



REPUBLIC OF ZAMBIA

REPORT

OF THE

COMMITTEE ON AGRICULTURE, LANDS AND NATURAL RESOURCES

ON THE

INDUSTRIAL HEMP BILL, N.A.B. NO. 32 OF 2021

FOR THE

FIFTH SESSION OF THE TWELFTH NATIONAL ASSEMBLY

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REPORT OF THE COMMITTEE ON AGRICULTURE, LANDS AND NATURAL RESOURCES ON THE INDUSTRIAL HEMP BILL, N.A.B NO. 32 OF 2021 FOR THE FIFTH SESSION OF THE TWELFTH NATIONAL ASSEMBLY

1.0 MEMBERSHIP OF THE COMMITTEE

The Committee consisted of Mr P C Mecha, MP (Chairperson); Mrs C M Mazoka, MP (Vice Chairperson); Mr J Chishala, MP; Mr M Mawere, MP; Mr O S Mutaba, MP; Mr S K Michelo, MP; Dr M Imakando, MP; Mr B Hamusonde, MP and Mr D Mung'andu, MP.

The membership of the Committee reduced from ten to nine following the demise of its Chairperson, Mr M J B Ng'onga, MP.

The Honourable Mr Speaker
National Assembly
Parliament Buildings
LUSAKA

Sir,

The Committee has the honour to present its Report on the Industrial Hemp Bill, N.A.B. No. 32 of 2021 for the Fifth Session of the Twelfth National Assembly referred to it by the House on Friday, 16th April, 2021.

2.0 FUNCTIONS OF THE COMMITTEE

The functions of the Committee are as set out under Standing Order 157(2). Among other functions, the Committee is mandated to consider Bills that may be referred to it by the House.

3.0 MEETINGS OF THE COMMITTEE

The Committee held ten meetings to consider the Industrial Hemp Bill, N.A.B. No. 32 of 2021.

4.0 PROCEDURE ADOPTED BY THE COMMITTEE

In order to acquaint itself with the ramifications of the Bill, the Committee sought both written and oral submissions from the stakeholders listed at Appendix II.

5.0 OBJECTS OF THE BILL

The objects of the Bill are to provide for:

- a) the licensing of growers, producers, distributors, buyers, exporters of and researchers of industrial hemp;
- b) the production and multiplication of industrial hemp;

- c) the import and export of industrial hemp; and
- d) matters connected with, or incidental to, the foregoing.

6.0 BACKGROUND

The Committee was informed that industrial hemp was a variety of the cannabis sativa plant species that was grown specifically for industrial use. Over thirty countries around the world had a legal industrial hemp industry. Each of these countries had realised the economic potential of the industrial hemp plant as an efficient input source for many industries including, but not limited to, food products, cosmetics, paper, automotive parts, clothing, and biofuel. These industries provided a steady source of income and thousands of jobs for people all over the world. The use of hemp as the primary input made the processes and resulting products environmentally safe and even beneficial. In this time of economic turmoil and budget deficits, countries were looking for ways to diversify and expand their current industries. They were also looking for cheaper, smarter, more environmentally friendly ways to manufacture products in their industries. Some countries had discovered that industrial hemp offered an answer. The manufacture of industrial hemp products was a new industry in itself.

In Zambia, the agriculture sector played a key role in supporting industries by the production of the required raw materials, exportable agricultural goods, generating employment, particularly in rural areas, as well as providing food stuffs essential for the sustenance of acceptable nutrition standards and levels. In the recent past, there had been debate in the country on the need to legalise the cultivation of industrial hemp. Hemp was a source of fiber and oilseed.

In order to promote the cultivation of industrial hemp, the Government of the Republic of Zambia introduced the Industrial Hemp Bill, 2021 to provide for the licensing of growers, processors, distributors, buyers, exporters and researchers of industrial hemp.

7.0 SALIENT PROVISIONS OF THE BILL

The salient features of the Bill are set out below:

PART I

PRELIMINARY PROVISIONS

Clause 1 – Short Title and Commencement

Clause 1 sought to provide for the short title of the Act and the date of commencement.

