice through which investors, working with development partners and other stakeholders, can co-develop investable models, build a shared evidence base, and mobilize capital toward refugee-inclusive opportunities.

[1] All $ figures in the document refer to USD.
[2] UNHCR. "Zambia and World Bank Launch $30 Million Project to Advance Refugee and Host Community Integration." October 2025.
[3] UNHCR Zambia Funding Update 2025.

2. Background and Purpose

Percent of population who are refugees



Sources: UNHCR (refugee and asylum-seeker populations, 2025); World Bank, World Development Indicators (population, 2025). Zambia figure includes around 18,000 former refugees.

Forced displacement is the defining social challenge of our time. The number of forcibly displaced people worldwide reached nearly 118 million at the end of 2025, almost double the 65 million recorded a decade earlier.[4] Budget shortfalls and multiple compounding crises have severely constrained humanitarian funding to respond to the needs of these communities. Furthermore, humanitarian efforts, while essential, often fail to successfully address the longer-term, systemic challenges facing refugees like employment, economic opportunity, and self-reliance as well as the needs of their host communities. Indeed, UNHCR has set a target "to support more than half of the world's aid-reliant refugees in long-term displacement in low- and middle-income countries – nearly 8 million people – to move beyond aid through greater self-reliance and pathways to solutions by 2035."[5]

Accordingly, there has been a growing interest in the role that the private sector could play as an alternative source of capital and development solutions that lead to refugee self-reliance and host community support. However, investors often face challenges with identifying, assessing, and structuring deals in new and frontier markets, especially given the dearth of relevant information.

[4] UNHCR, Global Trends 2025. UNHCR, Global Trends 2015.
[5] UNHCR. The 50 by 35 vision.

Refugee Lens Investing (RLI)[6] provides a helpful and high-impact tool for impact-oriented investors and aims to mobilize capital into refugee-supporting investments. With at least six different types of deals, based on the refugee lens developed by the Refugee Investment Network (RIN), these investments fall on a spectrum of risk-adjusted returns (from grants to commercial investment) and sizes (from micro-enterprises and SMEs to large firms and infrastructure projects). Agnostic to sectors, geographies, asset classes, or financing mechanisms, RLI's emphasis on refugees and other displaced people as economic actors, such as entrepreneurs, employees, suppliers, and customers, positively shifts the narrative about them, to one focused on opportunity.

The Refugee Lens



R1: Refugee-owned business
At least 51% ownership or at least 1 refugee in a key operational role



R4: Refugee-supporting, host-weighted
Investments in host community businesses that adopt a policy to source at least 10% of subcontracts from refugee-owned businesses



R2: Refugee-led enterprises
At least 1 refugee in senior management or refugee representation on the board



R5: Refugee lending facilities
Provide debt instruments with 25% of loan proceeds to R1–R4 enterprises



R3: Refugee-supporting ventures
Intentionally provide goods and services to or employ refugees



R6: Refugee funds
Provide equity or alternative financing to R1–R4 enterprises

Zambia presents a promising market to foster private sector engagement with refugees and practice RLI. As an active participant in the Global Compact on Refugees, Zambia has committed to integrating refugees locally and supporting refugee self-reliance. There are ongoing collaborative efforts between the government, UNHCR, DFIs, NGOs, and the private sector to create sustainable and inclusive environments for refugees and host communities. However, despite Zambia's forward-looking policies toward the local integration of refugees and former refugees, and a conducive investment climate, there are limited opportunities for sustainable livelihoods for these populations across the country. This is due to significant barriers to economic engagement for

[6]RIN defines "refugee" broadly, as an inclusive group of people who are externally or internally forcibly displaced, whether through armed or political conflict, ethnic tension, systemic discrimination, climate change or natural disaster, or the displacement of indigenous communities. This includes those legally recognized as refugees, asylum seekers, internally displaced people (IDPs), as well as stateless people. The framework also includes a critical shared focus on the communities and ventures that support and welcome displaced people, defined as "host communities."

refugees, including the high cost of applying for work permits; limited existing infrastructure; lack of market access, investment data and business models; and low recognition and acceptance of refugee IDs by Zambian authorities and businesses.

Zambia has hosted refugees continuously since 1966 and today hosts approximately 113,000 forcibly displaced people and former refugees, a relatively small population compared to major hosting countries on the continent such as Kenya (around 836,000) or Uganda (around 1.9 million).[7] While this smaller scale has meant less humanitarian attention, it also creates distinct advantages for testing refugee-inclusive investment approaches.[8] The need for sustainable private sector solutions has only become more pressing as humanitarian resources have declined. At the end of 2025, only 38% of UNHCR Zambia's operational needs were funded, leaving a 62% funding gap that affected livelihood programming as well as emergency support.[9] Globally, UNHCR's funding fell to $3.9 billion in 2025, a decrease of $1.2 billion (24%) compared to 2024, following significant reductions in humanitarian funding from the United States and several other major government donors. The agency's global funding gap widened to 63%, leaving $6.7 billion of assessed needs unmet.[10] Refugees interviewed for this assessment described a declining presence of international organizations, reducing both assistance and associated employment opportunities. World Vision identified the limited presence of NGOs and Ministry of Agriculture extension officers as a barrier to strengthening livelihoods, while UNDP noted that only three or four organizations, on average, operate in each resettlement area.[11]

Despite years of reforms, Zambia's economy remains heavily dependent on copper production and sales; mining accounts for over 70% of export earnings and around 44% of government revenue.[12] FDI flows are highly concentrated in mining with limited linkages to other sectors. Outside of mining, labor productivity has been declining, particularly in manufacturing, construction, wholesale and retail trade, and financial services, while lower-productivity informal employment makes up three-quarters of jobs created.[13]

Two structural constraints are particularly relevant to the RLI context: access to finance and access to electricity. Banking credit to the private sector has been decreasing as a percentage of GDP, with banks preferring lower-risk investments in government securities over private-sector lending.[14] Meanwhile, just over half of Zambia's population (53.6%) has access to electricity, which falls to 31.3% in rural areas, where the main refugee settlements are located.[15] Both constraints underscore the need for blended finance and energy infrastructure investment as enabling conditions for RLI.

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[7] UNHCR, Global Trends 2025 (Uganda); UNHCR Kenya, Annual Results Report 2025 (Kenya), 31 December 2025.
[8] It is important to note, however, that deficits in support are common in all refugee-hosting countries in Africa.
[9] UNHCR. Zambia Funding Update - 2025.
[10] UNHCR, Global Report 2025.
[11] Interview with World Vision, Lusaka, 22 November 2024; Interview with UNDP, Lusaka, 28 November 2024.
[12] Čerňák J, *The Role of Copper in Zambia*; EITI Zambia, 2022 data.
[13] Simbeye L, Lungu E, Kumwenda A, Banda E, Msoni J and Kuo R (2024), *The Role of Firm Dynamics in Aggregate Productivity and Formal Job Flows in Zambia*, World Bank Group, Finance, Competitiveness and Innovation Global Practice.
[14] Ibid.
[15] World Bank, World Development Indicators, Access to electricity (% of population): total, rural and urban, 2024.

Zambia's refugee population is smaller than those in Uganda or Kenya, where RLI has already gained traction, and this has implications in both directions. On one hand, the scale of capital needed to demonstrate impact is within reach of a single fund or small consortium; market systems are less distorted by years of heavy humanitarian presence; and there is still room to shape investor norms before the market becomes crowded. On the other hand, a smaller refugee population means a smaller market, which affects the commercial case for investment at scale. The value of the Zambia model lies less in its market size than in its replicability: many refugee-hosting countries globally look more like Zambia than like Uganda or Kenya, with smaller populations,[16] more nascent ecosystems, and limited prior RLI activity.

Methodology

The assessment employs both community-level and stakeholder evidence, providing a basis for understanding market barriers and opportunities from the ground up as well as from a strategic landscape perspective. The research draws on three sources: 1) a desk review of available literature on forced displacement in Zambia; 2) community-based research conducted in November 2024 with 114 individuals across five locations (Meheba, Mayukwayukwa, Mantapala, Lusaka, and Ndola) using qualitative interview methods to capture the socio-economic realities of refugees, former refugees, and host community members; and 3) key informant interviews with government agencies, NGOs, UN bodies, and private sector actors to map barriers and opportunities for RLI.

Primary community research was conducted in November 2024, and most key informant interviews were conducted between October 2024 and January 2025, as part of the assessment's first phase, which was funded by the U.S. Department of State's Bureau of Population, Refugees, and Migration (PRM). Subsequent funding cuts interrupted the completion of the study in early 2025. The research was resumed and finalized in 2026 with support from Small Foundation, which enabled additional stakeholder consultations, verification of findings, and updated analysis. The core community-based data reflects conditions as of late 2024; the analysis incorporates policy developments and updates to the pipeline through October 2026 and remains current and relevant. **The full methodology, including sample composition, data collection approach, and ethical approvals, is included in Annex 1.**

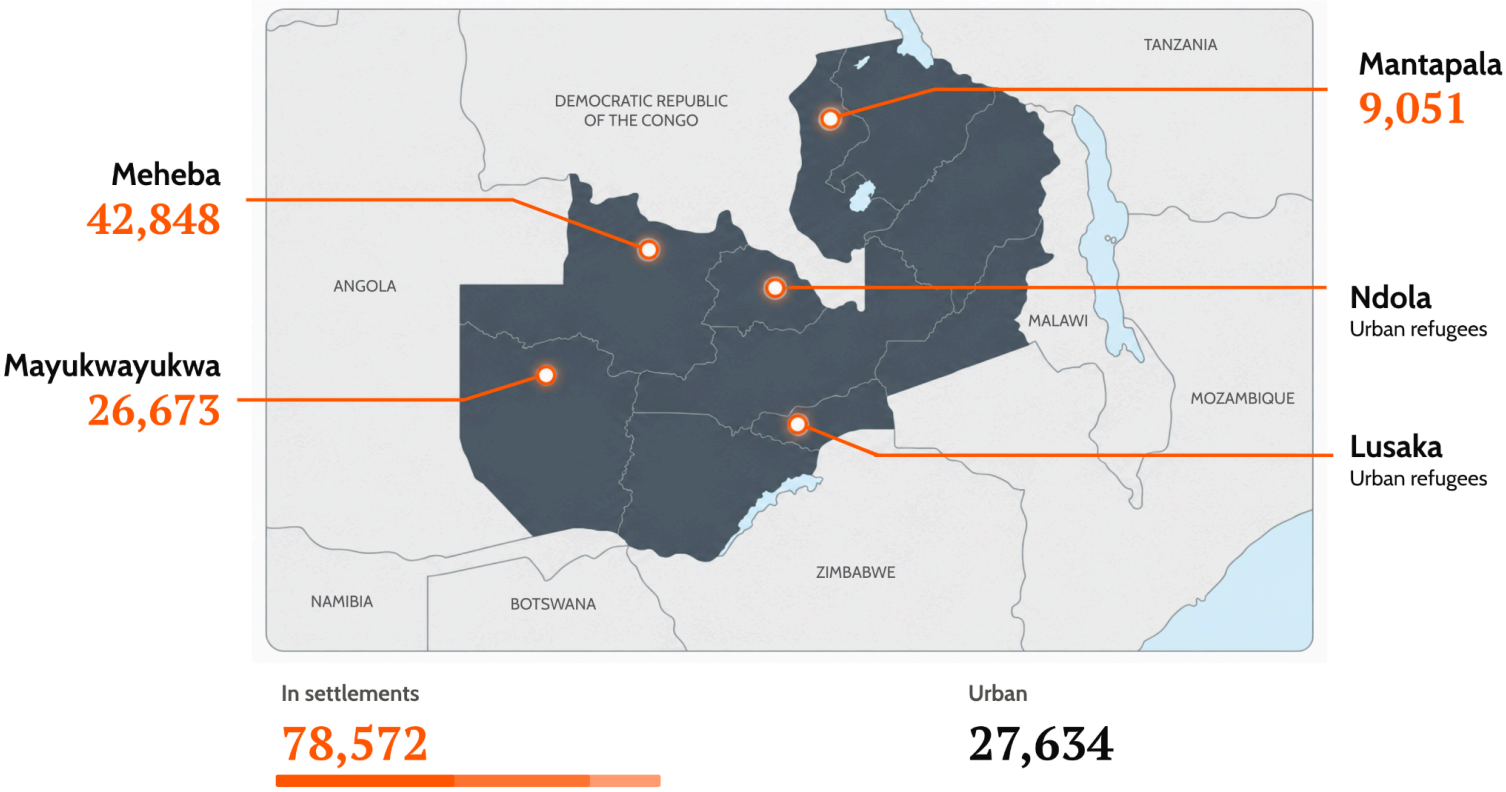
[16] UNHCR Global Trends 2025.

3. Refugee Communities in Zambia

As of September 2025, Zambia hosted 113,054 forcibly displaced people and former refugees (individuals whose refugee status has ceased but who remain in Zambia, primarily Angolans and Rwandans following UNHCR's cessation recommendations), 75% of whom lived in the three main settlements of Meheba, Mayukwayukwa, and Mantapala, with the remaining 25% residing in urban areas.[17] By origin, they are from the DRC, Burundi, Somalia, Rwanda, and Angola.[18] Across both settlement and urban contexts, refugees, former refugees and Zambians engage in a range of informal and semi-formal economic activities. Agriculture remains the dominant livelihood activity across the three settlements, alongside beekeeping, small livestock keeping, and fish farming and trading. Field research also identified a range of small businesses, including hair and barber shops, restaurants, mobile money booths, grocery shops, carpentry, tailoring and charcoal selling.

Settlements

Settlements and urban areas with refugee populations



Source: UNHCR Zambia Countrywide Statistics, 30 September 2024.

[17] UNHCR Zambia Countrywide Statistics, 30 September 2025.
[18] Ibid.

