



REPUBLIC OF ZAMBIA



Permanent Mission of Zambia to the United Nations, 237 East 52nd Street, New York, NY 10022
Tex: (212) 888-5770 Fax: (212) 888-5213 E-mail: zambia@un.int

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STATEMENT

DELIVERED BY

**THE DIRECTOR GENERAL FOR THE CITIZENS ECONOMIC
EMPOWERMENT COMMISSION (CEEC)
MR. MUKUMBUTA LIKANDO**

AT

**THE UNITED NATIONS GENERAL ASSEMBLY THEMATIC DEBATE
ON ENTREPRENEURSHIP FOR DEVELOPMENT**

26TH JUNE 2013

New York

**STATEMENT DELIVERED BY THE DIRECTOR GENERAL FOR THE CITIZENS ECONOMIC
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DEVELOPMENT 26TH JUNE 2013**

The President of the General Assembly,

The Secretary General of the United Nations,

Excellencies,

Ladies and Gentlemen,

Mr. Moderator,

Mr. President,

I wish to thank you for giving me the floor to make this intervention at this important Thematic Debate. My delegation also wishes to extend our thanks to the President of the General Assembly for organizing this important meeting and the Government of Israeli for sponsoring this debate. I also wish to thank the panelists for their presentations. My delegation believes that it is of primary importance to ensure that meaningful global multi-stakeholder strategies for promoting entrepreneurship should be predicated on enhancing the capacity especially of the LDCs to effectively participate in competitive globalized markets.

Over the past twenty years for instance, Zambia has instituted a sustained programme of public and private sector reforms that have included, at a macro-economic level, liberalization, privatization, elimination of exchange controls, deepening of investment incentives for both domestic investment and Foreign Direct Investment to create a conducive policy environment for entrepreneurship development to be sustained. At a sector level, reforms largely targeted the reduction of the cost of doing businesses through more responsive businesses registration, efficient compliance requirements, expeditious commercial dispute resolution systems, introduction of a stock market etc. These reforms have been successful to the extent that Zambia has attracted a large platform of FDI such as now being the largest copper mining country in Africa, the largest cement manufacturing investments in Africa, the second largest sugar manufacturing company in Africa, as well as substantial agribusiness investments in coffee, rice, meat, honey production, etc., in addition to other mining investments in gemstones such as emerald, amethyst, etc.

These successful economic transformation efforts have seen Zambia grow its Gross Domestic Product almost five-fold over the past ten years, from \$4 billion in 2002 to \$18 billion in

2012. Notably, non-traditional exports have soared ten-fold from about \$100 million in 2002 to more than \$1 billion ten years later in 2012.

Mr. President,

Despite these clear successes in a country that has sustained amongst the strongest growth rates in Africa for more than a decade, it remains a fact that much remains to be done to reap greater benefits from entrepreneurship in Zambia, as indeed Africa, has to focus its post-MDG strategies on dramatically scaling up its share in global trade which remains paltry while MDG performance still presents the unfinished business, lessons learnt and gaps which the post 2015 development agenda should improve on. My delegation therefore wish to submit that there is need to accelerate and intensify multi-stakeholder approaches to promoting entrepreneurship in order to develop internationally integrated value chains that can substantially expand the benefits of entrepreneurship into better MDG indicator outcomes.

This implies leveraging multi-stakeholder approaches to promoting entrepreneurship in a manner that leads to more inclusive growth and broad-based development to include:

- Increasing value addition to commodities within the economy to increase aggregate per capita earnings
- Increasing the number of SMEs participating in value addition to spread the benefits of increased corporate incomes more broadly but also to increase domestic retention of returns on investment
- Increasing access to capital and technical assistance to enhance the success of value adding entrepreneurs
- Reducing geographic inequity between urban and rural areas to drastically drawdown on poverty levels
- Economic inclusion to increase the participation of women and youth in making value chains work as a critical parameter for poverty reduction and development.

The Zambian Government has accordingly adopted strategies to leverage multi-stakeholder approaches to entrepreneurship development. Through the Citizens Economic Empowerment Commission (CEEC), the Government is implementing an inclusive rural industrialization strategy as the driver of a national value chain cluster development programme that is directly linked to critical development outcomes.

The Commission has a 4 year programme to invest \$80 million in the development of competitive value chain clusters that will be anchored on private sector driven value addition investments but also with systematic support to backward and forward linkages. The model involves providing financial services and technical assistance to entrepreneurs to build or expand businesses along prioritized value chains. Ninety percent of the rural industrialization resources will be targeted at rural areas to promote geographic equity. Forty percent of the resources will target young people in Zambia to tackle youth unemployment, while thirty

percent will target women, not only to redress historical inequities, but also to harness all the development benefits that derive from increased empowerment of women.

CEEC has structured its enterprise development services to include support services to entrepreneurs in business plan development, coaching and mentoring services, and corporate turnaround services that are being provided in partnership with international partners such as the International Labour Organization (ILO), the African Management Services Corporation (AMSCO), UNDP, and local BDS networks such as the Zambia Chamber for Small and Medium Scale Business Associations (ZCSMBA), Zambia Association of Chambers of Commerce and Industry (ZACCI), Zambia National Farmers Union (ZNFU), etc.

To further leverage multi-stakeholder platforms for entrepreneurship development, CEEC is engaging banking and micro-credit financial institutions (such Finance Bank, Invest Trust Bank, National Credit and savings Bank, Cetzam, Enterprise Finance Centre, etc.) to intermediate the provision of business loans to targeted citizens. These services leverage the predominant capabilities and expertise of these institutions in delivering and managing financial services such as loan appraisals, loan disbursements and tracking, loan recovery etc.

The impact of the value addition strategies is being scaled-up through critical complimentary leveraging of Foreign Direct Investment (FDI) through the development of Multi-facility Economic Zones (MFEZ) under the auspices of the Zambia Development Agency (ZDA).

Mr. President,

These supply-side measures to leverage multi-stakeholder platforms to enhance entrepreneurship are designed to achieve growth with development outcomes. The results can be significantly accelerated with intensified international support particularly in the areas of:

- a) In-factory value addition quality assurance technical assistance
- b) Value chain development Technical Assistance(TA)
- c) Value chain finance support
- d) Market access support through market linkages to multi-national and other internationally integrated companies,
- e) Helping National Governments especially LDCs like Zambia meet private, voluntary and mandatory standards obtaining in the global market, certification of our products and such other mechanisms.
- f) International efforts should commit to enhance mechanisms for regional trade as a measure to strengthen competitiveness for the developing countries.

I thank you .