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## **The Citizens Economic Empowerment Act (Act No. 9 of 2006)**

### **Codes of Good Practice on Broad Based Citizens Economic Empowerment**

#### **INTRODUCTION**

##### **BACKGROUND**

Zambia is endowed with abundant natural resources and it is one of the major producers of copper in Africa. It is endowed with resources that are essential for the stimulation of agricultural and rural development. About 35 percent of water resources of Southern Africa are in Zambia.

The country is one of the largest urbanized and most of the urban population is employed in the informal sector while the majority of the people in rural area derive their livelihood from agriculture. In spite of the great wealth of the country the level of participation of most of the citizens in the economic activities has historically been very poor. The majority of citizens have been restricted from meaningful participation in the economy, mainly because they do not have the means to own the productive assets.

There have been several attempts to redress this economic imbalance. For instance, soon after independence in 1964, the government embarked on a number of programmes whose aim was to enhance the participation of the citizens in the economy. The intention of the 1968 Matro reforms and the 1969 nationalisation programme was to place the economic drive in the hands of the state on behalf of the citizens. The 1990 Privatisation Programme on the other hand aimed at placing the means of production in private hand including the citizens. The citizens, however, did not fully participate due to the limited capital base to purchase companies and / or inadequate ability to run business.

The outcome from these economic policies has been the underdevelopment of a viable middle class, increase in the levels of poverty and subsequently the emergence of an economically excluded and disadvantaged population in both the rural and urban areas.

The picture portrayed above has not significantly changed for the better. According to the Sixth National Development Plan (SNDP) report the economic growth for the country averaged around 6.1 percent per annum over the period of 2006-2009. Despite this growth the level of unemployment remained around 15.5 percent of the total labour force of which 70 percent were in urban areas and 30 percent were in rural areas. To date the majority of the citizens have very little share of the country's wealth and their participation is still negligible.

#### **CEE ACT ON CODES OF GOOD PRACTICE**

The CEE Act No.9 of 2006 is aimed at correcting structural and economic imbalances which have been disadvantaging the citizens to effectively participate in the growth of the economy. Among the several instruments aimed at correcting the situation is the development and implementation of the codes of practice. The codes of good practice set out the rights, responsibilities and obligations of stakeholders, and to which stakeholders subscribe.

This document sets out to provide generic codes. There is a distinction between a sector code and a generic code. A sector code is a set of good practice that pertains to a specific sector i.e. an area under which economic activity or investment obtains. A generic code is a broad based set of good practice that applies to more than one area of economic activity. The generic code is non-specific in that it is applicable across all the sectors.

#### **DEFINITIONS**

For the purposes of this Code of Good Practice, the following definitions shall apply:

- Administration** Any entity that implements government or corporate policies and takes decisions that affect the rights of other persons or entities, be they individuals or not, and/or has an institutional or public service responsibility.
- Citizen** A human person as defined and provided for in the *Constitution of the Republic of Zambia*.
- Citizen Owned** Enterprise or company in which share holding by Enterprise citizens is 50% plus 1
- Code of Good Practice** A document setting out the rights, responsibilities and obligations of stakeholders, and to which the stakeholders subscribe.
- Company** A legal entity as defined in the Companies Act CAP 388.
- Conduct** The behavior, attitude and activities of employees both within and outside their working environment.
- Contract** An agreement between a procuring entity and a supplier for the provision of goods, works or services.
- Employee** A person given the responsibility for taking, implementing or enforcing a decision within the context of employment or remunerated service.
- Empowerment** An integrated broad-based and multi-faceted strategy aimed at substantially increasing meaningful participation of citizens, citizen empowered companies, citizen influenced companies and citizen owned companies in the economy and decrease income inequalities.