Meheba was established in 1971 in Kalumbila District, North-Western Province, approximately 75 km southwest of Solwezi.[19] It is the largest settlement, with a population of 42,848, as of September 2024, primarily from the DRC, Angola, Burundi, and Rwanda, and the most commercially active of the three, benefiting from its proximity to the mining economy of North-Western Province.[20] Refugee farmers have supplied mines and boarding schools in the district with rice, vegetables, honey, cassava meal, samp (crushed maize), beans, and other produce.[21] Caritas Czechia, UNHCR's livelihood partner since 2019, has supported agricultural value-chain development, particularly rice production, including seed multiplication, processing, access to finance, and market access.[22] Rice has emerged as a key value chain in Meheba and is cultivated primarily by former Angolan, Burundian, and Rwandan refugees.[23] Aggregation and sales are now handled by cooperatives comprising both refugees and members of the host community. The innovative, integrated "One Meheba" approach involves degazetting part of the refugee area into a Resettlement Scheme, allocating land to former refugees and host community members.[24]

Mayukwayukwa is Zambia's oldest refugee settlement, established in 1966 in Kaoma District, Western Province. It is host to a population of 26,673, as of September 2024, primarily from Angola, the DRC, and Burundi.[25] Agriculture, in particular the production of cassava, maize, groundnuts, and soybeans, is the dominant livelihood activity, with active outgrower relationships in several value chains. The settlement is generally considered less commercially developed than Meheba, with weaker market linkages and more limited private sector proximity, though local area planning is underway to transform it into an agribusiness hub.[26]

Mantapala was established in 2018 in Nchelenge District, Luapula Province, one of Zambia's poorest provinces, and hosts 9,051 refugees, as of September 2024, primarily from the DRC.[27] It faces the most constrained livelihood environment of the three settlements, with limited infrastructure, limited access to finance, and thin market systems.[28] However, the Nchelenge District Integrated Development Plan 2024–2034 identifies it as an urbanizing, high-potential growth node, citing beekeeping, farming, fishing, and gardening.[29] Kawambwa Tea has identified the area as suitable for tea cultivation,[30] and Treetop Honey operates an active outgrower scheme there.[31] (Both companies are profiled in the pipeline in Section 7.)

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[19] UNHCR, "Briefing Note – Meheba Refugee Settlement, Kalumbila District, 05 October 2019," ReliefWeb, 5 October 2019.
[20] One Meheba Local Area Plan 2024–2028; UNHCR Zambia Countrywide Statistics, 30 September 2024.
[21] Field research, Meheba, November 2024.
[22] Interview with Caritas Czechia, Lusaka, 15 November 2024.
[23] Ibid.
[24] One Meheba Local Area Plan 2024–2028.
[25] UNHCR Zambia Countrywide Statistics, 30 September 2024.
[26] Mayukwayukwa Local Area Plan 2025–2030.
[27] UNHCR Zambia Countrywide Statistics, 30 September 2024.
[28] Field research, Mantapala, November 2024; Interview with ZIPAR, 2026.
[29] Nchelenge Integrated Development Plan 2024-2034. https://data.unhcr.org/en/documents/details/114604.
[30] Interview with Kawambwa Tea, 11 December 2024.
[31] Interview with Treetop Honey, 12 December 2024.

Urban Refugees

Approximately one quarter of Zambia's refugee population lives in urban areas, primarily Lusaka and Ndola. Unlike settlement-based refugees, urban refugees receive almost no institutional support,[32] but the field research found a significant amount of small-scale business activity among them. In Lusaka, interviewees included members of a tailoring cooperative and those earning income through laundry services, working in shops and restaurants, selling soft drinks, and running mobile money booths near the health post. Several refugees interviewed in Lusaka and Ndola were involved in small retail businesses: one man runs a grocery shop registered with Lusaka City Council; others are involved in shops and restaurants in Ndola.[33] Some refugees are operating as Yango[34] drivers, reflecting both entrepreneurial initiative and the degree to which refugees are integrated into the broader urban informal economy. What distinguishes urban refugee livelihoods from those in settlements is the combination of greater market access and greater vulnerability: urban refugees can reach more customers, suppliers, and economic networks, but they do so without documentation support, without organizational backing, and with greater exposure to immigration enforcement.

[32] The main exception is the Makeni Transit Centre in Lusaka, where Good Neighbours Zambia and Caritas Czechia provide small-scale programming, including a garden project and tailoring activities.
[33] Interviews with community members, November 2024.
[34] An international ride-hailing and delivery service operating in four major Zambian cities: Lusaka, Kitwe, Solwezi, and Ndola.

4. Policy Context

Zambia's policy environment for refugees is characterized by a gradual shift from an encampment-based approach toward greater economic and social inclusion. While recent policy reforms increasingly emphasize self-reliance, livelihoods and integration into national systems, important legal and implementation barriers continue to constrain refugees' economic participation. Understanding this gap between policy direction and practice is critical to assessing both the current constraints and emerging opportunities for RLI in Zambia.

In 2017, a new, more progressive Refugees Act replaced the Refugees (Control) Act of 1970, establishing a framework for refugee self-reliance, access to services, and livelihood activities.[35] In practice, this has meant: the right to open bank accounts using a refugee certificate as KYC documentation; access to education at primary and secondary level without requiring permits; and work authorization through Urban Residence Cards aligned to employment contracts. However, freedom of movement remains restricted, with refugees required to obtain permission from a refugee officer to leave the settlement, typically for periods of 90 to 150 days. The default remains that refugees reside in settlements.[36] In April 2026, Zambia's Constitutional Court removed a statutory barrier that had restricted refugees' and former refugees' ability to qualify as "ordinarily resident" for purposes of applying for citizenship.[37]

Zambia is a party to the 1951 Refugee Convention and its 1967 Protocol, as well as the 1969 OAU Refugee Convention, though it has entered reservations on several key rights, including freedom of movement and employment. More recently, Zambia was among the seven African countries that initially signed up to the Comprehensive Refugee Response Framework (CRRF) following the 2016 New York Declaration, committing to responsibility sharing, refugee self-reliance, and expanded access to third-country solutions. Since 2018, the government has made a number of moves toward relaxing its encampment policy, including commitments to consider greater freedom of movement and allow refugees to engage in income-generating activities.[38] This led to the establishment of Mantapala settlement in 2018, which was intended to allow for a more inclusive approach to hosting refugees, with Zambians receiving land next to refugees in the settlement.[39] These shifts prompted wider debate between the government and international NGOs on how Zambia hosts refugees,[40] and were reinforced by the 2018 Global Compact on Refugees.

Significantly, in January 2024, Zambia launched its National Refugee Policy, which seeks to strengthen the protection of the welfare of refugees, promote coexistence between

[35] Republic of Zambia, Refugees Act No. 1 of 2017.
[36] Interview with the Office of the Commissioner for Refugees, Lusaka, 8 November 2024.

[37] Zambia Civil Liberties Union v Commissioner for Refugees and Others, 2025/CCZ/003, [2026] ZMCC 11, 27 April 2026.
[38] S. Carciotto and F. Ferraro, *Building blocks and challenges for the implementation of the Global Compact on Refugees in Africa*. Journal on Migration and Human Security, 8(1), 83 - 95. Cited in Maple, 2024.
[39] Ibid.
[40] Nick Maple, *Refugee Reception in Southern Africa: National and Local Policies in Zambia and South Africa.* University of London Press, 2024, p. 83.

refugees and host communities as well as enhance access to essential services including livelihood opportunities.[41] Enhancing self-reliance is a major goal of the policy, particularly through agriculture and trading, which are important sources of refugee livelihoods in Zambia.[42] Addressing barriers to refugees' participation in agriculture is a major initiative of the new Zambia National Refugee Policy, for example by facilitating private input suppliers to operate in refugee settlements, increasing market linkages for refugee farmers, and sensitizing financial service providers on the inclusion of refugees.[43]

The Office of the Commissioner for Refugees (COR), housed under the Ministry of Home Affairs and Internal Security, is responsible for refugee policy implementation. Local governments have taken on a growing role, receiving central government funds through the Constituency Development Fund (CDF) for community-level projects.[44] Government officials have also indicated plans to gazette areas within resettlement schemes, including Meheba and Mayukwayukwa, as economic zones offering tax and non-tax incentives.[45] Alongside these measures, the government's approach explicitly prioritizes host communities, with commitments spanning digitalization, legal harmonization, settlement upgrading, electrification, and the promotion of self-sustaining livelihoods.

Despite the trajectory toward greater economic integration, important implementation gaps remain, particularly around work permits and business registration requirements, freedom of movement, and consistent recognition of refugee documentation. For instance, those who want to leave settlements must obtain a mobility or gate pass for movement in close proximity to the settlements. Given these restrictions, many refugees have self-settled outside official settlements, often in border areas, where they engage in economic activity but remain technically irregular.[46] Those in urban areas are expected to obtain an Urban Residence Card but movement is regulated rather than stopped,[47] and urban refugees are often perceived as illegal migrants[48] despite legal pathways existing.

The World Bank's ZRHCP is seeking to address some of these gaps through legal reform designed to operationalize refugee rights in practice and digital ID integration intended to create a documentation standard recognized across institutions. If effectively implemented, these reforms could materially improve the enabling environment for RLI.

[41] Ministry of Home Affairs and Internal Security, Government of the Republic of Zambia, *National Refugee Policy*, November 2023; UNHCR, Zambia launches landmark Refugee Policy, 25 January 2024.
[42] Ministry of Home Affairs and Internal Security, Government of the Republic of Zambia, *National Refugee Policy*, November 2023.
[43] Government of the Republic of Zambia, *Zambia: National Refugee Policy Implementation Plan*, November 2023.
[44] ZIPAR and United Nations in Zambia, "Zambia's 2026 National Budget: Balancing Economic Stability with Social Investment," 2 October 2025.
[45] Stakeholder consultations, Lusaka, June 2026.
[46] O. Bakewell, *Repatriation and self-settled refugees in Zambia: Bringing solutions to the wrong problems.* Journal of Refugee Studies, 13(4), 356 - 73.
[47] Nick Maple, *Refugee Reception in Southern Africa: National and Local Policies in Zambia and South Africa.* University of London Press, 2024, p. 96.
[48] Ibid.

5. Research Findings on Economic Activity

The findings in this section draw on community-based field research conducted in November 2024 across five locations (Meheba, Mayukwayukwa, Mantapala, Lusaka, and Ndola). As a qualitative sample, the figures reported are indicative rather than representative of the wider refugee population. For a full description of the methodology, see Annex 1.

Employment and Entrepreneurship Activity

Employment opportunities are limited across all locations. Of 114 respondents, 82 were unemployed, 14 employed, and 18 self-employed or running a business. In the settlements, some earned income from occasional manual labor; a very small number worked for NGOs or UN agencies. Those in some form of employment had generally moved to Lusaka or other urban centers. However, none of the refugees interviewed in Lusaka were in formal employment; most relied on ad hoc paid work such as laundry, restaurant work, and gardening. Others were engaged in small-scale livelihood activities, including renting farmland and operating a mini-mart.

Despite these constraints, field research identified significant entrepreneurial activity. Refugees in settlements reported selling vegetables, baked goods, and foodstuffs; running barbershops, mobile money booths, and tailoring operations; selling charcoal and honey; and providing bricklaying and carpentry services. Most operated without any financial cushion, with earnings going directly toward daily needs.

Several examples demonstrated a high degree of resourcefulness and market thinking. A Congolese woman in Mantapala described arbitraging seasonal maize and tomato prices: "You can buy maize during harvest time at a lower price and sell it during the rainy season at a higher price. That way profit is generated, tomatoes are also in demand."[49] Another refugee described the mark-up on honey when sold outside the settlement.[50] A mechanic trained in the DRC travels throughout the area fixing motorbikes and employing four other refugees.[51] In Lusaka and Ndola, refugees were running shops and restaurants, including a grocery shop registered with Lusaka City Council, and working as Yango drivers.

The most striking example came from Mayukwayukwa, where a young Congolese refugee identified a transport gap and built a business around solving it. He also runs a pool table in the local market, was about to open a fast food restaurant in the settlement, and does online translation work for a U.S.-based refugee organization.

[49] Interview with Congolese woman, Mantapala, November 2024.
[50] Interview with Congolese refugee man, Mantapala, Nov 2024.
[51] Interview with Congolese refugee man, Mantapala, Nov 2024.

"When I came [to Mayukwayukwa settlement] for the first time in 2018, my friend and I found that there were challenges about transport. For someone to go to Lusaka, people were supposed to get in the minibus from here to Kaoma, or to walk up to 7 km to the junction to get on a bus or a lift to Lusaka. So we came up with an idea: we went to Lusaka and negotiated with a bus company [SEPA.com Motors] that each week, on Saturday and Monday, they will bring a bus direct to the settlement and back to Lusaka, transporting people but also goods. Each trip they do, I make a certain amount of money."[52]

Barriers to Economic Inclusion

Access to markets and finance

A major challenge for livelihood activities, particularly in the settlements, is the lack of capacity to scale, primarily due to limited knowledge of and access to markets. One potential off-taker observed that refugee farmers who have been allocated land often lack information on what to grow, reflecting limited access to information on market demand, including commodity prices.[53] Limited farmer data – including reliable farmer lists, production estimates, and documentation status – was also identified by private sector actors as an operational barrier to formalizing procurement from settlement areas.[54]

Limited access to financial services is another impediment. Only 33 of 114 respondents (29%) reported having a bank account, with ownership particularly low in the settlements. Interviewees cited limited knowledge of banking, the absence of financial institutions within settlements, and documentation-related barriers. Mobile money was more widely used, although small agent floats often limited access to cash.