Clause 2 – Interpretation

Clause 2 of the Bill provided for the definition section which sought to define various key words and phrases used in the Bill in order to make the law easier to understand.

PART II

LICENSING OF GROWERS, PROCESSORS, DISTRIBUTORS, BUYERS, EXPORTERS OF AND RESEARCHERS ON INDUSTRIAL HEMP

Clause 3 – Licencing by Lead Agency

Clause 3 sought to place the mandate to issue licences for the growing, processing, distribution, buying, export and conducting of research on industrial hemp on the Zambia Medicines Regulatory Authority.

Clause 4 – Prohibition from growing, processing, distributing, buying, exporting of and researching on Industrial Hemp without a licence

Clause 4 sought to prohibit the growing, processing, distributing, buying, exporting and conducting research on industrial hemp without a licence issued under the Act.

Clause 5 – Application for licence

Clause 5 of the Bill mandated a person who intended to grow, process, distribute, buy, export or conduct research on industrial hemp to apply for a licence to the Zambia Medicines Regulatory Authority. Further, the clause set out the procedure for the approval or rejection of an application for a licence by the Zambia Medicines Regulatory Authority.

Clause 6 – Issue of licence

Clause 6 provided for the issuance of a licence by the Zambia Medicines Regulatory Authority to an applicant who met the requirements. Further, the clause provided for the terms and conditions of the licence to be prescribed.

Clause 7– Validity of licence

Clause 7 sought to provide for five years validity period of a licence issued under the Act.

Clause 8 – Renewal of licence

Clause 8 provided for the procedure for the licensee to renew a licence in a prescribed manner and form and on payment of a prescribed fee. Further, the clause set out the reasons and procedure for suspension or revocation of a licence issued under this Act.

Clause 9 – Suspension or revocation of licence

Clause 9 provided for the reasons and procedure for suspension or revocation of a licence issued under this Act, which included breaches in the condition of the licence, obtaining the licence by fraud or misrepresentation or a concealment of a material fact, among others.

Clause 10 – Transfer of licence

Clause 10 sought to prohibit the transfer of a licence issued under the Act.

Clause 11 – Variation of licence

Clause 11 provided for the variation of the terms and conditions of the Licence upon application by the licensee, in a prescribed form and manner and on payment of a prescribed fee. The clause further set out the procedure for rejection or approval of the application for variation by the Zambia Medicines Regulatory Authority.

Clause 12 – Notice of change of particulars

Clause 12 mandated a licensee to notify the Zambia Medicines Regulatory Authority of any changes relating to the licensed activity.

Clause 13 – Designation of growing, processing, distributing and buying area.

Clause 13 sought to empower the National Cannabis Coordinating Committee established under the *Cannabis Act* to designate areas of growing, processing, distributing and buying of industrial hemp, taking into account the risks of diversion, risk of contamination, economic decentralisation and any other factor that the Minister may consider reasonably necessary.

Clause 14 – Prohibition of cultivation of cannabis on land designated for industrial hemp

Clause 14 sought to prohibit the owner or occupier of premises to cultivate cannabis on land designated for industrial hemp. Further, the clause provided for a penalty for contravening this provision.

Clause 15 – Import and export of industrial hemp seed

Clause 15 mandated a person intending to import and export industrial hemp seed to comply with this Act, the *Plant Variety and Seeds Act, Chapter 236 of the Laws of Zambia* and the *Plant Pests and Diseases Act, Chapter 233 of the Laws of Zambia*.

Clause 16 – Industrial hemp seed variety

Clause 16 empowered the Minister to prescribe the seed variety or cultivar of industrial hemp to be grown in the Republic.

Clause 17 – Industrial hemp seed production and multiplication

Clause 17 mandated for the production and multiplication of the industrial hemp seed to be carried out in accordance with the *Plant Variety and Seeds Act, Chapter 236 of the Laws of Zambia*.

Clause 18 – Quality control of Industrial hemp

Clause 18 provided for the testing of industrial hemp, by an independent laboratory for purposes of verification before it was distributed, exported or sold.

