

MINISTERIAL STATEMENT
BY THE
MINISTER OF COMMERCE, TRADE AND INDUSTRY (MR CHIPOKA
MULENGA), MP
ON
THE ZAMBIA-DEMOCRATIC REPUBLIC OF CONGO JOINT INITIATIVE TO
ESTABLISH A VALUE CHAIN IN THE ELECTRIC BATTERY AND CLEAN ENERGY
SECTOR

Madam Speaker, may I take this opportunity to thank you for allowing me to deliver a ministerial statement on the status of the Joint Initiative (JI) between Zambia and the Democratic Republic of Congo (DRC) on the establishment of a value chain in the electric battery and clean energy sector.

Madam, Members of the House may recall that the initiative started when His Excellency, Mr. Hakainde Hichilema, President of the Republic of Zambia was invited by His Excellency, Mr. Felix-Antoine Tshisekedi Tshilombo, President of the Democratic Republic of Congo (DRC) to attend the multi-stakeholder DRC-Africa Business Forum from 24th to 25th November, 2021.

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Madam Speaker, The aim of the business forum was to foster development of a robust EVB and renewable energy value chain and market in Africa. It was during the business forum that the two Heads of State committed to implementing the Joint-EVB Initiative between the Republic of Zambia and the DRC.

Madam Speaker, to that end, in April 2022, Zambia and the DRC, through respective Ministers responsible for Industry, Finance and Mines signed the Cooperation Agreement (CA) between the two countries on the establishment of a value chain in the electric battery and clean energy sector. The purpose of the CA is to provide a framework for bilateral cooperation, and to

facilitate and strengthen collaboration between the two countries, on a non-exclusive basis, in areas of common interest necessary for the establishment of the battery value chain.

Among the areas of cooperation outlined in the CA, include:

- (a) the establishment of a common governance framework; and
- (b) the identification of an implementation site, such as a Special Economic Zone (SEZ), in both countries to house the initiative.

Madam Speaker, regarding the establishment of a common governance framework; the CA provides for the Zambia-DRC Battery Council, which is composed of the two Heads of State, the Deputy Secretary General and Executive Secretary of the United Nations Economic Commission for Africa (UNECA) and the President of Africa Export-Import Bank (Afrexim Bank), as well as any other reputable individuals to be recommended by the two Heads of State.

The UNECA and Afrexim bank engaged the two countries in working on a joint initiative to move up the mineral value chain during the DRC-Africa Business Forum. The two institutions were identified as strategic technical and financial partners for the successful implementation of the Zambia-DRC Joint EVB Initiative.

Madam, following the signing of the CA, the two Governments engaged UNECA and Afrexim Bank and negotiated an agreement for the establishment of SEZs dedicated to the production of battery precursors, batteries and electric vehicles. The zones will be developed in accordance with the laws governing the establishment of SEZs in the respective countries.

Madam Speaker, I am pleased to report that the agreement was signed by the four parties: Zambia; DRC; UNECA; and Afrexim Bank on 27th March, 2023, in Kinshasa, DRC, where I just returned recently, on Monday.

The agreement provides a great opportunity towards accelerating the implementation of the JI and harnessing the mineral resource wealth of the two countries to foster mineral-based industrialisation, following the initiative and vision of His Excellency the Republican President of bringing in value addition and industrialisation to Zambia.

Madam Speaker, regarding the identification of an implementation site for the initiative; at the time of signing the CA in April, 2022, DRC had already identified land which would be carved out of the 500 hectares Kipushi Special Economic Zone (KSEZ), in the Haut-Katanga region for the initiative.

On the other hand, with the view to identify potential sites for the SEZ for Zambia, the Ministry of Local Government and Rural Development led a land identification exercise in various towns of the Copperbelt Province, in May, 2022. During the exercise, potential sites were visited with recommendations provided for each site visited.

Madam Speaker, resulting from this exercise, follow-up ground exercises were undertaken by officers from the Ministry of Commerce, Trade and Industry, Ministry of Lands and Natural Resources, Ministry of Mines and Minerals Development, Ministry of Finance and National Planning, Ministry of Local Government and Rural Development and the Copperbelt Province, with the view to arrive at a decision on a proposed site for the SEZ.

Madam Speaker and members of the House, I am pleased to report that a suitable site was identified on the Copperbelt, particularly in Ndola, for the initiative, in a view to revive Ndola as an industrial zone as it used to be in the past. The site was selected for its proximity to not only the mineral resource and the DRC, but also its proximity to necessary amenities such as the road network.

Madam Speaker, let me highlight that one of the core principles that Afrexim Bank will consider in the development of its proposal to the Governments of Zambia and DRC, is the conclusion of a pre-feasibility study on the land identified for the SEZs.

Madam, the pre-feasibility study shall constitute the basis relied on for the principal characteristics of the zones, including the purpose of the industrial estate, utilisation of surface areas and typology of activities, among others.

Therefore, with the signing of the agreement by Zambia, DRC, UNECA and Afrexim Bank on 27th March, 2023, the conducting of a pre-feasibility study on the identified land is expected to commence soon, in the next three weeks.

Madam Speaker, let me conclude by stating that the EVB value chain initiative comes in the wake of a global transition towards a decarbonised world and renewable energy. This shift will be powered by critical and strategic minerals, which Zambia and the DRC possess.

In this regard, Madam Speaker, there is need for our two countries, which are well endowed, to transform how we manage and utilise our natural resources. The Government is therefore, committed to promoting activities that generate value for our natural resources locally. We want to see our people benefit, from the country's mineral wealth, unlike the previous trend of exporting our resources in raw form.

Madam Speaker, I am confident that with the implementation of the Zambia-DRC Joint EVB Initiative, we shall see Zambia's mineral resources playing a more significant role in the country's industrialisation agenda and its socio-economic transformation.

I thank you, Madam Speaker.