Policy and documentation barriers

The policy barriers described in Section 4 were consistently reflected in field experience. While the vast majority of those interviewed had refugee or asylum documentation, interviewees frequently reported that this documentation was insufficient in practice to enable economic activity. In both settlement and urban locations, livelihood activity is generally not seen as sustainable. The fear of arrest for leaving settlements, even with a gate pass, is a key factor. As one refugee said: "I was selling things and AirtelMoney in the camp. I used to order goods to sell from outside. But we are now scared of coming out of the camp because they arrest [you] whether you have a permit or not. You have to pay."[55]

In Ndola, one interviewee, unable to start his own business because his work permit was tied to his current job, put it this way: [56]

[52] Interview with Congolese refugee man, Mayukwayukwa, 14 Nov 2024.
[53] Interview with an agro-processor, Lusaka, December 2024.
[54] Key informant interviews, 2026.
[55] Focus group discussion, Mayukwayukwa, 12 November 2024.
[56] Interview with Somali refugee man, Ndola, 29 Nov 2024.

> "There are a lot of refugees who would love to work but lack proper documentation. The gate pass is not enough. If I had enough capital, I would like to go to Mantapala and open up a business and teach the younger ones my trade (mechanical engineering)."

Those living in urban areas described the necessity of having documentation in order to move around. Refugees originally registered in settlements are supposed to return there to renew their gate pass, which is expensive; many let it expire. A key informant listed the lack of documentation limiting movement for trading as the number one barrier to improved livelihoods, acknowledging that "some end up falling afoul of the law because of illegal movements."[57] Even those with valid documentation are frequently stopped by immigration. As a Somali refugee woman in Ndola said: "Immigration is always on our case. Recently, my son was arrested by immigration despite having a valid gate pass. I don't understand why they did that... We run when we see immigration."[58]

While refugees can in theory register businesses, the minimum investment license threshold, equivalent to $150,000 (as of 2024), has been prohibitive for most.[59] Permit and contracting requirements also constrain participation in larger companies' supply chains, with intermediary organizations such as Caritas and UNHCR sometimes needed to facilitate these relationships.[60] Recognition of credentials acquired outside Zambia was a further impediment, with many informants lacking hard copies of documents or facing difficulties getting qualifications verified by the Zambia Qualifications Authority. The UNESCO Qualifications Passport, which is recognized by the government, has offered a partial pathway, although refugees holding it still face work permit constraints.[61]

Refugee certificates are generally accepted for opening accounts, under an agreement between the Office of the Commissioner for Refugees and the Bank of Zambia, but recognition remains inconsistent across institutions and refugee lending remains limited in scale.[62] A microfinance institution providing loans in Meheba and Mayukwayukwa confirmed that refugee clients usually identify with refugee certificates and noted it relies on UNHCR databases for verification. It reported very few cases of borrowers absconding in the settlements, and no barriers unique to lending to refugees; its main portfolio risk has been climate-related, with the 2024 drought affecting agricultural loans around Kaoma. Its refugee loan portfolio remains small but the institution has capacity and interest to grow it significantly.[63]

Social and cultural barriers

The social and cultural barriers affecting refugees in Zambia remain under-researched,

[57] Key informant interview, Lusaka, November 2024.
[58] Interview with Somali refugee woman, Ndola, 29 Nov 2024.
[59] Interview with the Office of the Commissioner for Refugees, Lusaka, 8 November 2024.
[60] Interview with Treetop Honey, Lusaka, 12 December 2024; Interview with Parrogate, Lusaka, June 2026.
[61] Interview with the Office of the Commissioner for Refugees, 20 November 2024.
[62] Interview with the Office of the Commissioner for Refugees, Lusaka, 8 November 2024; Interview with World Bank ZRHCP team, 2026; Interview with ZIPAR, 2026.
[63] Interview with a microfinance institution, Lusaka, December 2024.

but field research identified several with implications for economic inclusion. The ongoing encampment policy and requirement for mobility passes limit refugees' ability to interact with local communities and engage with broader markets. Encampment has also contributed to perceptions that refugees living outside settlements are there illegally, despite legal pathways for refugees to reside elsewhere, contributing to distrust and discrimination. The area-based approach in Mantapala, including mixed refugee and host-community neighborhoods, may signal a gradual shift away from this model. Overall, the community research found a significant degree of peaceful coexistence between settlements and host communities, with overlapping economic contexts. However, there were also indications that refugees are perceived as potential competitors for scarce resources, including jobs and land, contributing to social tensions and limiting acceptance within host communities.[64]

Enabling Conditions

The barriers documented above are significant, but they do not negate the potential for greater refugee economic inclusion. Field research demonstrated considerable entrepreneurial activity and resourcefulness among refugees despite the constraints faced. In April 2026, Zambia's Constitutional Court removed a statutory barrier that had restricted refugees' and former refugees' ability to qualify as "ordinarily resident" for purposes of applying for citizenship.[65] Zambia's new Immigration Control Act, assented to in March 2026, replaces the 2010 Immigration and Deportation Act. It introduces a refugee self-employment permit with less onerous requirements than the foreign investor permit.[66] Once implemented, it could reduce barriers for refugee-owned businesses. Issues around documentation and legal reform are also being addressed under the World Bank's $30 million Zambia Refugee and Host Communities Project (ZRHCP).[67] Unlocking the full potential of refugee economic inclusion will require greater access to markets, business and financial literacy, credit and financial services, and more affordable and consistently recognized documentation.[68]

[64] Interviews with UNHCR, Lusaka, 7 November 2024, and Somali Zambia Friendship Association, Lusaka, 27 November 2024.
[65] Constitutional Court of Zambia, Zambia Civil Liberties Union v Commissioner for Refugees and Others, 2025/CCZ/003, [2026] ZMCC 11, 27 April 2026.

[66] Interview with the Office of the Commissioner for Refugees, Lusaka, 9 June 2026; Republic of Zambia, Immigration Control Act, 2026.

[67] Interview with World Bank, Lusaka, 11 November 2024; Interview with World Bank ZRHCP team, 2026.
[68] See also ZamStats, COR and UNHCR, *Forced Displacement Survey – Zambia 2025*, for findings on refugee livelihoods and barriers including mobility, access to capital and quality land. https://www.unhcr.org/publications/forced-displacement-survey-zambia-2025

6. High-Potential Sectors for RLI

Seven sectors were identified as having potential for RLI in Zambia: agriculture and livestock, financial services, energy, mining and mining services, transport and logistics, retail and wholesale trade, and forestry.[69] Their RLI potential was assessed using the following four criteria:

- overall sector viability (size, growth, profitability, entry barriers);
- level of existing refugee activity and potential to scale;
- availability of relevant resources such as land and skills; and
- refugee and host communities' need for goods and services from the sector.

Agriculture and livestock

55%

of employment (ILO est.)

4% of GDP (incl. forestry)

Agriculture and Livestock

The agriculture sector's growth potential, alignment with government priorities and incentives, and the availability of land for refugees and host communities make it the highest-priority sector for RLI in Zambia. Of Zambia's 42 million hectares of arable land, only 1.5 million hectares are actively cultivated each year, indicating significant potential for expansion.[70] The sector remains largely non-mechanized and rain-fed, with small-scale farming accounting for approximately 82% of total production.[71] Beekeeping is a sub-sector of particular promise for refugees, who have received livelihood support from humanitarian organizations, including linkages to honey processors. The government has identified honey as a priority high-value export product as part of its economic diversification agenda.[72] Agriculture is also particularly relevant to RLI because former refugees and settlers may receive 15-year leases on resettlement land through the Directorate of Resettlement under the Office of the Vice President, convertible to 99-year leases where land use aligns with the Local Area Plan.[73]

[69] Figures in the sector graphics: shares of GDP for mining and quarrying, transportation and storage, and wholesale and retail trade from ZamStats, The Monthly, Vol. 276, March 2026 (Q4 2025, current prices); agriculture, forestry and fishing share of GDP from World Bank, World Development Indicators (2025); agriculture employment share from ILO modelled estimates (2025).

[70] Zambia Development Agency (ZDA), Agriculture Sector Profile 2024, 2024.
[71] Ibid.
[72] A. Sichula, "Zambia deepens global partnerships to boost honey production, exports." Zambia Monitor, 17 October 2025.
[73] Interview with the Directorate of Resettlement, Office of the Vice President, GRZ, 8 June 2026.

Financial services

76%

mobile money use

30% banking rate

Financial Services

Access to financial services is an important enabler of refugee and host-community livelihoods, making financial services a high-priority sector for RLI in Zambia. Financial inclusion nationally reached 80.1% in 2025, driven largely by the continued growth of digital financial services, with mobile money usage among adults reaching 76.2%.[74] The Bank of Zambia has allowed some financial service providers and mobile network operators to accept Alien Cards and Refugee ID cards for KYC purposes, enabling refugees to open mobile wallets and bank accounts and register SIM cards, although implementation remains on a case-by-case basis. This creates opportunities to expand refugee access to financial services, including credit for agricultural inputs and savings products. Financial service providers are also beginning to reach refugee-hosting areas through agency banking and digital financial service networks, demonstrating the feasibility of serving refugees through existing providers and infrastructure.

Energy

31%

rural electricity access

Settlements are rural

Energy

Access to energy is an important enabler of refugee and host-community livelihoods, particularly for productive uses such as irrigation, agricultural processing, cold chain and digital finance. Only 31.3% of the rural population, where Zambia's main refugee settlements are located, has access to electricity.[75] Solar energy has significant potential to address both household and productive-use needs, given Zambia's high generation potential, growing demand and favorable policy environment. Initiatives including the M300 project are already facilitating access to renewable energy technologies that improve water access for smallholder farmers, including refugees and host communities.

[74] Bank of Zambia. Zambia FinScope 2025 Survey: Topline Findings.

[75] World Bank, World Development Indicators, Access to electricity (% of population): total, rural and urban, 2024.

Mining and services

14%

of GDP (Q4 2025)

70%+ of foreign exchange

Mining and Mining Services

Mining is particularly relevant to RLI in North-Western Province because of its proximity to Meheba and its potential to create economic linkages through employment, small-scale mining and local procurement, including demand for agricultural produce and other goods and services. Zambia's substantial mining sector accounts for around 44% of government revenue and over 70% of export earnings,[76] with the government targeting an increase in annual copper production from 891,000 metric tons in 2025 to 3 million metric tons by 2031.[77] Field research identified private-sector interest in developing linkages with refugee-hosting areas, although most remain prospective rather than established refugee-inclusive activities. The scale and growth of the sector, combined with these potential linkages, make mining and mining services a high-priority sector for RLI in Zambia.

Transport and logistics

16%

of GDP (Q4 2025)

Transport and Logistics

Transport and logistics is a high-priority sector for RLI given the development of regional transport corridors and existing participation of refugees in transport and distribution activities. Regional corridors, including the Walvis Bay–Ndola–Lubumbashi and Lobito Corridors, are expanding Zambia's connections to regional and cross-border markets.[78] The Lobito Corridor passes through North-Western Province, where the Meheba Refugee Settlement is located, increasing commercial attention and investment in the region. Refugees are already involved in transporting and distributing goods between settlements and regional, urban and cross-border markets.

[76] EITI, Zambia report (2022).
[77] "Zambia govt confident of hitting 3 million tonne copper target by 2031 – official," Zambia Monitor, 23 July 2026 (citing Ministry of Mines and Minerals Development).
[78] National Assembly of Zambia, *Report of the Committee on Transport, Works and Supply on the Road Freight in Zambia for the Third Session of the Thirteenth National Assembly*, 2024.

Retail and wholesale

17%

of GDP (Q4 2025)

70% of households buy food informally

Retail and Wholesale Trade Sector

Retail and wholesale trade is a high-priority sector for RLI given the significant participation of refugees in the sector and the importance of informal retail channels in Zambia. An estimated 70% of Zambian households purchase food through informal channels, including small stalls, street vendors, shops, kiosks and marketplaces.[79] Refugee and host-community retailers similarly operate through informal channels within and outside settlements and in urban areas, with particularly significant participation among Somali, Congolese, and Rwandan communities.[80]

Forestry

1.1M

employed

Forestry

Forestry has potential for refugee and host-community livelihoods given refugees' existing, albeit largely informal, participation in timber trading and the availability of land that could support timber production.[81] Demand for timber is outstripping supply, prompting some wood processors to develop outgrower schemes. However, high plantation establishment costs and long payback periods (10–20 years, though eucalyptus can be harvested in 5–10 years) create significant barriers to entry.[82] [83] These constraints make forestry a medium-priority sector for RLI relative to sectors offering more immediate opportunities for investment and livelihood generation.

See **Annex 2** for further sectoral context and examples of existing and prospective refugee-inclusive market activities and relevant market actors across the priority sectors.

[79] Webhaptic, "Zambia's Retail Sector: A Market Penetration and Growth Analysis," 2025.
[80] Interviews with Somali Zambia Friendship Association, Lusaka, 27 November 2024, and UNDP, Lusaka, 28 November 2024.
[81] Interview with Ace Smart Technologies, Lusaka, 13 November 2024.
[82] PROFOR. Zambia Forest Sector Analysis and FAO, Forestry Sector 2020.
[83] Interview with Copperbelt Forestry Company, Lusaka, 12 December 2024.

Illustrated Sector: Agriculture

Within the priority sectors identified above, the assessment found the most developed pathways for refugee and host-community participation in selected agricultural value chains.

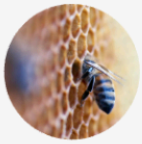
Crop and Livestock Value Chains

Input Supply	Production	Processing	Distribution
Commercial farmers	Smallholders, refugees	Processors	Processors
Processors	Cooperatives		Distributors
	Commercial Farmers		

The most promising agricultural model identified is an outgrower model, which works through two main structures. In processor-led schemes, the processor provides inputs on credit directly to smallholder farmers, delivers extension services, and recovers input costs from harvest sales proceeds. In anchor commercial farmer schemes, a larger commercial farming operation borrows capital to purchase inputs, distributes them on credit to surrounding smallholders including refugee producers, provides extension services, and purchases the harvest, again recovering input loans from sales proceeds.

> In both cases, processors or anchor farmers can serve as investment channels through which finance, inputs, technical support and market access reach refugee and host-community producers.

Examples of crop and livestock value chains in which refugees and host communities are already participating or could potentially participate include:



Honey – Refugees already participate in honey outgrower schemes in which processors provide training, inputs and extension support and purchase honey for processing and export.



