



CMMP

CAPITAL MARKETS MASTER PLAN

LAUNCH OF THE CAPITAL MARKETS MASTER PLAN

CONCEPT NOTE AND PROGRAMME





The CMMP Vision:

‘To reposition the Zambian Capital Markets to become an attractive international destination for long-term investment and be the primary choice for accessing long term investment capital for Zambia, that will enable sustainable growth, development, and stability of the country.’

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1. BACKGROUND

As part of extensive financial sector reforms aimed at enhancing the role of the financial sector towards bolstering the economy, the Government of the Republic of Zambia (Government) through the Ministry of Finance and National Planning (MoFNP) and in collaboration with the Securities and Exchange Commission (SEC) as well as other key capital markets players, embarked on a project to develop the Capital Markets Master Plan (CMMP), a comprehensive ten (10) year long term strategy for capital markets development in Zambia.

For a long time, our capital markets have been identified as critical enablers for economic growth, as they by design, exist to provide sustainable long-term financing solutions and as such, are expected to efficiently mobilize the required capital for onward investment into real sectors such as energy, agriculture, tourism, and mining.

However, the Zambian capital markets have remained underdeveloped and have been characterized by several weaknesses that inhibit them from efficiently mobilizing the country's public and private financing needs.

Considering the foregoing, the Government developed and through the Cabinet of Ministers, approved the CMMP. The CMMP is envisaged to provide a unified and clear roadmap to reposition the Zambian capital markets as an important conduit for domestic and foreign investments and that will enable it to fulfil its function of bolstering Zambia's economy.

2. OBJECTIVES OF THE CAPITAL MARKERS MASTER PLAN

Given the above background, the CMMP was developed in line with the Vision 2030 and the Eighth National Development Plan (8NDP). Therefore, the objectives set out in the CMMP document shall necessitate the achievement of Zambia's aspirations for capital markets development which include (among others) attaining:

- ◆ A classification of a frontier market rating by 2027;
- ◆ A market capitalisation of 27% of Gross Domestic Product by 2024;
- ◆ Double listings by 2031 (from 23 to 40 or more);
- ◆ A broaden product landscape by introducing products such as Green Bonds,
- ◆ Exchange Traded Funds, Real Estate Investment Trusts, Derivatives, etc.

