



Director General's End of Year Briefing

30 December 2022

The Citizens Economic Empowerment Commission (CEEC) has made a disbursement total of K187, 667,346.17 to 33,688 targeted citizens, companies and cooperative enterprises as at 30 December 2022.

The disbursements were made towards investments in eight (8) empowerment products unveiled in August 2022 valued at an unprecedented K365 million meant to increase the participation of targeted citizens, companies and cooperatives in economic activities to enable them subsequently contribute positively to the country's economic development.

Additionally, based on the K397 million budgetary allocation from the National Treasury for 2023, the Commission has already advertised various empowerment products for interested targeted citizens and companies to access in 2023 as presented in Table 1. The Call for Applications is running until Monday 6 February 2023.

Table 1 2023 Empowerment Products.

S/n	EMPOWERMENT PRODUCT	LOAN THRESHOLD
1.	Energy Loan Product	Up to K3, 000,000.00
2.	Aquaculture Loan Product for Cage Farming	Up to K180, 000.00
3.	Tourism Loan Product	Up to K3, 000,000.00
4.	Graduate Loan Product	Up to K3, 000,000.00
5.	Livestock Out grower Scheme for Beef and Dairy	Up to K1, 000,000.00
6.	Mining Loan Product	From K100, 000 upwards
7.	Construction and Infrastructure Loan Product	Up to K3, 000,000.00
8.	Own a Taxi and Minibus Loan Product	Up to K500, 000.00
9.	Annual Presidential Awards 2023	Up to K125, 000.00
10.	Agro-Processing Loan Product	Up to K3, 000,000.00
11.	Agricultural Mechanisation Loan Product	Up to K3, 000,000.00
12.	Marketeer Booster Loan (Bulk and Cold Storage Facilities for Cooperatives)	Up to K500, 000.00
13.	Trade Finance and Working Capital for Short-Term Financing	Up to K3, 000,000.00

Accompanying the empowerment products, the Commission had to put a number of de-risking measures such as;

1. Strengthened credit policy and manuals
2. Provision of Business Development Services including Project Monitoring and Evaluation
3. Fostering strategic alliances through Memoranda of Understanding (MoUs) with Musika, Zambia Commodities Exchange (ZAMACE) & SARO Agro Ltd, and others in the pipeline for the future
4. Ensuring credit life and Keyman insurance in relation to key promoters of funded enterprises
5. General insurance cover on all assets pledged as collateral against any accidental damage or loss during loan tenure period

Table 2 Status of disbursements of 2022 Empowerment Products.

Empowerment Product	# of Application Received	Estimated Value of Application Received	# of Funded Projects	Value of Funded Projects (K) as at 30.12.22	Total # of approved projects yet to be funded	Value of total # of approved projects yet to be funded	Total # yet to be Disbursed	Value yet to be Disbursed to Approved projects
Agricultural Mechanisation	1,168	1,800,638,235.22	21	27,519,499.23	52	46,229,078.65	73	73,748,577.88
Agro Processing	1,305	2,285,270,895.52	6	7,796,301.94	20	23,233,862.02	26	31,030,163.96
Auto Mechanics	251	2,210,237,824.42	10	12,308,000.00	22	12,308,000.00	32	24,616,000.00
ICT, Innovation, Media, Creative, Arts & Culture	822	800,357,932.19	6	4,974,381.00	20	15,963,896.98	26	20,938,277.98
Light Manufacturing	593	1,300,089,446.27	1	170,000.00	22	26,581,618.09	23	26,751,618.09
Marketeer Booster Loans and Bulk Storage	90,000	450,000,000.00	33,591	93,656,664.00	41,409	77,843,336.00	75,000	171,500,000.00
Trade Finance	3,024	994,611,439.96	53	41,242,500.00	136	74,498,383.46	189	115,740,883.46
Presidential Annual Awards	161	105,386,837.00	0	-			0	-
Industrial Yards	178	322,122,064.89	0	-			0	-
Total	97,502	10,268,714,675.47	33,688	187,667,346	41,681	276,658,175	75,369	464,325,521
								98,625,521
		Deficit	(9,804,389,154.11)					

Table 2 presents the status of disbursements of the 2022-Empowerment Products as at 30 December 2022. Clearly, this presents a total financing gap of K9, 804,389,154.11. To mitigate this financing gap, the Commission has innovatively entered into special arrangements with specific commercial banks who are willing to lower their lending rate to finance some of the viable SME project applications that we have received. However, the willingness of the applicant will determine accessibility of the special window created.

In terms of loan recovery, the Commission embarked on a vigorous loan recovery campaign in July 2022 when the loan recovery rate was at 27%, and as at 30 December 2022, the recovery rate now stands at 55%.

Going forward, CEEC remains committed to an improved loan recovery and this will be the trend in 2023 through strengthened loan recovery mechanisms such as increased human resource, continuous project monitoring and provision of business development services to clients for the purposes of creating sustainable businesses.

Assurance is also given to members of the public who may have been disappointed at the pace at which the commission has progressed regarding the processing of loan applications. This is largely owed to the unanticipated non-engagement of new members of staff due to lack of finances.

However, as a promise, this will not be the case as of January 2023 as new members of staff will be employed. This means that loan application processing will be faster and the public will enjoy better service delivery from the Commission.

CEEC is positive that the current initial investments being made in the targeted citizens and companies will reap positive rewards in the creation of sustainable businesses, reduced levels of poverty and an improvement to the quality of life of households through wealth and job creation.

It is expected that this year alone based on the K365 million to be disbursed, the Commission will create 147,430 jobs as detailed in Annex 2.

Overall, the Commission's empowerment products are all in line with the aspirations of the development outcomes of the Eighth (8th) National Development Plan to have an industrialised and diversified economy, enhanced citizenry participation in the economy, competitive private sector, improved education and skills development and reduced poverty vulnerability and inequalities.

In conclusion, let me take this opportunity to thank the New Dawn government for the commitment, the Ministry of Small & Medium Enterprise Development for the continued facilitative role, the CEEC Board of Commissioners and the members of staff for their constant commitment to serve the Zambian people.

Special thanks is also extended to key partners that have believed in the Commission in coming up with a number of de-risking measures aimed at creating a sustainable revolving empowerment fund for the targeted citizens and companies.

Festive greetings and a prosperous 2023 to you all. Thank you.

Muwe Mungule, PhD.

Director General

CITIZENS ECONOMIC EMPOWERMENT COMMISSION