Legumes – Established processor-led outgrower models provide smallholder farmers with training, input finance and guaranteed off-take. Some processors have expressed interest in extending these models to refugee settlements and resettlement areas.



Tea – A feasibility study has identified Mantapala as suitable for tea production, creating the potential for an outgrower scheme involving refugees and host communities. The existing processing facility has substantial excess capacity, although high water, irrigation and fertilizer requirements constrain expansion.



Fruit and vegetables – Refugees in Mayukwayukwa and Meheba already participate in processor-linked production of sweet potatoes, fruits and vegetables, including through training and solar-drying support.



Cassava – Cassava is a priority value chain for refugee settlement areas because of its drought resistance and relatively low input requirements. Existing industrial demand for cassava-based starch from the mining sector provides a potential source of off-take for smallholder production.

7. Investment Thesis and Pipeline

Zambia presents a distinct opportunity to develop an RLI ecosystem. As a smaller refugee-hosting country, Zambia has not yet attracted the investor attention concentrated on Uganda, Kenya, or Ethiopia. RLI activity remains limited to date, enabling conditions are actively being shaped (though implementation gaps remain), and early investors can have outsized impact. Crucially, refugee economic participation is already underway. The missing elements are structured, intentional capital and a coordinated RLI ecosystem.

The RLI Opportunity Is Real and Timely

The policy window is open and backed by capital. The World Bank's Zambia Refugee and Host Communities Project (ZRHCP) is actively investing in the foundational conditions that make private investment viable: 38 km of road upgrades in Meheba, full settlement electrification, digital ID integration for refugees, and legal and regulatory reform to operationalize the 2024 National Refugee Policy.[84]

The enabling environment is improving. Local Area Plans for Meheba and Mayukwayukwa formally identify private-sector value chains and development priorities, and the Directorate of Resettlement has the mandate to allocate land to eligible former refugees and other settlers for productive activities. However, as Section 4 documents, formal legal rights do not yet translate reliably into practical usability.

The gap left by reduced humanitarian funding is creating urgency as well as a market. There is a sharp contraction in grant-funded programming following USAID cuts and broader donor reductions. This has not reduced demand for livelihoods support but created an acute gap that market-based capital is positioned to fill.

Impact capital is flowing. Despite the aid contraction, impact investment in Zambia has continued and is attracting growing interest from regional investors, particularly East African funds that see Zambia as a less saturated market with smaller ticket opportunities suited to their mandates. Convenings such as Impact Capital Africa's Zambia InvestFest[85] and the Africa Impact Summit,[86] which drew impact investors from across the continent to Lusaka, together with the forthcoming SBGI blended finance instrument signal active ecosystem momentum. Zambia's impact investment market is more developed than its current RLI activity suggests. Between 2021 and mid-2025, Zambia attracted approximately $1.4 billion across 128 impact transactions, with capital concentrated in renewable energy, financial services, and agriculture, all sectors this assessment identifies as high

[84] World Bank. Zambia - Refugee and Host Communities Project.
[85] Impact Capital Africa, "ICA Zambia InvestFest 2026," 6–7 May 2026, Ciêla Resort and Spa, Lusaka. https://impactcapafrica.com/.
[86] Africa Impact Investing Group (AIIG) and NABII Zambia, "Africa Impact Summit 2026," 10–12 June 2026, Lusaka. https://africaimpactsummit.org/

priority for RLI.[87] Investors entering the RLI space in Zambia are therefore adding a refugee inclusion lens to an active and growing impact ecosystem.

The Agricultural Investment Opportunity Is Strong

There is real private sector demand. Multiple buyers are already present and willing to source from settlement areas: ETG Parrogate (soybeans, sunflower and cotton; one of Zambia's cooking oil producers); Garden Variety (maize and legumes, approximately 150 tons from Mayukwayukwa); Country Millers (rice and maize, currently operating below processing capacity due to insufficient supply); and Golden Camp Solutions (catering for Lumwana mine, previously sourcing from Meheba).[88] For several identified value chains, principal near-term constraints appear to include organizing supply to meet buyer requirements for volume, quality and consistency.

Mining is the anchor market that strengthens the agricultural investment case. However, mining companies can face pressure to prioritize host communities, so mine-linked opportunities are most viable through mixed host–refugee producer groups supplying caterers and aggregators rather than through refugee-specific procurement.[89] North-Western Province's mining economy (Kansanshi, Kalumbila, Lumwana) creates durable, large-scale institutional food demand. One mine reportedly indicated willingness to source food locally but could not find reliable local supply,[90] while Allterrain Services Group (ATS), which provides catering and support services to the mining sector, has purchased rice from farmers in Meheba through the Kalota Cooperative's rice processing center.[91] Refugee farmers in Meheba have also previously supplied the mines with vegetables, honey and beans.[92] JICA is reportedly working with ETG on a feasibility study focused on soybean production.[93] Barrick's Lumwana copper mine, located in close proximity to Meheba Refugee Settlement, is currently undergoing a major expansion and has expressed interest, in earlier discussions with development partners, in sourcing from and employing people from the Meheba area.[94] Barrick Lumwana therefore represents a potential anchor procurement partner for agricultural production in the Meheba corridor.

More broadly, Zambia's growing local content push is creating demand from mines for local suppliers of spare parts, catering and other services, creating SME supply chain opportunities adjacent to refugee-hosting areas that extend beyond food procurement. Mining foundations have also shown willingness to invest in agricultural value chains and community livelihoods, though they often lack the technical expertise to structure such initiatives. Both represent entry points for RLI actors: the first as a market for refugee-lens SMEs, the second as a potential source of catalytic capital.[95]

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[87] NABII Zambia, *Zambia Impact Investment Market Sizing Study 2025 (Abridged Version)*, November 2025.
[88] Key Informant Interviews, Lusaka, 2026; ZIPAR, *Agricultural Roadmap for Rural Settlement Areas Hosting Forcibly Displaced People and Local Communities in Zambia: Summary Findings*, validation meeting, 21 May 2026.
[89] Key informant interviews, 2024–2026.
[90] Interview with World Bank ZRHCP team, 2026.
[91] Caritas Czech Republic (Charita ve světě), Facebook post on the Meheba Rice Processing Centre, 17 November 2020.
[92] Caritas Czech Republic, "8 things to know about Meheba refugee settlement in Zambia," April 2023.
[93] Interview with JICA, Lusaka, June 2026.
[94] Key informant interviews, Lusaka, November 2024 and June 2026.
[95] Interview with LiNC Advisory, June 2026.

Outgrower and aggregation finance present an investment model. The most viable near-term RLI model is established agribusinesses expanding sourcing from mixed producer groups in and around settlements. This lowers investor risk while still generating direct refugee inclusion and livelihood outcomes. In addition to the pipeline enterprises profiled, potential firms for this model also include Mutanda Farms, a commercial maize and soya producer based in Chingola on the Copperbelt, and Wilmar, a large edible oils company already working with smallholder farmers in Zambia.

The Lobito Corridor provides a tailwind for North-Western Province investment. The Lobito Corridor is a factor increasing commercial attention on North-Western Province, where Meheba is located. Investors in refugee-inclusive agricultural or logistics businesses in this region are positioned to benefit from this infrastructure and trade development.

Financial Inclusion Is an Enabling Investment Opportunity

Refugee financial inclusion is legally permissible and operationally precedented but underscaled. As documented in Sections 4 and 5, Zambia's central bank allows mobile money providers to onboard refugees using refugee IDs. Financial institutions and mobile money providers have previously introduced cash-transfer and digital-payment services in Zambia, including in settlements,[96] and designed products specifically for refugees,[97] demonstrating the operational feasibility of serving refugee communities. RLI can finance intentional product development, agent network expansion, and working capital for refugee borrowers.

MFIs have the potential to serve more refugees. MFIs are already lending to refugees in Zambia and have expressed interest in expanding their refugee portfolios. A portfolio guarantee or blended-finance structure could be tested as a mechanism for expanding refugee lending and generating portfolio-performance data.

Digital financial services can help address traditional barriers and present an investable pathway. Digital financial services providers expanding into settlement areas represent both a business opportunity and a refugee inclusion mechanism.

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[96] Standard Chartered Bank Zambia, working with Airtel Money in Meheba and MTN Mobile Money in Mayukwayukwa, supported the digitization of UNHCR cash assistance to refugees. In Mantapala, WFP, Citibank Zambia and MTN Zambia piloted digital cash assistance through plugPAY. UNCDF. 24 August 2018. World Food Programme, "Digital payment solution allows refugees in Zambia to receive cash directly into their bank accounts or mobile wallets of choice," 9 December 2021.

[97] NatSave, "Karibu Personal Account." https://www.natsave.co.zm/product/karibu-personal-account

Risks and Mitigation

Supply reliability is a commercial risk. The agricultural investment models identified in this assessment depend on refugee and host community producers delivering consistent volumes, quality, and timing to off-takers. Current production is fragmented, underdocumented, and vulnerable to climate variability. Structuring investments at the aggregator or processor level rather than directly with smallholders; requiring off-takers to maintain diversified supplier bases; and pairing capital deployment with aggregation infrastructure investment (such as collection points, storage, and transport) that reduces supply volatility can mitigate these risks.

Data gaps can constrain procurement planning and formal contracting. Formal procurement relationships require documented farmer lists, land tenure records, and production estimates that do not yet exist at scale in Zambia's settlement contexts. To mitigate these risks, it is necessary to strengthen farmer registries, land documentation and digital identity infrastructure.

The legal environment is more enabling on paper than in practice. As documented in Sections 4 and 5, formal refugee rights to work, register businesses, and access financial services do not yet translate reliably into practical application. Business licensing costs, documentation inconsistencies across institutions, and implementation gaps remain real operational friction. To mitigate, investors may need to account for the costs of local support, legal advisory, and relationship management with local authorities as a cost of doing business.

Perceived risk may exceed observed risk. Evidence from one MFI interviewed for this assessment suggests that refugee borrowers do not necessarily present the flight risk often assumed by lenders.[98] This creates a potential role for guarantees and other de-risking instruments to test and demonstrate portfolio performance at greater scale and provide the catalyst needed to unlock commercial capital.

[98] Interview with a microfinance institution, Lusaka, December 2024.

RLI approaches will need to differ geographically rather than treating Zambia's refugee population as a single market. The agricultural outgrower model that anchors the near-term investment case is strongest in Meheba, which benefits from proximity to North-Western Province's mining economy, established value chain relationships, and the most developed private sector presence of the three settlements. Mayukwayukwa also offers agricultural outgrower potential, particularly in cassava, groundnuts, and soybeans, though it is further from anchor off-take demand and has weaker market linkages. Mantapala faces the most constrained environment, located in one of Zambia's poorest provinces with limited infrastructure. It suggests a greater potential role for patient capital, particularly for the production of honey and, over a longer horizon, tea. Urban refugees represent a distinct segment: more market-integrated but largely without institutional support, and may be more readily reached through financial inclusion instruments and enterprise support rather than agricultural outgrower models.

Near-term

Meheba

Best fit
Agricultural outgrower models

Conditions
Near the North-Western mining economy; strongest private sector and value chains

Capital
Commercial, blended

Medium-term

Mayukwayukwa

Best fit
Outgrowers: cassava, groundnuts, soybeans

Conditions
Far from anchor off-takers; weaker market links

Capital
Commercial, blended

Long-term

Mantapala

Best fit
Honey now; tea over time

Conditions
One of the poorest provinces; limited infrastructure

Capital
Impact-first, patient capital

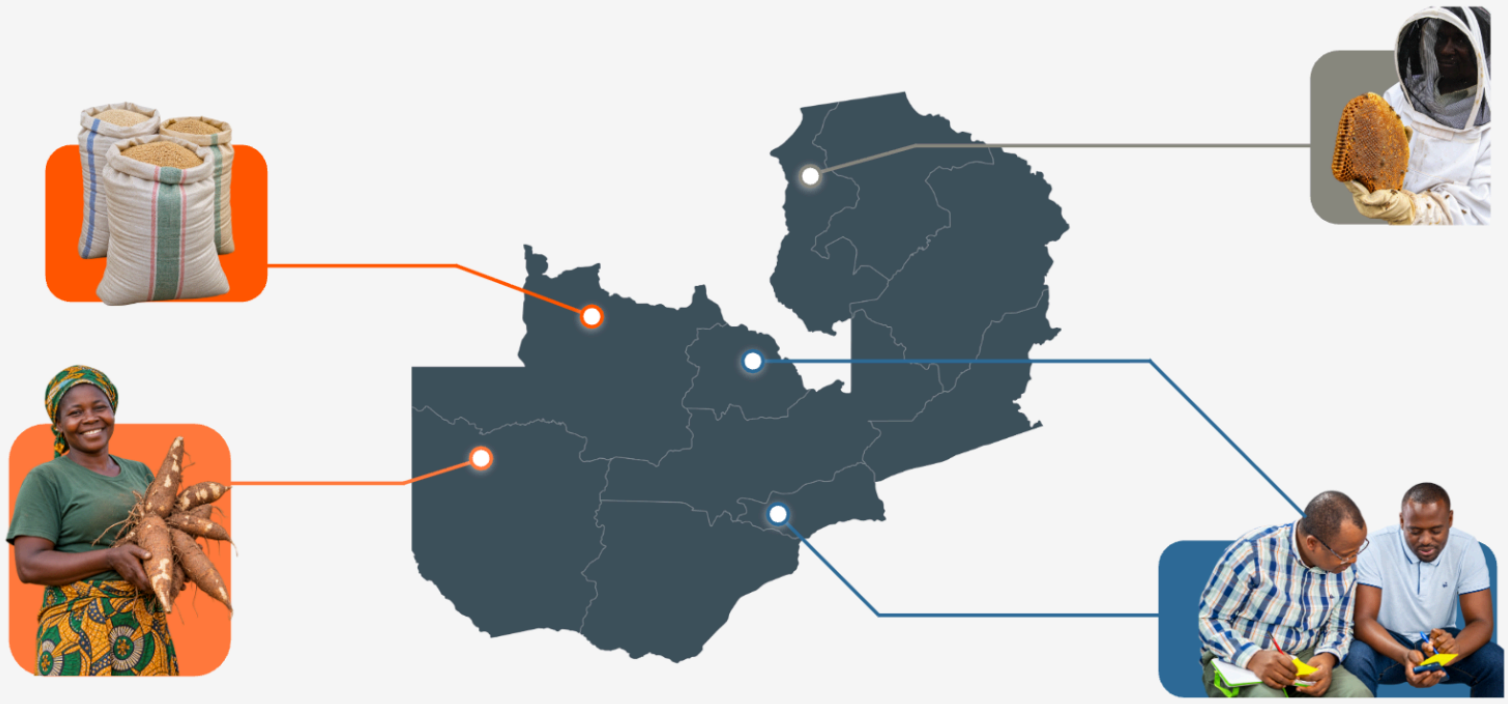
Different model

Urban refugees

Best fit
Financial inclusion and enterprise support

Conditions
Market-integrated, little institutional support

Capital
Impact-first, patient capital



Pipeline: Enterprises and Funds

Enterprises and funds spotlighted below were selected based on their potential for receiving refugee-lens investments, considering factors such as scalability, market access, and impact on refugee and host communities. Companies of interest have been identified based on stakeholder interviews as well as desk research, including publicly available information such as Global Refugee Forum pledges and partnerships with UNHCR and other humanitarian and development organizations. In addition to businesses whose proximity to refugee settlements or relevant value chains gives them potential impact on refugees, the pipeline includes enterprises that intentionally serve underserved communities, which could extend to refugees. The pipeline is organized into (1) companies with existing or potential refugee sourcing, employment, or inclusion models, which could potentially qualify as R3/R4 refugee-lens enterprises,[99] and (2) funds and financial service providers that could become R5/R6 investment opportunities.