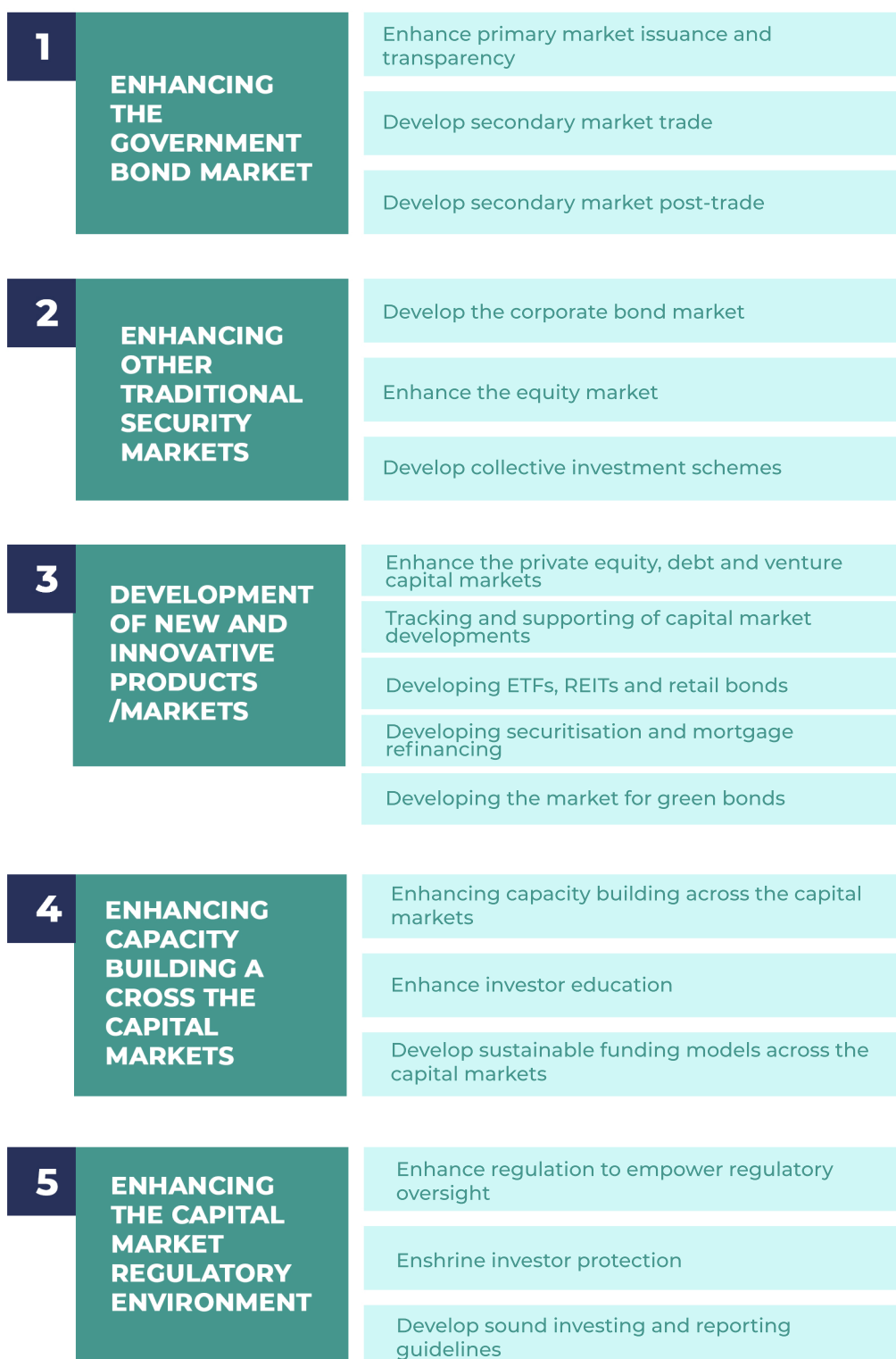
The broad objectives for the CMMP are listed as follows:

- ◆ To transform Zambia into a choice market for domestic issuers and investors;
- ◆ Enable the Zambian capital markets to play a greater role in acting as a source of funds to the real sector of the economy;
- ◆ Develop deeper and more liquid capital markets based on strengthening financial markets infrastructure;
- ◆ Actively promote Zambia's attractiveness as an investment destination for financial services; and
- ◆ Implement capacity building programmes to strengthen various stakeholders.

3. CMMP DEVELOPMENT AREAS

To achieve the above, the CMMP identifies and sets out five development areas most pertinent to the development of the Zambian capital markets. The development areas are presented in Figure 1 below, together with the building blocks that were identified following an extensive stakeholder consultation exercise and market assessment of Zambian capital markets

FIGURE 1: CMMP DEVELOPMENT AREAS AND BUILDING BLOCKS



4. CMMP LAUNCH AND CAPITAL MARKETS INDABA

The CMMP launch is planned to take place on 23rd February 2023. The event shall be Graced by the Minister of Finance and National Planning, Hon. Dr. Situmbeko Musokotwane, MP, who shall launch the CMMP on behalf of the Republican President, Mr. Hakainde Hichilema. The launch event will be followed by an indaba, dubbed the Second (2nd) Capital Markets Indaba. The indaba will be the second of its kind after the first that was held in 2017 at which event participants resolved to develop a CMMP that would serve as a blueprint for the orderly development of Zambia's capital markets in the next 10 years.

The launch and indaba events will aim to achieve the following:

- ◆ Highlight Government's commitment towards capital markets development;
- ◆ Sensitize on the CMMP document – discuss the salient features as well as highlight relevance to an ambitious aspiration adopted as part of the 8NDP being "Positioning Zambia as a preferred Global Green Investments Hub"
- ◆ Solicit stakeholder commitment and participation in the implementation of the CMMP; and
- ◆ Signal/flag the commencement of the CMMP implementation.

The aim of the 2nd Capital Markets Indaba will also be to delve primarily into housekeeping issues with the view to set the tone of the paradigm shift required to successfully achieve the objectives of the CMMP. To this end, the Indaba will seek to discuss implementation of the strategies for developing Zambian capital markets articulated in the CMMP. In doing so, the Indaba will unpack priority issues referencing existing analyses (and literature) on the current state of the local capital market.