PART III

INSPECTIONS

Clause 19 – Power of authorised officer

Clause 19 sought to give power to an authorised officer to enter, search, require information, seize any document, take samples, take extracts from any book, and use any computer system on the premises where an activity in relation to industrial hemp was undertaken.

Clause 20 – Obstruction of authorised officer

Clause 20 prohibited the obstruction of an authorised officer in carrying out his functions. Further, the clause made it an offence to obstruct an authorised officer.

PART IV

GENERAL PROVISIONS

Clause 21 – Appeals

Clause 21 provided that a person aggrieved with the decision made by the Zambia Medicines Regulatory Authority may appeal to the Minister and a person aggrieved by the decision of the Minister may appeal to the High Court.

Clause 22 – Register

Clause 22 mandated the Zambia Medicines Regulatory Authority to keep a register of growers, processors, distributors, buyers, exporters of and researchers on industrial hemp.

Clause 23 – Submission of annual returns and status report

Clause 23 mandated a licensee to submit to the Zambia Medicines Regulatory Authority an annual return or no-change return in a prescribed manner and form on payment of a prescribed fee.

Clause 24 – General penalty

Clause 24 provided for the general penalty for an offence under this Act for which no penalty was provided.

Clause 25 – Preferential schemes

Clause 25 mandated the Minister, in consultation with the Citizens Economic Empowerment Commission, to recommend preferential schemes for purposes of the Act under *the Citizens Economic Empowerment Act, No. 9 of 2006*.

Clause 26 – Regulations

Clause 26 sought to give the Minister the power to make regulations for the better carrying out of the provisions of this Act.

8.0 STAKEHOLDERS' SUBMISSIONS AND CONCERNS

While all the stakeholders who appeared before the Committee supported the Bill, some stakeholders raised concerns as set out hereunder.

Clause 2 - Interpretation

Stakeholders welcomed clause 2 of the Bill which sought to provide for various definitions so as to make the law easy to understand. However, some stakeholders were of the view that the word “Minister” should be defined to mean the Minister of Agriculture as he was the one responsible for the growing of crops so as to avoid confusion. Other stakeholders were of the view that the word “warrant” used in the Bill should be defined so as to avoid confusion when interpreting the law.

Clause 5 – Application for Licence

Some stakeholders noted that under clause 5 of the Bill, subsection (1) showed that the application for a licence shall be submitted to the “Agency.” However, it was clear that the intention was that the application for a licence should be made to the Lead Agency. It was, therefore, recommended that section 5(1) needed to be amended so that “Agency” be replaced with “Lead Agency” for clarity of the entire section.

Further, some stakeholders expressed concern over subsection (2) which provided that the Lead Agency shall, on the recommendation of the Committee, within sixty days of receipt of the application under subsection (1), approve or reject the application. They were of the view that sixty days was too long a period to wait. They, therefore, recommended that the period be reduced to thirty days.

Clause 6 – Issuance of Licence

Some stakeholders expressed concern that the issuance of licences under the Act should not be the preserve of the Lead Agency but should instead be placed under the Ministry of Agriculture as it was more widespread in terms of geographical coverage. On the other hand, some stakeholders were of the view that, provided that there was capacity building the Lead Agency was well placed in terms of the issuance of licences as this was expected to be conducted in a multi-sectoral approach.

Further, some of the stakeholders expressed concern over clause 6 (b) which provided that the applicant should be financially and technically capable of meeting the applicant’s obligations and the terms and conditions of the licence. They felt that this would be discriminatory for small scale farmers and those that would want to use outgrowers. They, therefore, proposed that the clause should read as follows:

(b) the applicant is financially and technically capable **or can demonstrate arrangements with financiers and/or partners**, of meeting the applicant’s obligations and the terms and conditions of the licence.