Beyond those profiled below, the assessment identified additional companies that may offer potential pathways for refugee inclusion. These were not profiled in full at this time but may be worth tracking as opportunities develop. They include **Jewel of Africa**, which has previously trained refugee and Zambian apprentices through a UNHCR partnership,[100] and **Madison Finance**, a deposit-taking microfinance institution with agricultural, working-capital and digital financial-service offerings that could potentially be extended to refugee communities. In the honey sector, **Mama Buci's** existing smallholder sourcing model could potentially be extended to refugee beekeepers. **ETG Parrogate**, owner of the Zamanita and Zamgold cooking oil brands, has explored sourcing soybean and sunflower from refugee farmers in Mayukwayukwa, with potential to introduce cotton through contract farming.[101]

[99] The Refugee Lens designations are preliminary and may change with additional information reported and verified by the enterprises. All potential investments would require further due diligence by an interested investor. RIN is not a venture fund, an investment bank, or a broker/dealer and RIN identifies only a company's potential relevance to RLI.
[100] UNHCR, "UNHCR Regional Director for Southern Africa Visits Jewel of Africa," November 2021.
[101] Interview with Parrogate, Lusaka, June 2026.

Enterprises

R3 | R4

BongoHive

Lusaka

Tech

bongohive.co.zm

BongoHive is Zambia's leading technology and innovation hub, providing critical support to entrepreneurs and innovators through a range of programs and services designed to help them build sustainable businesses. Based in Lusaka, BongoHive offers incubation, acceleration, and coworking opportunities, as well as tailored business development programs that equip startups and enterprises with the skills, resources, and networks needed to thrive. The organization is particularly focused on fostering inclusive innovation, with a keen interest in expanding opportunities for underrepresented groups, including urban refugees. They are interested in exploring future initiatives to provide digital skilling programs and mentorship opportunities for refugees, with potential collaborations including training in software development by skilled refugee professionals. BongoHive was instrumental in founding the Zambia Angel Business Network (ZABN). In addition, BongoHive is in the process of developing a seed fund with ticket sizes between $250,000 and $1 million, focusing on tech and tech-enabled investments. The seed fund represents a potential R6 pathway for refugee entrepreneurs in Lusaka's growing digital economy.

Copperbelt Forestry Company

Settlements (exploring)

Forestry

cbforest.co.zm

Copperbelt Forestry Company (CFC) is a vertically integrated forestry and wood-processing company producing products ranging from furniture and plywood to electricity transmission poles. The company operates its own nurseries and a 1,500-hectare plantation. To supplement its own timber supply and meet growing demand, CFC has developed a smallholder outgrower model through which it provides farmers with seedlings, inputs, training and ongoing extension support. CFC recommends that participating farmers dedicate up to two hectares to tree planting and is also promoting intercropping with crops such as beans. The company has expressed interest in extending its outgrower model to refugee settlements and resettlement areas, subject to land suitability assessments.

Forest Fruits Ltd.

Meheba

Agriculture

zambezigold.com

Forest Fruits Ltd. is a Zambian producer and exporter of certified organic honey and beeswax and owner of the Zambezi Gold™ honey brand. The company employs 50 full-time staff and 30 seasonal workers and sources from around 7,000 traditional beekeepers across North-Western Province through an outgrower model that provides training and extension support. Forest Fruits has committed to including refugees in its supply chain in Meheba, where around 200 refugees are now engaged, and is planning farmer training ahead of the coming harvest season.

Good Nature Agro (GNA)

Settlements (exploring)

Agriculture

goodnatureagro.com

Good Nature Agro (GNA) is a vertically integrated seed and commodity legume business with an extensive smallholder outgrower network. They mainly grow dry beans, soybeans and groundnuts for the regional processing industry, along with cowpeas, maize, sorghum, and sunflower varieties. They provide smallholder farmers with training, access to finance and a guaranteed market for their produce. They are working with 14,000 farmers in Northern, Luapula, Central, North-Western, Western, and Southern provinces of Zambia. Smallholder farmer production occurs through 29 hubs across the country. GNA is exploring the possibility of establishing outgrower schemes for legume production in refugee settlements and resettlement areas. It is also transitioning to become a non-bank financial institution, which will allow it to provide financial products directly to farmers.

Kawambwa Tea Industries

Mantapala

Agriculture

LI: kawambwa-tea-industries

Kawambwa Tea Industries is Zambia's largest commercial tea producer. They are looking to expand while also involving locals through outgrower schemes. Global demand for tea is growing rapidly, and Kawambwa currently operates well below factory capacity (processing 5 million kilograms or less vs. 21 million of capacity), a gap that outgrower expansion is designed to close. The smaller plot size per outgrower farmer also means refugee and host community participants can scale up faster than the company itself. Following a feasibility study, they have determined that Mantapala has plenty of land that is ideal for tea growing and other crops. They plan to start the outgrower scheme in the near term which will involve both locals and refugees. The biggest challenge the scheme will face is capital to finance the farmers as tea needs a lot of water all year round including in the dry season. There is also a need to put in place a fertilizer program with the crop requiring application 2 to 3 times a year. It will take about 3 years before farmers start seeing a return.

Panuka AgriBiz Hub

Lusaka

Agriculture

panukaagribizhub.com

Panuka AgriBiz Hub is a Zambia-based, tech-enabled agribusiness development platform that builds bankable, market-ready agripreneurs and agri-SMEs. Through its Teach–Tools–Linkages model, it offers blended virtual and in-person training in farm management, financial planning, market access and fundraising. It also provides digital tools, including a business planner and a Bankability Scorecard, and links participants to buyers, input suppliers and lenders. Panuka Farm, the group's commercial horticulture and fruit operation, serves as the Hub's Centre of Excellence, focused on import substitution and meeting formal buyers' requirements for quality, quantity and consistency. Since 2022, Panuka has trained more than 588 agripreneurs and agri-SMEs, at least half of them women, and more than 30 agronomists, agricultural engineers and economists through its graduate internship programme. Clients and partners include Corteva Agriscience, Kansanshi Mining (First Quantum Minerals), WWF Zambia, SNV and the National Technology Business Centre (NTBC).

Sylva Foods

Meheba, Mayukwayukwa

Agriculture

sylvafoods.co.zm

Sylva Foods is a Zambian food processing company that works with smallholder farmers through training, post-harvest support and sourcing relationships. The company works with Caritas in Meheba and Mayukwayukwa, where it has installed solar dryers, provided post-harvest and food-processing training to several hundred refugees, and sources produce from refugee farmer groups. Sylva currently sources products including sweet potatoes, fruits and vegetables, and orange maize from the settlements and remains interested in expanding its engagement with refugee farmers. Meheba is particularly attractive for sourcing because of its two growing seasons. The company has identified access to appropriate seeds and consistent supply as constraints to expansion, suggesting potential opportunities for investment in inputs, aggregation and farmer support.

Solar Panda

Refugee Settlements

Energy

https://solarpanda.com/

Solar Panda acquired VITALITE Zambia in June 2025, marking its entry into Zambia as part of a broader Sub-Saharan expansion. VITALITE was an established off-grid solar PAYGo provider with an active Zambia customer base and product range. The combined entity offers solar home systems and productive-use appliances to off-grid households; this is a model directly relevant to refugee settlement energy access needs. Solar Panda's expansion into Zambia makes it a complementary energy access actor alongside MPower, with particular relevance for household-level energy solutions in and around settlement communities. Solar Panda is actively working to place sales agents and products in refugee settlements as part of its Zambia expansion.

Metalex Commodities Inc.

North-Western Province

Mining

LI: metalexinc

Metalex Commodities Inc. ("Metalex") is a U.S.-based mining and commodity trading firm with operations in Zambia and across Africa, focused on ethically sourcing and trading metal ores and concentrates such as lead, zinc, copper, and lithium. It is dedicated to delivering carbon-neutral critical metals from Africa to the global market. Metalex views mining communities as stakeholders in the value chain; ASM formalization, training, and market access for artisanal and small-scale miners remain integral to this model, strengthening local participation while ensuring quality and traceability in its supply chain. Metalex is expanding its operations and technological capabilities with support from the U.S. Trade and Development Agency (USTDA) grant of $3.5 million for a feasibility study on expanding copper and cobalt mining and concentrating in Zambia's North-Western Province. Metalex is also working with Canada-based advisory firm Veridicor on a $100–200 million stakeholder prosperity bond that would link financing to social and environmental outcomes and support the formalization and integration of artisanal and small-scale miners. These developments significantly strengthen Metalex's profile as an active and well-capitalized actor in Zambia's mining ecosystem. Metalex presents a potential opportunity through its expanding mining operations and focus on increasing local economic participation in North-Western Zambia.

Treetop Honey

Mantapala, Mayukwayukwa, Meheba

Agriculture

treetophoney.com

Treetop Honey is a honey processing and exporting company with a facility in Luanshya on the Copperbelt, where it also manufactures and sells beehives. The company has previously partnered with UNHCR to supply hives to refugees in Mantapala, Mayukwayukwa, and Meheba. Its outgrower model combines farmer training with locally based agents who receive more intensive training, support participating farmers, and help coordinate harvesting. In Mantapala, Treetop established an outgrower scheme in partnership with Caritas Czechia, which has expanded significantly within a few years and has a target of 3,000 hives. Its Copperbelt facility has a reported processing capacity of approximately 1,000 tons of honey annually. The company has indicated that it has the capacity and interest to expand its outgrower operations substantially, but the distance between Mantapala and its Copperbelt processing facility creates a significant logistics constraint. Investment in logistics and processing infrastructure could enable Treetop to expand its refugee-inclusive outgrower model.

Refugee Businesses

Refugees across Zambia's settlements and urban areas are already building enterprises despite significant constraints. Named examples include:

- Meheba Rice Cooperative supplying mines and boarding schools through the Caritas Czechia partnership;
- beekeeping enterprises in Mantapala integrated into Treetop Honey's supply chain;
- a registered grocery business in Lusaka operating with a valid city council license;
- tailoring cooperatives active across multiple Lusaka community blocks; and
- the Mayukwayukwa entrepreneur who independently negotiated a weekly bus route to Lusaka.

These indicate what becomes possible when minimal enabling conditions are in place. As an RLI category, refugee-owned/led enterprises in Zambia are currently best suited for impact-first funds, MFI lending products, and enterprise support organizations. The priority investment need is working capital, productive asset finance, and market linkage support rather than commercial equity.

Capital Landscape: Funds and Microfinance Institutions

R5 | R6

Funds that provide financing to micro, small, and medium enterprises; microfinance institutions; and impact funds in Zambia have the potential to increase the number of refugee-lens enterprises in their portfolios. Each fund highlighted below can play a distinct role in fostering regional development in areas with refugee settlements as well as targeting the refugee community's broader economic integration.

Agora Microfinance Zambia (AMZ)

Zambia

Finance

agoramicrofinance.com

Agora Microfinance Zambia (AMZ), established in 2011, is a microfinance institution operating across all ten provinces of Zambia, offering small loans, insurance, leasing and mobile money products primarily to rural clients. As of 2024, AMZ was lending to refugee clients in Meheba and Mayukwayukwa and had indicated interest in growing this portfolio.

KOMA Capital

Sub-Saharan Africa

Finance

komacapital.com

KOMA Capital is an impact investment firm focused on mobilizing capital for underserved SMEs through credit guarantees and technical assistance. Its current work includes piloting smaller, flexible partial guarantees for non-bank financial institutions serving rural SMEs and women-led businesses across Sub-Saharan Africa. Its guarantee model is potentially relevant to addressing financing constraints identified across the refugee-lens enterprise pipeline in this assessment.