Therefore, the expected deliverable of the Indaba shall be a clear prioritisation of the road map for the Implementation Matrix of the CMMP (attached). It is thus envisioned that by the end of the Indaba, key Action Teams will be constituted and commissioned in principle.

The Proposed Programme/Agenda of the Launch and Indaba Events is attached hereto.

5. PARTICIPANTS

The launch and indaba events will target key stakeholders in the capital markets community, including policy makers (from the Ministry of Finance and National Planning and other Government Ministries), Financial Sector Regulators, Capital Markets Operators, academia, media, etc

LAUNCH EVENT FOR THE CAPITAL MARKETS MASTER PLAN MULUNGUSHI INTERNATIONAL CONFERENCE CENTRE 23RD FEBRUARY 2023

Thursday, 23 rd February 2023 (08.00 hrs - 11.00 hrs)		
Time (hrs)	Agenda item	Lead
08:00 - 09:00	Arrivals and Registration	Securities and Exchange Commission
09:00 - 09:10	Welcome and Opening Remarks	Mrs. Ruth Mugala <i>Chairperson - Securities and Exchange Commission</i>
09:10 - 09:20	Partner Remarks	Dr. Evans Osano <i>Director - Capital Markets FSD Africa</i>
09:20 - 09:40	An overview of Capital Markets development in Zambia - Video: Trajectory of capital markets development - Video: Global Green Hub	Mr. Phillip Chitalu <i>Chief Executive Officer - Securities and Exchange Commission</i>
09:30 - 09:45	Keynote Remarks & Launch of the Capital Markets Master Plan	Hon. Dr. Situmbeko Muskokotwane, MP <i>Minister - Ministry of Finance & National Planning</i>
09:45 - 09:55	Cutting of Ribbon	Hon. Dr. Situmbeko Muskokotwane, MP <i>Minister - Ministry of Finance & National Planning</i>
09:55 - 10:00	Vote of Thanks	Ms. Dorothy Moono <i>President - Capital Markets Association of Zambia</i>
10:00 - 10:30	Group Photo End of CMMP Launch Programme and Departure of Guests	
10:30 - 11:00	Tea Break	
Commencement of 2nd Zambia Capital Markets Indaba		
11:00 - 11:10	Introduction and Objectives of the CMMP	Ms. Mary Njunguna <i>Principal Specialist - FSD Africa</i>

<p>11:10 – 13:00</p>	<p>Current state of the Zambian Markets - Perspectives from the Market</p> <p>Current State of the Zambian Markets – Perspectives from the Investor</p> <p>Current State of the Zambian Markets – Perspectives from the Regulator</p> <p>Open discussion / Q & A session Organising Team</p>	<p>Mr. Jack Kanyanga <i>Chief Executive Officer</i> - Stockbrokers Zambia</p> <p>Mr. Jonathan Imakando <i>Chief Executive Officer</i> - African Life Financial Services</p> <p>Ms. Lina Lungu <i>Head - Business Development</i> - Lusaka Securities Plc</p> <p>Mr Tue Andersen <i>Chief Executive Officer</i> - Kukula Capital Plc.</p> <p>Mr. Sumeet Jain <i>Director- Pekanya</i></p> <p>Mr. Godfrey Mwanza <i>Chartered Financial Analyst</i></p> <p>Ms. Mutumboi Mundia <i>Director</i> <i>Market Supervision & Development</i> - Securities and Exchange Commission</p> <p>(Open session for engagement)</p>
<p>13:00 - 14:00</p>	<p>Lunch Break</p>	
<p>14:00 - 15:30</p> <p>15:30 - 16:30</p> <p>16:30 – 16:40</p>	<p>Strategies on developing a credible market – learning lessons from peers in the region</p> <p>Plenary session & volunteering to Action</p> <p>Closing</p>	<p>Ms. Tamsin Freemantle Founder - Tamsin Collins CC</p> <p>Securities & Exchange Commission</p> <p>Securities & Exchange Commission</p>
<p>16:40</p>	<p>End of Programme</p>	



SECURITIES AND EXCHANGE COMMISSION
Protecting Investors in the Capital Markets



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