Other stakeholders raised concern that, with regard to researchers of industrial hemp, the Bill did not provide for the need to comply with the provisions of the *Health Research Act, No. 2 of 2013* and the *Medicines and Allied Substances Act, No. 3 of 2013*. They stated that the way the Bill was crafted may be interpreted to mean that once a researcher was granted the five-year license, they may proceed to conduct research in industrial hemp without recourse to other legal provisions regarding research involving human participants or animal subjects. They, therefore, proposed the following amendment:

Section (3): *“Notwithstanding the generality of section (2) however, all research on industrial hemp involving human participants or animal subjects must comply with the provisions of the Health Research Act, No. 2 of 2013 and the Medicines and Allied Substances Act No. 3 of 2013.”*

Clause 14 - Prohibition of cultivation of cannabis on land designated for industrial hemp

Some stakeholders submitted that the enactment of the Industrial Hemp Bill would also exert pressure on the Drug Enforcement Commission. This was in relation to the Commission’s workforce associated with the regular inspections that would be required in order to enforce compliance with the Act as provided by clause 14 and other restrictive provisions of the Bill. In light of the above, some stakeholders were of the view that, as the Bill was being enacted, there was need for the recruitment of corresponding workforce in order for the Commission to effectively curb any anticipated abuse that may arise from the members of the public.

Clause 18 – Quality control of industrial hemp

Some stakeholders submitted that clause 18 (1) of the Bill indicated the need to develop an independent laboratory for the purpose of verification and testing of industrial hemp. They added that the Zambia Bureau of Standards (ZABS) as established by the *Standards Act, No 4 of 2017*, had, among others, the mandate to administer and maintain standards and ensure conformity with standards. In light of the above, some stakeholders were of the view that instead of developing a new lab, it would be better to strengthen the Zambia Bureau of Standards in industrial hemp product verification and testing. This could be a more sustainable option as the hemp industry could benefit from the experience and institutional memory of ZABS.

9.0 COMMITTEE’S OBSERVATIONS AND RECOMMENDATIONS

The Committee notes that all the witnesses who appeared before it were in support of the Bill. The Committee also supports the Bill. In supporting the Bill, the Committee makes the observations and recommendations set out below.

- i. The Committee observes that the word “warrant” used in the Bill has not been defined under clause 2 of the Bill. In light of the above, the Committee is of the view that failure to provide specific definitions to the above word may result in confusions when interpreting the law and, therefore, recommends that the word “warrant” should be clearly defined.
- ii. The Committee observes that, one of the objects of the bill in (c) is to provide for import and export of industrial hemp. However, this is not consistent with object (a) and Part II of the Bill where there is an express exclusion of importers. The Committee recommends that licensing of importers should be included in object (a) and Part II of the Bill.
- iii. The Committee observes that clause 5(1) of the Bill mandates any person who intends to grow, process, distribute, buy, export or conduct research on industrial hemp to apply to the “Agency” in a prescribed manner and form on payment of a prescribed fee. In this regard, the Committee recommends that the term “Agency” should instead be amended to read as “Lead Agency” so as to be consistent in terms of wording in the Bill.
- iv. The Committee observes that under clause 6, the duty to issue licences is placed under the Lead Agency which is the Zambia Medicines Regulatory Authority. In supporting the above provision, the Committee recommends that the Lead Agency should adequately decentralise their operations across the country. The Committee further recommends that massive capacity building of the Lead Agency be conducted for it to effectively manage the issuance of licences across the country.
- v. The Committee agrees with some stakeholders that the enactment of the Industrial Hemp Bill will result in an increased work load on those institutions tasked with enforcement of the Act. In light of the above, the Committee recommends that, as the Bill is enacted, deliberate measures be taken to recruit corresponding numbers and suitably qualified of staff in the various institutions that will be involved in the enforcement of this Act.

10.0 CONCLUSION

The Committee wishes to express its gratitude to all stakeholders who appeared before it and rendered both oral and written submissions. The Committee also wishes to thank you, Mr Speaker, for according it an opportunity to scrutinise the Bill. The Committee further appreciates the services rendered to it by the Office of the Clerk of the National Assembly.