Small Business Growth Initiative

Zambia

Finance

nabii.org.zm

The Zambia National Advisory Board for Impact Investing (NABII), in partnership with the Bank of Zambia and with support from GSG Impact, is spearheading the establishment of the ZMW 5 billion **Small Business Growth Initiative (SBGI),** a catalytic platform designed to expand access to appropriately structured finance for Small and Growing Businesses (SGBs). Expected to launch in Q4 2026, SBGI comprises two components accompanied by a technical assistance facility. The Debt Sleeve will use credit guarantees to crowd in domestic financial institutions and expand lending to SGBs, particularly in priority sectors such as agriculture. The Alternative Capital Sleeve will operate as a catalytic Fund-of-Funds, providing equity, quasi-equity and other flexible capital through local fund managers, financial intermediaries and alternative finance providers, including in agriculture, artisanal and small-scale mining, and light manufacturing. SBGI does not currently have an explicit refugee-inclusion mandate but offers incentives targeting underserved groups such as new borrowers, women, and youth.

Beyond these actors, Zambia has a broader and increasingly diverse capital ecosystem that could potentially be mobilized for RLI, spanning philanthropic and concessional capital, impact and private investment funds, development finance, and domestic institutional capital. Several existing investors already have mandates or sectoral priorities that overlap with the opportunities identified in this assessment, particularly agriculture and food systems, financial inclusion, renewable energy and SME development. For earlier-stage enterprises, the **Zambia Angel Business Network (ZABN)** provides seed-stage investment and mentorship to Zambian startups and SMEs, representing a potential pathway for refugee-led and refugee-inclusive businesses that have demonstrated viability but are not yet ready for institutional capital. Impact-oriented investors such as the **Livelihood Impact Fund**, **Missio Invest,** and **Goodwell Investments** represent potential sources of patient or catalytic capital for livelihood-generating enterprises. Zambia's institutional capital is beginning to reach SMEs, following reforms allowing pension funds to allocate up to 15% to private equity and venture capital.[102] In July 2025, the National Pension Scheme Authority (NAPSA) joined British International Investment and Swedfund in launching **Growth Investment Partners Zambia**, a $70 million vehicle providing long-term, primarily local-currency capital to SMEs, including in agriculture and financial services.[103] The opportunity for RLI is therefore not necessarily to create an entirely separate capital market for refugees, but to identify where existing capital mandates align with refugee-inclusive sectors and enterprises, and to use targeted guarantees, technical assistance, concessional capital, or other blended-finance mechanisms to intentionally address the additional barriers that currently prevent that capital from reaching refugee-inclusive opportunities.

Blended Finance for RLI in Zambia

A blended finance approach is well suited to initial capital deployment in Zambia's RLI market. Key design principles include:

- **Concessional or catalytic capital** is best deployed on aggregation infrastructure and on first-loss tranches that allow commercial investors to enter agricultural outgrower and MFI guarantee opportunities at acceptable risk-adjusted returns.
- **Medium-term opportunities r**equire patient debt or equity with TA components. Actors best positioned to participate include DFIs, the SBGI debt sleeve, impact-first foundations, and corporate partners such as mining companies or off-takers with community investment mandates.

[102] NABII Zambia, *Zambia Impact Investment Market Sizing Study 2025.*
[103] British International Investment, "BII, NAPSA and Swedfund launch Growth Investment Partners Zambia with a US$70 million anchor commitment to transform SME financing in Zambia," 15 July 2025.

8. Recommendations

The following strategic priorities are recommended for investors, policymakers, and development actors seeking to advance RLI in Zambia. The pipeline in Section 7 identifies specific enterprises, MFIs, and investment instruments ready for early engagement. We invite investors to review the entries, identify opportunities that match their mandate, and reach out to RIN to connect with relevant actors.

Near-Term Investment Opportunities

Prioritize agricultural outgrower and aggregation finance in Meheba and Mayukwayukwa. Working capital and equipment finance channeled through established agribusinesses with proven off-take relationships represents the most commercially viable near-term instrument. Investment should flow at the processor/off-taker level, with benefits then transferred to refugee producers through the outgrower model set out in Section 7. Not all off-takers are willing to carry farmer credit, however, so structures that pair off-take agreements with MFI lending or with input-on-credit contract farming can keep credit risk with specialized lenders.[104]

Deploy a portfolio guarantee to scale MFI refugee lending. A cash-backed guarantee targeting microfinance institutions' refugee loan portfolios could be tested as a way to expand refugee lending. Development finance partners should assess the cost and design of such a structure in dialogue with local MFIs.

Medium-Term Investment Opportunities

Support energy infrastructure as the enabling layer. Solar-powered energy unlocks processing, cold chain, irrigation, and digital finance investments and should be sequenced in parallel with agricultural investment. For example, MPower's EnergyHub model – a solar-powered off-grid energy solution – is an opportunity in Zambia's refugee ecosystem. MPower received a $2 million concessional loan from TDB Group's Trade and Development Fund to expand access to solar energy in Zambia[105] and has previously developed a joint clean-energy proposal with UNHCR covering Meheba, Mayukwayukwa and Mantapala.[106]

Build the technical assistance (TA) layer within investment structures. The contraction of grant-funded SME support has created a gap that will prevent otherwise viable businesses from becoming investable. Future RLI capital in Zambia should embed enterprise support within investment structures or be paired with philanthropy-backed TA.

Develop Mantapala as a longer-horizon opportunity. Kawambwa Tea's feasibility study and Treetop Honey's active outgrower scheme make Mantapala an emerging location for patient capital, particularly for tea and honey as enabling infrastructure improves.

[104] Interviews with an agro-processor and a microfinance institution, Lusaka, December 2024.

[105] Trade and Development Bank (TDB) Group, "TDB Group Extends USD 2 Million to MPower Ventures Zambia to Improve Access to Affordable and Modern Energy Solutions in Zambia," 4 March 2024.

[106] UNHCR Zambia, *Livelihoods & Economic Inclusion Strategy 2021–23* (draft, June 2020).

Recommended Ecosystem Actions

For impact investors, DFIs, and philanthropy:

Invest in data infrastructure as a precondition for scale. The farmer data gap is the binding constraint on private sector engagement. Investor consortia and DFIs should prioritize support for refugee farmer registries, digital identity integration, and aggregation documentation.

Engage NABII on the SBGI. While SBGI does not currently have an explicit refugee-inclusion mandate, its development-linked incentives include the participation of women and youth and contributions to the SDGs. RIN and other RLI actors should continue to engage the Zambia National Advisory Board for Impact Investing (NABII) to explore whether refugee-inclusive businesses could similarly be recognized within the initiative's incentive structure or eligibility criteria.

Establish and participate in a Zambia RLI investor community of practice. The investor ecosystem in Zambia is active but not yet oriented toward refugee lens opportunities. A structured community of practice, which aims to connect information, policy, capital, and enterprise activity, is the coordination mechanism the ecosystem needs. RIN invites the investment community to join this effort.

For policy actors:

The legal and policy framework is in place. The gap is implementation, specifically, making refugee business licensing practically accessible, integrating refugee farmer data into national agricultural systems, and ensuring the Local Area Plans for Meheba and Mayukwayukwa, and the Nchelenge District Integrated Development Plan covering Mantapala, are funded and implemented in line with RLI opportunities.

For NGOs and development partners:

Organizations currently delivering livelihoods programming in Zambia's settlements have relationships, farmer networks, and extension service infrastructure that private capital needs. RIN invites these organizations to explore how their existing models can be embedded within investment structures, and to partner in connecting refugee producers to the private sector buyers identified in this assessment.

Feedback gathered at a June 2026 multi-stakeholder dinner convened by RIN in Lusaka confirmed both the interest and the gaps for RLI in Zambia.[107] Participants noted that discussions around refugee economic inclusion are often led by humanitarian and development actors, while businesses and investors remain less engaged. They called for practical education on RLI, better data on refugee populations and their economic activities, and clearer guidance on how businesses can legally engage refugees. They suggested moving beyond awareness-raising toward concrete, investable opportunities, supported, where needed, by blended finance and de-risking instruments. Participants saw a structured platform for investor–business–community coordination as the needed mechanism.

[107] Zambia RLI Weaving Dinner, Lusaka, 9 June 2026.

9. Way Forward

This assessment points to a compelling case for RLI in Zambia, with high impact potential. Refugee economic participation is already underway across all three settlements and in urban areas. The opportunity is to formalize, capitalize, and scale what is already there. Private sector buyers are present and willing to source from settlement areas; the policy environment is moving in a positive direction and backed by investment in enabling conditions; and the humanitarian funding gap is structural, making market-based approaches not just desirable but necessary.

What distinguishes Zambia is the manageability of the challenge. With a displacement-affected population of approximately 113,000, a fraction of the populations hosted by major refugee-hosting countries such as Kenya and Uganda, the scale of intervention required to demonstrate impact is realistic. The three main settlements are established and increasingly connected to commercial value chains. The pipeline includes operating enterprises with both existing and prospective pathways for refugee inclusion. There is also investment in the enabling environment, notably the World Bank's $30 million Zambia Refugee and Host Communities Project.

The Lusaka impact investing community is itself a significant asset. The ecosystem includes DFIs, international NGOs, local financial intermediaries, and a growing cohort of Zambian enterprises and funds with the ambition and capacity to put capital to work. Convening this community around an explicit RLI agenda, with the evidence base this assessment provides, is an achievable near-term step, with the potential to unlock significant capital for refugee-inclusive enterprises. This requires sustained coordination as much as capital.

The relevance of the RLI opportunity in Zambia extends beyond its borders. Zambia may offer lessons for other refugee-hosting countries with smaller displaced populations, developing impact investing ecosystems, and significant gaps between formal legal rights and practical economic inclusion. Its experience may be particularly instructive for Southern African countries navigating similar transitions toward greater refugee self-reliance and market-based approaches.

For RIN and other RLI intermediaries, the next phase of work is active market-building: convening the investor community of practice, quantifying the investable opportunity (including producer volumes, deal sizes and capital requirements), facilitating introductions between enterprises and investors, working toward refugee lens integration into national instruments including the SBGI, and tracking the enabling environment as the ZRHCP implementation progresses. Together, these steps can help Zambia move from aid to markets, making refugees and host communities partners in development rather than recipients of assistance.

Stakeholder Map: RLI in Zambia[108]

Refugee & Resettlement Authorities

COR, Directorate of Resettlement (OVP), Ministry of Home Affairs and Internal Security

Other

Bank of Zambia, Zambia Development Agency, Ministry of Agriculture, relevant local authorities

Financial Institutions

AMZ, NatSave, FINCA, Madison Finance, mobile money providers (Airtel, MTN)

Development Finance Institutions and Investors

IFC, World Bank, UNCDF, SBGI

Philanthropy

Small Foundation, Livelihood Impact Fund

Private Investors

KOMA Capital, BongoHive seed fund, Zambia Angel Business Network, Missio Invest, wCAP, PE/VC investors



Market Enablers & Technical Assistance

RIN, Expectation State, NABII, BongoHive, LiNC Advisory, Impact Capital Africa, ZIPAR, Zambia Chamber of Mines, Prospero, other accelerators/TA providers

International Organizations & Development Partners

UNHCR, UNDP, JICA

Refugee/Community Organizations

Somali Zambia Friendship Association

NGOs & Implementing Organizations

Caritas Czechia, World Vision, Good Neighbours Zambia

Refugee businesses, farmers, cooperatives, host-community producers

Companies

Treetop Honey, Sylva Foods, CFC, Forest Fruits, Good Nature Agro, Golden Camp Solutions, Garden Variety, Country Millers, Jewel of Africa, Kawambwa Tea, Mama Buci, Metalex, MPower, Panuka Farms, Parrogate/ETG, Solar Panda, SunCulture, mining companies in North-Western Province (potential buyers)

[108] This map is indicative rather than exhaustive. It includes actors currently engaged in refugee economic inclusion in Zambia as well as those whose mandates, markets or geographic presence make them relevant to refugee lens investing but who may not yet be active in this space. Inclusion does not imply endorsement of, participation in, or commitment to this assessment or its recommendations.

ANNEXES

Annex 1. Methodology

The following section outlines the methodology used to inform this study, including a review of available literature and primary data collection. It is important to note that much of the primary data was collected in 2024 prior to funding cuts made by the U.S. government, the initial funder for this project. While the team has subsequently sought to verify data and update the analysis in 2026 through additional interviews and stakeholder outreach, there is a time lag between the majority of the data collection and the finalization of this report.

Literature review

The study began with a desk review of available literature on forced displacement in Zambia set in its historical context, drawing on government reports, international surveys and policy documents, and academic studies. The review covered displacement trends, the national legal and policy context, an overview of demographic characteristics of refugees in Zambia, the socio-economic context for hosting refugees, as well as an overview of the economic and investment context in Zambia. The literature review was then used as the basis for data collection, having identified key gaps in understanding around socio-economic inclusion of refugees. The data collection incorporated two main approaches: community-based research, using qualitative methods, with refugees, former refugees and Zambians living in proximity to refugees, to ensure a comprehensive and in-depth understanding of opportunities and barriers to economic inclusion; and key informant interviews (KIIs) with a range of relevant actors working with refugees and/or the private sector.

Data collection

Community-based research

The community research process, which took place in November 2024, began by securing all necessary permissions from the government to carry out data collection and securing ethical approval. Following a day of training, which covered key topics including research objectives, research approach, interview techniques and data handling, field research was conducted by five field researchers, selected for their experience in carrying out qualitative data collection and for their understanding of the different localities in which research took place.

At the time of the fieldwork, 74% of the total refugee population in Zambia lived in designated settlement areas (Mayukwayukwa, Mantapala, and Meheba), while 26% were urban based primarily in

Lusaka and Ndola.[109] Therefore, interviews took place with refugee communities in two urban areas (Lusaka and Ndola) and three rural settlement areas (Mayukwayukwa Settlement in Western Province, Meheba Settlement in North-Western Province, and Mantapala Settlement in Luapula Province) between 11 and 29 November 2024.

In order to ensure a cross-section of the status of those impacted by displacement in each of the locations, the researchers targeted a cross-section of refugees, former refugees, host community members, community leaders, and refugee-focused organizations operating in the geographies of interest; a cross-section of nationalities and age categories; and a relatively even gender split.

In total, 114 individuals were interviewed in 101 individual interviews and four focus group discussions (FGDs), which included 59 female and 55 male participants.

