

TUESDAY, 4TH DECEMBER, 2018

MINISTERIAL STATEMENT

ON THE

STATUS OF SOLAR POWERED MILLING PLANTS PROJECT

BY THE

HON. MINISTER OF COMMERCE, TRADE AND INDUSTRY, MR YALUMA, MP

Mr Speaker, I would like to thank you for allowing me to deliver this ministerial statement on the status of the Solar Powered Milling Plants Project in the country. The Solar Powered Milling Plants Project is part of the Presidential Milling Initiative that was set up in 2015. The total project cost amounting to US\$200 million is funded through a loan from the China Development Bank (CDB). Of this total project sum, US\$170 million was obtained from CDB and US\$30 million was the contribution from the Government of the Republic of Zambia. The milling machines have been so far procured from a company in China.

Sir, the aim of the project was to reduce the cost of mealie meal and promote employment for the people of Zambia. The project is being implemented by the Zambia Cooperatives Federation (ZCF) through primary cooperatives across the country. The project outputs include solar milling plants and provincial service trainings centres.

Mr Speaker, I wish to inform this House that to-date, the CDB has released a total of US\$150 million, leaving a balance of US\$20 million yet to be released by the bank. The Government of the Republic of Zambia has released US\$20 million, leaving US\$10 million yet to be released by the Government of Zambia.

Initially, 2,000 solar mills were expected to be installed; that is 1958 for maize, five for rice and thirty-seven for cassava mills, but the number was reduced to 1583, out of which 1553 are for maize and thirty for rice. This reduction is due to the reduced funds available amounting to US\$170 million, instead of US\$200 million as stipulated and also the addition of two provincial service training centres.

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Mr Speaker, allow me to indicate the current status of the solar milling plants in the country as of Monday, 29th October, 2018, which is follows:

- (a) 1,505 solar milling plant slabs completed;
- (b) 1,395 solar mill housing units completed;
- (c) 1,338 solar milling plants completed; and
- (d) 1,255 solar milling plants handed over.

Sir, six service training centres were completed in Chipata, Choma, Chongwe, Serenje, Kalulushi and Mufumbwe. The service centre in Kasama is at 85 per cent complete and land clearing is underway in Mongu, Western Province.

Mr Speaker, every cooperative that applies for a solar powered mill is required to pay a nonrefundable application fee of K500 and show proof of availability of land on which the mill and its accessories would be installed. Additionally, the applying cooperative should exhibit cooperative good governance practices like leadership structures, books of accounts and members with businesses. Each benefiting cooperative is required to sign a contract with the ZCF as the implementing agent and commit to pay a monthly loan repayment of K1,700 for fifteen years effective from the time the milling plant is handed over to the cooperative.

Mr Speaker, the Government through the Ministry of Commerce, Trade and Industry is exploring mechanisms to ensure that the suppliers expedite the process to deliver and install the remaining machines as quickly as possible. The ministry will continue to monitor the distribution process to ensure that deserving producer primary cooperatives benefit in high producing areas. This will go hand-in-hand with the capacity building training to enable the benefiting cooperatives to manage their mills as a business.

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The ministry is confident that once the benefiting cooperatives are trained in the cooperative business model, the impact will be felt in the communities. Currently, there are a few primary cooperatives in Chongwe District that are enterprisingly using their mills to supply mealie meal to schools and hospitals at prices between K65 and K70 for a 25 kg bag of breakfast meal. This is cheaper than the commercial suppliers selling between K80 and K85 for the same quantity.

These cooperatives buy grain from cooperative members and other local producers, creating an off taker demand. The local communities also benefit from affordable toll milling services being provided. In addition, the solar milling project has contributed to employment creations. Each operating mill employs about four people.

Mr Speaker, in conclusion, let me reiterate that the Government is committed to implementing such empowerment programmes that will promote economic diversification, industrialisation and job creation. The solar hammer mill project is a manifestation of the Government's determination to take development to all parts of the country. The ministry looks forward to the support and collaboration of hon. Members of this House and other key stakeholders in ensuring economic empowerment initiatives achieve their intended objectives.

Mr Speaker, I thank you.