We have the honour to be, Sir, the Committee on Agriculture, Lands and Natural Resources mandated to consider the Industrial Hemp Bill, N.A.B. No. 32 of 2021 for the Fifth Session of the Twelfth National Assembly.

Mr P C Mecha, MP
(Chairperson)

Mrs C M Mazoka, MP
(Vice – Chairperson)

Mr M Mawere, MP
(Member)

Mr S K Michelo, MP
(Member)

Dr M Imakando, MP
(Member)

Mr D Mung'andu, MP
(Member)

Mr B Hamusonde, MP
(Member)

Mr O S Mutaba, MP
(Member)

Mr J Chishala, MP
(Member)

May, 2021
LUSAKA

APPENDIX I – LIST OF NATIONAL ASSEMBLY OFFICIALS

Ms C Musonda, Principal Clerk of Committees
Mr F Nabulyato, Deputy Principal Clerk of Committees (SC)
Mr H Mulenga, Deputy Principal Clerk of Committees (FC)
Mrs C K Mumba, Senior Committee Clerk (FC)
Mrs M K Siwo, Committee Clerk
Mr A Himululi, Committee Clerk
Mrs R N Mwiinga, Typist
Mr M Chikome, Committee Assistant
Mr D Lupiya, Committee Assistant
Mr M Kantumoya, Parliamentary Messenger

APPENDIX II – LIST OF WITNESSES

MINISTRY OF JUSTICE

Mr I Silwamba – Parliamentary Legal Counsel

MINISTRY OF AGRICULTURE

Hon M J Z Kat ambo – Minister of Agriculture
Mr S Zyambo – Permanent Secretary (Agriculture)
Mr M Mwale – Director Agriculture
Mr I Mukuka – Acting Director
Dr F Mite – Acting Director
Mr M Chula – Acting Principal Policy Analyst
Mr B Ng’andu - Acting Senior Economist
Mr T Nyirenda – Senior Budget Analyst

MINISTRY OF COMMERCE, TRADE AND INDUSTRY

Mr M Mulenga - Permanent Secretary
Mr M Chivumo – Principal Economist
Ms A M Lifalalo – Economist -Parliamentary Liaison Officer

INDABA AGRICULTURAL POLICY RESEARCH INSTITUTE (IAPRI)

Mr B M Zulu – Outreach Director
Mr C Hachikona – Web Manager
Mr S Kabwe – Grassroots Coordinator

ZAMBIA MEDICINES REGULATORY AUTHORITY

Mr M Siyanga – Acting Director General
Mr M Lupiya – Legal Manager and Board Secretary

DRUG ENFORCEMENT COMMISSION

Dr M Simwayi – Commissioner
Mr J Kaluzi – Senior Assistant Commissioner
Mr S Silomba – Acting Senior Assistant Commissioner
Dr I Masiye – Assistant Commissioner
Mr R Chula – Acting Assistant Commissioner
Mr M Kwaleyela – Chief Investigations Officer (Legal)
Mr M Lumpa – Investigations Officer (Chemical Division)
Mr N Mubita – Information and Communication Technology Unit

LAW ASSOCIATION OF ZAMBIA

Mr L Walubita, Member

ZAMBIA NATIONAL FARMERS UNION (ZNFU)

Mr J Zimba – President
Ms E Chembe – Executive Director
Dr J Mubanga – Member
Dr N Rowley – Member
Mr T Carter – Member
Mr H Lungu – Member
Mr C Lumpa - Member

ZAMBIA HEMP GROWERS AND INDUSTRIES ASSOCIATION

Mr P Sinkamba – President and Chief Executive officer
Mr S Maiba – Chief Administrator
Mr P Seleta – Membership Secretary
Mrs T Shakalima – Vice-Membership Secretary

NATIONAL HEALTH RESEARCH AUTHORITY

Prof G Biemba – Chief Executive

NATIONAL INSTITUTE FOR SCIENTIFIC AND INDUSTRIAL RESEARCH

Dr H Kambafwile – Director

ZAMBIA EXPORT GROWERS ASSOCIATION

Mr L Mbewe, Chief Executive Officer