114	101	4	59	55
Total individuals Interviewed	Individual Interviews	Focus Group Discussions	Female Participants	Male Participants

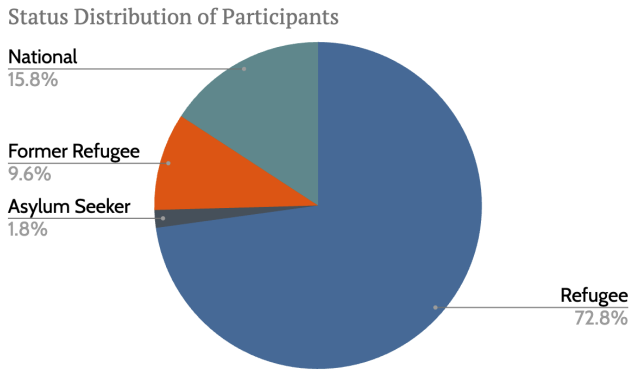
- **Mantapala Settlement:** 20 interviews were completed, with 15 male and five female participants.
- **Meheba Settlement:** 20 interviews were completed, with 11 female and nine male participants.
- **Mayukwayukwa Settlement:** 21 interviews were completed via 17 individual interviews and four focus group discussions (FGDs) engaging a total of 15 female and 15 male participants.
- **Lusaka:** 20 interviews were completed, evenly split between 10 female and 10 male participants.
- **Ndola:** 24 interviews were conducted, with 18 female and six male participants.

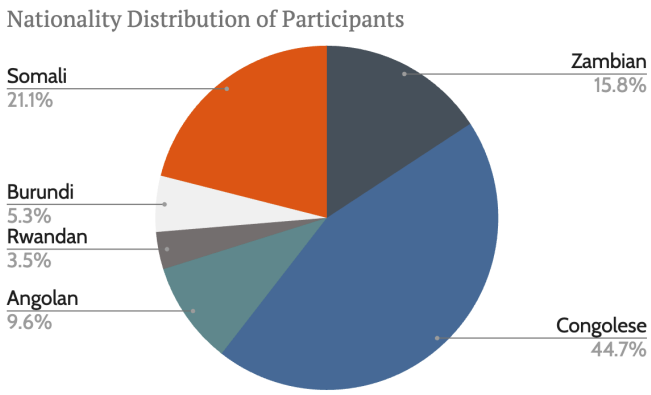
By status, a total of 83 refugees, two asylum seekers, 11 former refugees, and 18 Zambian nationals were interviewed. The interviews included participants from the Democratic Republic of the Congo, Angola, Rwanda, Burundi, and Somalia.

[109] UNHCR Zambia Countrywide Statistics, 30 September 2024.

Nationality Distribution of Participants

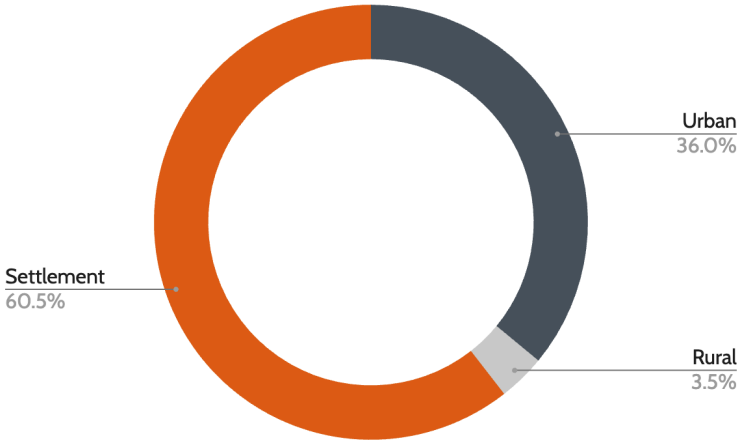
Nationality	Number of Participants	Percentage
Zambian	18	15.8%
Congolese	51	44.7%
Angolan	11	9.6%
Rwandan	4	3.5%
Burundian	6	5.3%
Somali	24	21.1%





The interviews reflected three key trends with 41 participants (36%) residing in urban areas in Ndola and Lusaka and 69 participants (60.5%) living in designated settlements in the rural areas. Of the 114 participants, four participants (3.5%) were found to be living in the villages surrounding refugee settlements, and integrated into the local community.

Geographic Distribution of Participants



The data collection employed a qualitative approach, using an interview map rather than a questionnaire with the objective of gathering deeper insight into the socio-economic lives of refugees in Zambia. Using open-ended questions, researchers were able to guide discussions while allowing respondents to express their views in discussions around predefined topics. Researchers captured responses in accurately typed interview transcripts in their respective locations, bringing together insights that cut across rural and urban disparities.

Key Informant Interviews

Alongside the data collection with displacement-affected communities, key informant interviews were carried out with relevant government agencies, local and international NGOs, UN agencies and development partners, investors and private sector actors, with the aim of further understanding opportunities and barriers to RLI in Zambia. Government officials provided insight into the legal frameworks, baseline data and access to refugee settlements; development partners, NGOs and UN agencies working with refugees offered insight into livelihood challenges, funding gaps and efforts to achieve refugee self-reliance; and interviews with private sector actors and investors helped identify opportunities for RLI as part of the market-mapping exercise.

Key informant interviews were conducted in 2024 and early 2025 with government institutions (the Office of the Commissioner for Refugees and the Zambia Development Agency); UN agencies and development partners (UNHCR, UNDP, the International Labour Organization, the Japan International Cooperation Agency, the World Bank and the International Finance Corporation); international NGOs (Caritas Czechia, World Vision and Good Neighbours Zambia); a refugee community organization (the Somali Zambia Friendship Association); the Zambia Chamber of Mines; impact investment and enterprise-support actors (the Zambia National Advisory Board for Impact Investing, BongoHive, the Zambia Angel Business Network, Prospero, Kukula Capital and ACE Smart Technologies); a microfinance institution (Agora Microfinance Zambia); and private companies (Copperbelt Forestry

Company, ETG (Farmers 360 Link), Forest Fruits, Good Nature Agro, Kawambwa Tea, Metalex Commodities, Panuka Farms, SunCulture, Sylva Foods and Treetop Honey).

In 2026, follow-up and additional interviews were conducted with the Office of the Commissioner for Refugees, the Directorate of Resettlement in the Office of the Vice President, the Zambia Institute for Policy Analysis and Research, UNDP, JICA, the World Bank's Zambia Refugee and Host Communities Project team, ETG Parrogate, Open Capital Advisors, LiNC Advisory and wCap, complemented by a multi-stakeholder consultation held in Lusaka in June 2026.

Information on most of the enterprises and funds profiled in Section 7 was reconfirmed with the organizations by email in August–October 2026; profiles that could not be reconfirmed are dated to the original interviews in 2024.

Annex 2. Sector Analysis

Selection Criteria of Sectors

A review of key sectors was conducted using a combination of desk research, key informant interviews, findings from the community research, and local knowledge to identify economic activities in which refugees are engaged, as well as related activities taking place in settlements and urban areas. The high-potential sectors were selected based on the following criteria:

- **Sector viability:** Refers to the overall viability and attractiveness of the sector, considering factors such as market size and growth, competition, key success factors, sector trends and drivers, profitability, and barriers to entry.
- **Level of activity within a sector:** Refers to the extent to which refugees and host communities are already engaged in the sector as entrepreneurs, workers, producers, suppliers, or customers, including activities supported by government, humanitarian, and development actors.
- **Potential of the sector given available resources:** Refers to the availability of resources and capabilities to refugees and host communities, such as land, skills, and existing livelihood activities.
- **Need for goods and services:** Refers to the need among refugees and host communities for goods and services provided by the sector.

The following seven sectors were identified as having potential for RLI; six are considered high priority and forestry medium priority:

Agriculture and Livestock

Of the 42 million hectares of arable land in Zambia only 1.5 million hectares are actively cultivated each year, which presents a huge opportunity for growth.[110] In addition, with 40% of the total water resources in the southern African region, Zambia has massive irrigation potential. The government is targeting the development of 500,000 hectares under irrigation by 2031 through the Presidential Irrigation Initiative.[111] The main crops cultivated in Zambia are maize, wheat, sorghum, millet, cassava, soybeans, along with various vegetables and fruits. Maize is the staple food crop.

[110] Zambia Development Agency (ZDA), *Agriculture Sector Profile 2024*, 2024.
[111] Interview with the Directorate of Resettlement, Office of the Vice President, GRZ, 8 June 2026; Presidential Delivery Unit, Republic of Zambia, "How Schools Are Helping Zambia Build a Food-Secure Future."

The agriculture sector is largely non-mechanized and rain-fed. Small-scale farming accounts for about 82% of total production in the sector.[112] Investment opportunities within this sector therefore include large-scale farming, provision of agricultural inputs and equipment, implementation of irrigation systems, development of agro-processing facilities as well as facilitation of commodity trading. Enhancing mechanization would be a critical driver for bolstering the sector's productivity and efficiency.[113] However, lack of access to finance particularly for inputs and equipment is a major entry barrier.

Livestock farming also plays a crucial role in Zambia's agricultural sector, bolstering food production and household earnings including for refugees and host communities. The country's major livestock includes cattle, goats, sheep, pigs, and poultry. Cattle ranching in particular has high growth potential due to the nation's high carrying capacity given expansive grasslands. With the growing need to diversify protein sources in the country, aquaculture has been gaining traction with tilapia being one of the predominant species. Beekeeping is also a sub-sector of promise particularly for beekeeping refugees who have received livelihood support over the years from humanitarian organizations, which has included linking them to honey processors. The government has identified honey as a priority high-value export product as part of its economic diversification agenda to reduce reliance on copper as the main foreign exchange earner.[114] It therefore has a target to raise honey production from the current 14,000 metric tons to 96,000 metric tons.[115] Similar to crop cultivation, the small-scale sector dominates the livestock sub-sector with commercial operations accounting for only about 10% of total production with access to finance for inputs also being a significant entry barrier.[116]

The allocation of land to refugees and former refugees, combined with existing activity in agriculture, livestock and beekeeping, means that both refugee participation and resource availability are relatively high in this sector. Refugees are allocated land for farming within the settlements, and former refugees may be eligible for land allocations through the Directorate of Resettlement under the Office of the Vice President, with initial 15-year leases convertible to 99-year leases where the business activity aligns with the Local Area Plan.[117]

The sector's growth potential, alignment with government priorities and incentives, and the availability of land for refugees and host communities make agriculture the highest-priority sector for RLI in Zambia.

Financial Services

Largely driven by the persistent rise in use of digital channels and to a lesser extent increased access to other formal financial services such as bank and insurance products or services, the overall level of

[112] Zambia Development Agency (ZDA), *Agriculture Sector Profile 2024*, 2024.
[113] Ibid.
[114] A. Sichula, "Zambia deepens global partnerships to boost honey production, exports," *Zambia Monitor*, 17 October 2025.
[115] FAO, Hand-in-Hand Initiative, "Zambia Investment Plans and Opportunities," 2024.
[116] Zambia Development Agency (ZDA), *Agriculture Sector Profile 2024*, 2024.
[117] Interview with the Directorate of Resettlement, Office of the Vice President, GRZ, 8 June 2026.

financial inclusion has risen by 10.7 percentage points to 80.1% in 2025 (2020, 69.4%) with a corresponding decline in financial exclusion to 19.9% (2020, 30.6%) according to the 2025 FinScope.[118] The Bank of Zambia (BOZ) has at the same time allowed some financial service providers and mobile network operators (MNOs) to use Alien Cards and Refugee ID cards as valid personal ID for KYC purposes to open mobile wallets, bank accounts and register SIM cards albeit on a case-by-case basis.[119] This has opened the door to addressing the longstanding need for refugee and host community access to financial services in cash lending mainly for agro inputs and savings programs to enhance self-reliance. The government has put in place a National Financial Inclusion Strategy, which lays out key activities to be implemented by various stakeholders toward the goal of increasing the level of financial inclusion to 85% by the end of 2028.[120]

There is also evidence of narrowing of the rural-urban divide in terms of financial inclusion with the latter experiencing a rise to 88.5% (2020: 84.4%) while the former registered a significantly faster increase to 72.5% (2020: 55.9%), which signifies the fact that infrastructure and digital financial services (DFS) initiatives were reaching previously underserved populations.[121] This gives further impetus to address the gap in access to financial services for persons of concern.

The FinScope Survey also indicated that uptake of mobile money services by the adult population recorded the fastest increase to 76.2% (2020, 58.4%) with banking services a distant second at 30.1% (2020, 20.7%).[122] The financial sector in Zambia, which is relatively small in line with other countries in sub-Saharan Africa, is still however dominated by the banking sector, which stood at 65% of the entire industry in terms of financial asset size in 2022.[123] The banking sector has relatively high entry barriers particularly given the considerably greater cost of setting up branches compared to mobile banking, which has attracted a significant number of new entrants. The increased number of entrants has increased competition intensity in the fintech sub-sector, which has technological capabilities of firms as a key success factor.

Another key driver for growth in the financial sector is the increase in financial literacy, which improved considerably among the adult population by 22.9 percentage points to 46.5% (2020: 23.6%) according to the 2025 FinScope survey.[124] The improvement signifies the positive impact of financial literacy and awareness campaigns that were conducted in the five-year period leading up to 2025 and this trend is expected to continue, which should drive further growth in the sector.

Access to financial services is an important enabler of refugee and host-community livelihoods. The viability of the sector, particularly digital financial services, combined with a supportive policy environment, creates opportunities to expand access to savings, credit, and other financial products.

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[118] Bank of Zambia. Zambia FinScope 2025 Survey: Topline Findings.
[119] Draft Zambia Roadmap for Financial Inclusion for Persons of Concern, June 2022.
[120] National Financial Inclusion Strategy II 2024–2028, Government of the Republic of Zambia.
[121] Bank of Zambia. Zambia FinScope 2025 Survey: Topline Findings.
[122] Ibid.
[123] National Financial Inclusion Strategy II 2024–2028, Government of the Republic of Zambia.
[124] Bank of Zambia. Zambia FinScope 2025 Survey: Topline Findings.

