



# CALL FOR INVESTMENT PROPOSALS IN MINING VALUE ADDITION - 2025. DEADLINE EXTENDED

## OBJECTIVE OF CALL FOR INVESTMENT PROPOSALS IN MINING VALUE ADDITION

The National Pension Scheme Authority (“NAPSA” or “the Authority”) intends to make catalytic and strategic investments in commercially viable mining value addition projects and/or entities. The overall objective is to secure competitive, risk-adjusted returns for its members while stimulating industrial growth and enhancing economic development through the production of finished products from mined resources.

### 1. BACKGROUND

- 1.1. The National Pension Scheme Act No. 40 of 1996 of the Laws of Zambia provides for investments of funds of the Scheme not immediately required to meet any charges or obligations in a range of assets. To diversify its portfolio and maximize returns, the Authority supports investments in various asset classes including private equity, listed equity, greenfield investments, and infrastructure. In so doing, it also invests in various key sectors of Zambia’s economy thus diversifying the portfolio’s sector exposure.
- 1.2. Mining brings many economic benefits to the country such as employment, local infrastructure development, linkages to other sectors, foreign exchange earnings and government revenues.<sup>1</sup> Zambia’s assortment of mineral resources and other mining by products continue to present an opportunity for further value addition which can stimulate economic activity in the country.
- 1.3. In pursuit of further diversification and enhanced returns, NAPSA invites proposals from promoters in the mining sector targeting both established companies and innovative greenfield concepts to secure catalytic mining value addition investments that deliver attractive returns and foster industrial growth. Proposals can be submitted as detailed concept notes and may progress to full proposals.

### 2. CALL FOR PROPOSAL REQUIREMENTS & ELIGIBILITY

- 2.1. The Authority shall, in making and maintaining investments, be guided by the following principles:
  - 2.1.1. capital preservation and safety of members funds;
  - 2.1.2. investment returns within tolerable risks;
  - 2.1.3. liquidity; and
  - 2.1.4. asset-liability matching.

#### 2.2. Investment Proposition

Proposals must focus on one or both of the following:

- Greenfield Investment Opportunities: New projects that have identified or secured raw material sources, established value chains, and completed initial market studies.
- Expansion Projects by Existing Businesses: Existing companies seeking capital to scale up their operations in the mining value addition sector.

**Only concepts or projects that demonstrate tangible value addition, specifically the production of finished products will be considered.**

#### 2.3. Submission Format

Proposals may be submitted as detailed concept notes for initial evaluation. Other requirements are as detailed below:

- For Greenfield Projects: The promoter must provide evidence of secured or identified raw materials and established value chains.
- For Expansion Projects by Existing Businesses: The promoter must submit detailed business plans that demonstrate operational viability and growth potential.
- Market Studies: The promoter must submit complete and detailed market studies to demonstrate understanding of the target markets, size and requirements for access to these markets.

#### 2.4. Eligibility Criteria

The eligibility criteria will be as outlined below and apply as appropriate to the two categories above:

- Geographical Coverage: Projects and/or businesses must be domiciled in Zambia.
- Ownership: Proposals must be promoted by public or private entities. Additionally, projects and/or businesses in partnership with international organizations are eligible.
- Project/Business Stage: Proposals may be submitted as concept notes for initial evaluation. For greenfield projects, evidence of secured or identified raw materials, established value chains, and completed market studies is required. For existing projects/businesses, detailed business plans and proof of operational viability are essential.
- Management Capability: The promoters must demonstrate robust technical and managerial skills, supported by verifiable track records.
- Financial Viability and Modelling: Proposals must include comprehensive cost and revenue models, and demonstrate commercial viability, that is, the ability to generate sustainable revenue and returns. Detailed financial projections, including key metrics such as Internal Rate of Return (IRR), Net Present Value (NPV), and payback period should be included.
- Risk Management: Proposals must include risk assessments with mitigation measures.
- Compliance: The promoter must demonstrate the business’ and/

or project’s compliance to regulatory requirements in the mining value addition industry such as tax compliance, NAPSA compliance, adherence to Zambia’s labor laws and international environmental and social standards.

- Preparatory Studies: Prerequisite studies such as feasibility studies, market studies, environmental and social impact assessment and technical and engineering studies must be conducted. This will include demonstrating adequate technical planning for equipment, processes, and production facilities.
- Innovation & Value Addition: Projects must introduce innovative methods to produce finished products.
- Developmental Impact: Potential to create jobs, generate income, and empower local communities (with emphasis on women, youth, and rural populations).
- Business profile and record of accomplishment: The promoter must provide a comprehensive company profile including details on corporate governance, registration, and ownership structure.
- Financing Structure: Proposals must have a clear demonstration of the required capital structure and investment modality (venture capital, debt, or equity), including any co-financing arrangements or dialogues with prospective investors.
- **Investment Structure:** Proposals must specify the preferred investment modality, whether venture capital, debt, equity, or a hybrid model accompanied by detailed transaction information regarding pricing, tenure, required financing, other financiers, proposed collateral and other key details as may be applicable. Detailed financial projections, including key metrics such as Internal Rate of Return (IRR), Net Present Value (NPV), and payback period, along with comprehensive funding requirements should be included.

### 3. EVALUATION, DUE DILIGENCE & ADDITIONAL INFORMATION

#### 3.1. Evaluation

- Screening: Initial screening will assess compliance with eligibility and submission requirements.
- Detailed Evaluation: Shortlisted proposals will undergo a detailed evaluation based on the criteria outlined in Section 2.
- Due Diligence: Selected proposals will be subject to further technical, commercial, financial, and legal due diligence.

#### 3.2. Additional Information

- Alignment with Strategic Objectives: Proposals must align with NAPSA’s overall investment strategy aimed at portfolio diversification, capital preservation, risk management, and maximizing member returns.
- ESG Commitment: All proposals must adhere to the relevant IFC Performance Standards (2012 Edition, Standards 1–8) for environmental and social management.

### 4. SUBMISSION PROCEDURES

Proposals are to be submitted via two avenues:

#### 4.1. Hard Copy Submission

- Proposals must be prepared in sealed envelopes, clearly marked “Call for Investment Proposals in Mining Value Addition.” Address the envelope to: Director General, National Pension Scheme Authority Levy Business Park, Corner Kabelenga/Church Road, Lusaka, Zambia
- Include the completed “Call for Proposal Submission Form” available at <https://www.napsa.co.zm/forms/>

#### 4.2. Soft Copy Submission

- Email proposals to: [miningvalueadd@napsa.co.zm](mailto:miningvalueadd@napsa.co.zm) . Ensure the subject line reads “Call for Investment Proposals in Mining Value Addition.”
- Alternatively, proposals may be submitted via secure digital data rooms. In this approach, applicants will organize all required documents into clearly labelled folders and provide access credentials to facilitate easy review and evaluation by the Authority.

**Note: Only complete submissions in accordance with the instructions will be reviewed. Promoters’ participation in this call does not guarantee NAPSA’s investment, and no refunds will be issued for any costs incurred. NAPSA will endeavor (but shall not be obliged) to give reasons for not having participated in a project or business.**

#### Deadline for Submission: 30<sup>th</sup> JUNE 2025, 17:00 CAT

- NAPSA will acknowledge receipt of proposals via email as provided by promoters.
- Please note that this is not an open tender but a call for proposals.
- Due to the high volume of expected proposals, feedback may take additional time.
- NAPSA has a zero-tolerance approach to corruption.