
PSI REGULATORY INTELLIGENCE SERIES · NO. 01

The African Cannabis Regulatory Framework Brief

A replicable national blueprint, drawn from Zambia's Cannabis Act No. 33 and Industrial Hemp Act No. 34 of 2021 — for governments, operators and investors building bankable cannabis and hemp economies.

COMPANION BRIEF · UCT INTERNATIONAL CANNABIS SYMPOSIUM 2026

Prosper Sievu Investments

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Across Africa, the gap between *legalising* cannabis and building an economy around it is where most national programmes stall. Statutes pass; licences then take years, capital stays on the sidelines, and the social and fiscal returns never arrive. The constraint is rarely political will — it is regulatory architecture.

Zambia offers one of the continent’s most instructive cases. Its **Cannabis Act No. 33 of 2021** and **Industrial Hemp Act No. 34 of 2021** separated medical cannabis from industrial hemp, assigned clear regulatory authorities, and created licence categories that capital markets can actually underwrite. This brief distils the architecture behind that model into a framework that other jurisdictions, operators and investors can read, pressure-test and adapt.

How to use this brief. Governments can benchmark their own draft frameworks against the seven pillars on page 3. Operators and investors can use the same pillars as a diligence lens — a market with weak pillars is a market with hidden licensing and exit risk.

The opportunity, framed honestly

Demand is real; the binding constraint is execution.

African cannabis and industrial hemp sit at the intersection of three durable tailwinds: global medical demand requiring compliant supply, an industrial-hemp value chain spanning construction, textiles, food and bio-energy, and governments seeking diversified, job-rich, export-oriented sectors. The continent’s advantages — climate, arable land and cost base — are genuine.

What separates the markets that capitalise from those that stall is not endowment but **regulatory legibility**: whether an investor, a bank and a buyer can each look at the framework and price the risk. The remainder of this brief is about building that legibility.

<p>2</p> <p>STATUTES, CLEANLY SEPARATED</p>	<p>3</p> <p>REGULATORY PILLARS: MEDICAL, HEMP, ENFORCEMENT</p>	<p>7</p> <p>FRAMEWORK PILLARS INVESTORS UNDERWRITE</p>
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The Zambia model: legislative architecture

Two acts, deliberately distinct — the single most important design choice.

The decisive move in Zambia’s framework was to legislate **medical cannabis and industrial hemp separately**, rather than forcing both through one regime. The two value chains have different risk profiles, different controlled-substance implications, and different buyers — and collapsing them into a single statute is a recurring cause of stalled programmes elsewhere.

Cannabis Act No. 33 of 2021

Governs medical and higher-THC cannabis: cultivation, processing, research, import/export and dispensing. It contemplates tiered licences, security and traceability obligations, and oversight by health and medicines

Industrial Hemp Act No. 34 of 2021

Governs low-THC industrial hemp as an agricultural-industrial crop: fibre, hurd, seed and derived products. A lighter-touch regime appropriate to an agricultural commodity, enabling out-grower and

authorities — the controls international buyers and pharmaceutical off-takers require.

community models at scale without medical-grade control overhead.

The principle to carry forward. Match the weight of regulation to the risk of the product. Medical cannabis warrants pharmaceutical-grade control; industrial hemp warrants agricultural-grade facilitation. Frameworks that regulate hemp as if it were a narcotic suppress the very industry they intend to create.

Clear assignment of authority

A bankable framework names *who decides what*. In practice this means designated bodies for medicines and product safety, for narcotics control and enforcement, for health-practitioner oversight, and for intellectual property and plant-variety protection — each with a defined remit so applicants face one clear pathway rather than an inter-agency maze.

The seven pillars of a bankable national framework

A diagnostic any government, operator or investor can apply.

1	Statutory separation. Distinct regimes for medical cannabis and industrial hemp, each with proportionate control. Prevents hemp from inheriting narcotic-grade friction.
2	Defined licence categories. Cultivation, processing, research, import/export, transport and dispensing — named, scoped and individually priceable, so applicants and financiers know exactly what they are buying.
3	Single, predictable pathway. One clear application route with published criteria, timelines and fees. Predictability of <i>process</i> matters to capital as much as the outcome.
4	Traceability and quality. Seed-to-sale tracking and quality standards aligned to international (e.g. GMP / GACP) expectations — the precondition for export and institutional off-take.
5	Inclusion and out-grower models. Legal room for community, smallholder and traditional-authority participation, converting rural land and labour into a formal value chain.
6	Investment and fiscal clarity. Foreign-investment treatment, land tenure, repatriation and incentives that let a sponsor model returns and a bank underwrite debt.
7	Enforcement and integrity. Credible controls and AML/CFT alignment that protect the legal market's reputation and keep export channels open.

Use this as a scorecard. Markets strong on pillars 1–4 are ready for operators; markets strong on 6–7 are ready for institutional capital. Gaps are not disqualifying — they are the agenda for the work.

Why frameworks stall — and what fixes them

The five failure modes we see most often across African markets.

- **One statute for two industries.** Hemp throttled by medical-grade control. *Fix:* separate the regimes (pillar 1).
- **Licences with no published pathway.** Discretion replaces process; capital cannot price the timeline. *Fix:* publish criteria, fees and service standards (pillar 3).
- **No traceability or quality standard.** Product is unsaleable to regulated export buyers. *Fix:* adopt seed-to-sale and GMP/GACP alignment (pillar 4).
- **Investment terms left ambiguous.** Land, tenure and repatriation unresolved, so projects never reach financial close. *Fix:* codify the investment regime (pillar 6).
- **Community designed out.** Frameworks that exclude smallholders forfeit both scale and political durability. *Fix:* build out-grower structures in (pillar 5).

From framework to financial close

The implementation pathway, in sequence.

A sound statute is the start line, not the finish. Translating it into operating projects follows a repeatable sequence: **diagnose** the framework against the seven pillars; **structure** the vehicle, licences and partnerships; **license** through the defined pathway; **capitalise** with terms a bank and an investor can underwrite; and **operate** to traceability and quality standards that secure off-take. Each stage de-risks the next — and a weakness at any stage is where value leaks out.

The advisory thesis in one line. Most cannabis value in Africa is lost not at the plant but at the paperwork — in the distance between a passed law and a financed, licensed, export-ready operation. Closing that distance is the work.

ABOUT THE FIRM & AUTHOR

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PSI is a specialist cannabis and industrial-hemp advisory firm that takes clients from regulatory diagnosis through licensing, structuring and capital to operating projects. The firm advises governments on framework design and private clients on market entry, facility build and investment.

80+

LICENCES FACILITATED

95%

APPROVAL RATE

10+

AFRICAN MARKETS

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A cannabis advisory practitioner with seven years across African markets and an MSc in Cannabinoid-Based Molecules. He has worked at the centre of Zambia's cannabis and hemp policy framework and now applies that experience commercially — helping operators,

investors and governments build programmes that reach financial close. He is a featured speaker at the UCT International Cannabis Symposium 2026.

Benchmark your market — or your draft framework.

We offer a confidential, no-obligation review of any African market or draft regulatory framework against the seven pillars in this brief.

Book a 30-minute session: calendly.com/prosperinvestment88/30min

Write to us: prosperinvestment88@gmail.com · www.prospersievu.com

This brief is provided for general information and thought-leadership purposes. It does not constitute legal, regulatory, tax or investment advice, and should not be relied upon as such. Regulatory frameworks should be confirmed with qualified local counsel in the relevant jurisdiction. References to Zambia's Cannabis Act No. 33 of 2021 and Industrial Hemp Act No. 34 of 2021 describe framework architecture at a general level.