Energy

Zambia's installed electricity generation capacity is 3,356.6 MW, of which hydropower accounts for 83%, coal 9%, heavy fuel oil 5% and solar photovoltaic (PV) only 3%.[125] The country's level of sunshine brings vast potential in solar energy, but penetration has remained relatively low due to the high initial costs of investment, which act as an entry barrier.[126]

Demand for electricity has meanwhile been growing at an average of approximately 3% per annum mainly due to increased economic activity in the country especially in the agriculture, manufacturing and mining sectors. Just over half of Zambia's population (53.6%) has access to electricity, falling to 31.3% in rural areas, where the main refugee settlements are located.[127]

The government has put in place a Renewable Energy Feed-in Tariff (REFiT) Strategy aimed at increasing use of renewable energy resources via promoting private power investments by addressing barriers that impede investments in this sub-sector. REFiT is expected to add 200 megawatts (MW) through renewable energy generating projects to the national grid.[128] Projects such as M300 have contributed to helping pivot Zambia's energy pipeline toward an ambitious private sector-led model, particularly for productive use.

Zambia's electricity market is structured as a single-buyer market model with the public utility Zambia Electricity Supply Corporation (ZESCO) acting as the unique off-taker and bulk retailer of electricity on the national interconnected system.[129] Independent Power Producers (IPPs) contribute to electricity generation and operate their own assets but sell the electricity to ZESCO through Power Purchase Agreements (PPAs).

There is a need to improve access to energy for refugees and host communities particularly for productive uses in order to improve incomes and enhance self-reliance. Experience from countries such as Uganda suggests that refugees cannot be given land without access to water, which they need to irrigate crops, for animals as well as for sanitation and hygiene.[130] To have access to water, refugees and host communities need energy. There are initiatives including under the M300 project that are facilitating access, particularly to renewable energy technologies, that improve access to water for smallholder farmers including refugees and host communities.[131]

The solar energy sub-sector has strong potential to address refugee and host-community energy needs for both household and productive uses given its high generation potential, growing demand and favorable policy environment with the adoption of REFiT, which has made the industry more attractive.

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[125] Ministry of Energy, Republic of Zambia, "Electricity," https://www.moe.gov.zm/?page_id=2198.
[126] Zambia Development Agency. Energy Sector Profile. 2024.
[127] World Bank, World Development Indicators, Access to electricity (% of population): total, rural and urban, 2024.
[128] Zambia Development Agency, Energy Sector Profile, 2024.
[129] Ibid.
[130] Interview with SunCulture, 10 January 2025.
[131] Ibid.

Mining and Mining Services

Zambia has a substantial mining sector which contributes about 44% to government revenue and over 70% to foreign exchange earnings.[132] The country's mineral wealth includes metals, gemstones, industrial minerals, building and critical minerals, with the mining of metallic minerals dominating the mining output. The government policy in the sector is oriented toward the promotion of value addition to critical minerals such as copper through the introduction of incentives in the mining sector.[133] The government also aims to significantly increase copper production to 3 million metric tons per year, as laid out in the Eighth National Development Plan (8NDP).[134] Zambia also possesses critical minerals such as Lithium, Graphite, Nickel, Cobalt, Copper, Manganese, Sugilite, Gold, Uranium and Rare Earth Elements (REE). Global demand for critical minerals is set to rise sharply, with more than 3 billion tons of minerals and metals estimated to be needed by 2050 to deploy wind, solar and energy storage technologies.[135]

Mining companies are price takers in the international mineral commodity markets. The key success factor in the mining industry therefore is cost leadership, which is a strategic approach where a firm endeavors to become the lowest-cost producer in its industry. Mining companies compete based on productivity with success incumbent on generating efficiencies in mineral production. The sector however has high entry barriers given the capital-intensive nature of mining, which entails significant initial investments.

Field research identified private-sector interest in potential models through which refugees and host communities could participate in small-scale mining activities linked to existing concessions. A U.S.-based mining company with operations in North-Western Province has, for instance, indicated interest in availing refugees and host communities such opportunities in its concession area.[136] There are also opportunities to supply produce to providers of meals to mining companies that operate close to refugee settlements.[137]

The Zambian mining sector is commercially significant and has strong growth potential. Its proximity to Meheba also creates potential linkages through employment, local procurement and mining-related services. Field research identified private-sector interest in developing linkages with refugee-hosting areas, although most remain prospective rather than established refugee-inclusive activities. UNDP has highlighted North-Western Province as a major economic opportunity area because of its expanding mining sector.[138] The scale and growth of the sector, combined with these potential linkages, make mining and mining services a high-priority sector for RLI in Zambia.

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[132] EITI, Zambia report (2022).
[133] Zambia Development Agency. Mining Sector Profile. 2024.
[134] Ibid.
[135] World Bank, *Minerals for Climate Action: The Mineral Intensity of the Clean Energy Transition*, 2020.
[136] Interview with Metalex, 15 January 2025.
[137] Interview with World Bank, Lusaka, 11 November 2024.
[138] Interview with UNDP, Lusaka, June 2026.

Transport and Logistics

At almost 90% of all passenger and cargo haulage, road transport is the primary mode of transportation in Zambia. The country has a total road network of 67,671 km, with 40,454 km categorized as the core road network and 27,217 km as the non-core road network. Road haulage is the preferred mode of transportation due to its accessibility and speed in transporting bulk as well as heavy cargo. Road freight transport costs in Zambia are however high, generally constituting up to 40% of the final cost of products. In addition, transport and logistics operators in the country generally lack the capacity to deliver high-quality and low-cost services, which are critical to attaining the government's goal of transforming the country into a regional transportation hub.[139]

In Zambia, road freight haulage has two main categories with the first being largely made up of numerous small-scale operators providing basic transport services which is the category where many refugee operators are found. The second segment consists of a small number of major haulers providing more sophisticated logistics services.[140] Operators in the former category compete mainly on price (cost leadership), and barriers to entry into the sector are relatively low because, in general, minimal start-up capital is required. Competition intensity in this segment is also high because of the high number of providers.

Significant opportunities for growth for transporters exist with the ongoing development of regional transport corridors, such as the Walvis Bay–Ndola–Lubumbashi and Lobito Corridors, which link Zambia to Namibia, the DRC, and Angola.[141] The corridors enhance trade and boost routes for freight transportation. The Lobito Corridor passes through North-Western Province, where the Meheba Refugee Settlement is located.

Some refugees are involved in the transportation and distribution of goods between settlements and regional, urban as well as cross-border markets, which makes the road transport sector critical to refugee self-reliance. There are a number of refugees who have a long history of being transporters particularly in communities such as the Somali community.[142]

The road transport sub-sector as the mode of transport for goods and passengers is quite viable given its potential for growth particularly with the development of regional transport corridors as well as favorable policy environment. This coupled with the fact that this is a sector where refugees and host communities are already involved, makes the industry a high priority sector for their livelihoods.

[139] National Assembly of Zambia, *Report of the Committee on Transport, Works and Supply on the Road Freight in Zambia for the Third Session of the Thirteenth National Assembly*, 2024.
[140] Ibid.
[141] Ibid.
[142] Interview with the Somali Zambia Friendship Association, 27 November 2024.

Retail and Wholesale Trade

With improving infrastructure and a growing consumer base, Zambia's retail sector is rapidly becoming one of the most attractive retail markets in the region.[143] It is however estimated that up to 70% of households purchase their food through informal channels, mainly from traditional small stalls, street vendors, informal shops and kiosks, as well as marketplaces.[144] Refugee and host community retailers also tend to operate through informal channels within and outside settlements as well as in urban areas.[145] These channels tend to be highly fragmented and therefore extremely competitive with barriers to entry as costs of securing informal trading spaces are not high.

Despite its potential, the Zambian market faces many challenges including inconsistent supply chains and inadequate infrastructure particularly in rural areas. The poor road network and logistical inefficiencies in rural areas hinder product distribution.[146] The government's emphasis on infrastructure development and investment-friendly policies by the Zambia Development Agency are seen as crucial steps toward mitigating these challenges.[147] The effects of the limited infrastructure are however compounded by the fact that many Zambians, particularly in rural areas, remain unbanked, which constrains their purchasing power and access to credit, negatively impacting the potential for growth for the sector.

Increasing penetration of smartphones and mobile money solutions has facilitated the growth of online shopping but this trend very much remains in its infancy.[148] Platforms that integrate secure payment methods and logistics networks can nonetheless capitalize on this trend. Employment of technological capabilities throughout the supply chain from sourcing to delivering merchandise to customers is therefore a key success factor.

The government's focus on infrastructure development, together with efforts to improve rural purchasing power by boosting economic activity through local government expenditure, makes the retail sector in Zambia highly attractive. Furthermore, the involvement of refugees in the retail trade albeit to a large extent informally, makes this sector a high priority for the livelihoods of persons of concern.

Forestry

Forests and related resources in Zambia are considered the lifeline of rural economies with the forestry sector currently contributing about 5.2% to the country's GDP as well as providing formal and informal employment to about 1.1 million people.[149] The Government of Zambia endeavors to

[143] Zambia's Retail Sector: A Market Penetration and Growth Analysis.
[144] Lloyds Bank Trade.
[145] Interviews with the World Bank, 11 November 2024 and Somali Zambia Friendship Association, 27 November 2024.
[146] Zambia's Retail Sector: A Market Penetration and Growth Analysis.
[147] Ibid.
[148] Ibid.
[149] PROFOR, Zambia Forest Sector Analysis.

manage and enhance forest products and services in order to mitigate climate change, boost income generation and job creation as well as preserve biodiversity. However, the deforestation annual rate, estimated at a substantial 250,000–350,000 hectares, is said to translate into an annual loss of $500 million in natural capital stock, putting such aspirations into question.[150]

Zambia has substantial forest reserves covering about 7.1 million ha, including about 50,000 ha of eucalyptus (20%) and pine (80%) plantations.[151] The country has had plantations since the 1960s to supplement the supply of timber from indigenous forests. The private sector's plantations have been declining on a yearly basis as there are not too many deliberate replanting programs. Tree planting has not been an attractive business venture for the private sector in the country.[152]

The high establishment costs for plantations are particularly a significant entry barrier with delayed financial return from anywhere between 10 and 20 years after planting contributing to making the sector unattractive to the private sector.[153] This limits the number of firms involved in the sector thereby limiting competition intensity. In the meantime, demand for timber is by far outstripping supply with future projections indicating that this picture will worsen, which is prompting the wood processors in the sector to start timber outgrower schemes.[154] Considering timber is a commodity, firms in the industry are price takers with timber prices set by commodity markets. This entails that the key success factor for businesses operating in the sector is cost leadership, similar to the agriculture sector.

The forestry sector has potential for refugee and host-community livelihoods, given both refugees' existing participation in timber trading and the availability of land that could potentially be used for timber production. Despite its growth potential and relevance to refugee and host-community livelihoods, high establishment costs and long plantation payback periods (10–20 years, though eucalyptus can be harvested in 5–10 years) make forestry less immediately investable than the other priority sectors. It is therefore considered a medium-priority sector for RLI.

[150] Ibid.
[151] FAO, Forestry Sector in 2020.
[152] Ibid.
[153] Ibid.
[154] Interview with Copperbelt Forestry Company, 12 December 2024.

Examples of Inclusive Market Activities in Priority Sectors

Sector	Key activities in settlements and/or urban areas	Examples of active or prospective players
Agriculture and Livestock	• Off-taker for soybeans and sunflower from refugee farmers, with plans to introduce cotton through contract farming; • Vertically integrated legume production through outgrower farmers; • Rapid expansion of tea production by involving locals including refugees through outgrower schemes; • Off-taker for sweet potatoes, vegetables and fruits as well as orange maize from refugee settlements; • Training refugee farmers to grow produce all year round; • Agribusiness accelerator interest in enrolling refugee farmers; • Setting up of honey outgrower schemes including training (hive maintenance and management), supplying inputs (hives, buckets, etc), purchasing and processing of raw honey from selected suitable refugees.	ETG Parrogate, Good Nature Agro Kawambwa Tea Industries Sylva Foods Panuka Farms JICA, UNDP, World Vision Treetop Honey, Forest Fruits, Caritas Czechia
Financial Services	• Guarantee fund for financial institutions oriented toward providing longer-term capital to small and growing businesses in agriculture value chains with a possibility of including RLI to a system of graduated incentives for lenders; • An alternative capital fund of funds which will look to support local private equity and venture capital funds as well as promote alternative forms of financing for small businesses such as warehouse receipts, invoice discounting and factoring; • An approach for channeling financing to smallholder farmers which would be suited to refugee, former refugee and host community producers struggling to scale; • Direct lending e.g., cash transfer, loan and asset financing to refugees and host community members, at the individual, household, and business level;	Small Business Growth Initiative FINCA UNCDF AMZ

	• Provision of group loans through village banks and leases for farmers for mechanization; • Agriculture and business loans for refugees.	
Energy	• Supply of solar-powered irrigation technology for smallholders with pumps; • Mini hydro power plants at Mayukwayukwa and Mantapala refugee settlements.	SunCulture BADEA Solar Panda MPower
Mining and Mining Services	• Building materials from mining waste for affordable housing; • Purchase of various produce for canteens for mining companies near refugee settlements; • Potential participation of refugees and host communities in mining activities linked to an existing concession.	Metalex Allterrain Services Group
Transport and Logistics	• Transportation and distribution of largely fast-moving consumer goods (FMCGs), agriculture inputs and produce between settlements and regional, urban as well as cross-border markets.	Primarily refugee-led
Retail and Wholesale Trade	• Trading in fast-moving consumer goods (FMCGs) via small retail outlets; • Beauty and hair care activities where refugees are employed or self-employed as salon owners and personnel e.g., hairdressers, or in distribution of beauty products.	Primarily refugee-led
Forestry	• Timber outgrower scheme in refugee settlements.	CFC

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