

THURSDAY, 1 NOVEMBER, 2018

MINISTERIAL STATEMENT

**HOW THE PROCEEDS FROM THE SALE OF MUKULA TREE SPECIES ARE BEING
ACCOUNTED FOR**

THE MINISTER OF LANDS AND NATURAL RESOURCES, MS KAPATA

Mr Speaker, I wish to thank you for according me this opportunity to deliver a ministerial statement to this august House and the nation at large, on how the proceeds from the sale Mukula trees are being accounted for.

Mr Speaker, as the House may recall, I made a ministerial statement to this august House on Mukula timber species where I emphasised that the Patriotic Front (PF) Government through my ministry and also under the leadership of His Excellency the President of the Republic of Zambia, Mr Edgar Chagwa Lungu, decided to pay attention to the protection of the valuable timber species, particularly, the Mukula species.

Sir, the Mukula species has the potential to contribute to poverty reduction, job creation and wealth creation for our country. Hence the need to manage this forest resource in a sustainable manner. It is against this background that the Ministry of Lands and Natural Resources issued a Statutory Instrument No. 31 of 2017, which restricted the exportation and transiting of selected timber species.

Mr Speaker, in order to avoid the loss of revenue, instructions were issued to the Zambia Forest and Forest Industry Corporation (Zaffico) to export all the illegal Mukula logs on behalf of the Government. Zaffico was commissioned to export the Mukula on behalf of the Government on 1st June, 2017. In 2018 alone, Zaffico has been issued with nine export permits.

Sir, all the illegally harvested Mukula logs is seized under Section 82 of the Forest Act No. 4 of 2015. Once the logs have been seized, they are forfeited to the state through the courts of Law.

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Mr Speaker, I wish to inform this august House that since August 2017, when the Government imposed the ban on the harvesting and trade of Mukula trees and subsequently appointed Zaffico to sale all the illegal harvested and confiscated Mukula logs on behalf of the Government, a total sum of US\$4.3 million has been raised.

All the proceeds are being invested towards the resuscitation of the Kawambwa Tea Company which the Government handed over to Zaffico to manage. It is important to note that all procedures pertaining to the utilisation of the proceeds raised from the sale of Mukula have been adhered to. Authority to utilise the raised funds was sought from the Ministry of Finance. Zaffico was subsequently granted authority to use the proceeds of Mukula tree species to revamp Kawambwa Tea Estate.

Mr Speaker, the Public Finance Management Act No. 1 of 2018 is an existing policy which governs the utilisation of Government revenue and can be used to hold the Government to account over the proceeds of Mukula trade. Zaffico being a corporate body under the Government is also subjected to routine audits.

Sir, I wish to assure the hon. Members that my ministry will from time to time update this House on the utilisation of the proceeds as and when I am requested to do so.

Mr Speaker, as I conclude, I wish to assure this august House that the proceeds from the illegally harvested Mukula is being taken to good use for the benefit of the economy and the people of Zambia.

I thank you, Sir.