<b>Enterprise</b>	The person(s) or entity conducting a business, trade or profession in the Republic of Zambia and recognised in terms of the laws of the Republic of Zambia, whether such person(s) or entity is incorporated or not.
<b>Ethics</b>	The standards which guide the behavior and actions of employees and which may be referred to as moral laws.
<b>Equity</b>	The ownership interest of shareholders in an enterprise or company.
<b>Generic Code</b>	Broad based set of good practice that applies to more than one area of economic activity.
<b>Indirect Cost</b>	Costs that are not traceable to a cost object (such as a particular function or product). Indirect costs may be either fixed or variable. Indirect costs include taxes, administration, personnel and security costs, and are also known as overhead.
<b>Local Citizen</b>	A Zambian citizen that has been domiciled in Zambia for the past five years.
<b>Local Contractor</b>	A company located in the area where business should be executed.
<b>Local MSME</b>	An MSME domiciled in the geographical area where business is conducted.
<b>MSME</b>	Micro-small and medium enterprise; the categories of the MSMEs are as defined in the MSME policy of 2010
<b>Preferential Procurement</b>	As defined in the Procurement Act Number 12 of 2008.
<b>Project Finance</b>	Financing for projects.
<b>Research</b>	Systematic investigation to establish facts.
<b>Sector</b>	A defined area under which economic activities or investment obtains.
<b>Supportive Culture</b>	Support from person to person and includes support from companies to enable a person start up a business, timely payments to suppliers by state institutions and social investments made by companies to encourage socio economic growth and development.
<b>Targeted Citizens</b>	A Zambian citizen who is historically marginalized or disadvantaged and whose access to economic resources and developmental capabilities has been constrained due to various factors including race, sex, educational background, status and disability.
<b>Targeted Enterprise</b>	A citizen owned enterprise (Share holding by citizen is 50% plus 1)

## OBJECTIVES AND JUSTIFICATION OF GENERIC CODE

*Objectives*

The generic code has the following objectives:

- (i) Will stipulate the rights, responsibilities and obligations of stakeholders, and to which conformity will be required;
- (ii) Provide further interpretation and definition of broad based economic empowerment and categories of the state institutions and companies;
- (iii) Provide qualification criteria for incentives such as preferential procurement and other economic activities;
- (iv) Provide indicators to measure broad based economic empowerment;
- (v) To provide guidelines for state institutions and companies to enable them develop the codes of good practice for their sectors.

*Justification*

The existing imbalances in the Zambian economy against most of the citizens do not provide a conducive environment for sustainable economic development. The implementation of measures that redress the situation cannot, therefore, be over emphasized. The generic code has provided a framework for broad based participation of all the stakeholders. The economic ills generated by the past economic policies have systematically and deliberately restricted and stifled the development of the majority of Zambian citizens. These ills cannot be resolved by government alone but calls for integrated and broad based approaches and active participation of all sector players.

*Effective Date*

The Generic Codes will come into effect from the date of the gazette.

## PRIORITISATION OF AREAS OF INTERVENTION

*Prelude*

This section explains how the empowerment elements have been identified for inclusion in the generic codes, as areas of intervention. Full recognition is made of how instrumental the codes of good practice are in the Republic of South Africa (RSA), and the consultation process followed in developing the generic codes in Zambia is highlighted.

Economic empowerment programmes have been implemented in other countries around the world notable among which are South Africa, Ghana, Botswana, Brazil and Malaysia. The South African model has significantly employed sector codes as an instrument for broad based black economic empowerment. The South African codes of good practice (generic codes) formed the base for the development of sector codes that had peculiar challenges to be addressed. The key principles, definitions and measurement methodology are aligned to the generic codes. The codes are backed by the legal framework which is obligatory to state-owned entities and parastatals to drive the transformation agenda.

## CONSULTATION PROCESS AND FINDINGS

The commission commenced the process of developing the generic code by making a public proclamation announcing its intention to develop and implement the generic code. In the proclamation the Commission invited all stakeholders, members of the public and sector members to provide their input in the development of the generic codes and score card.

The consultation process involved visits and administration of questionnaires to all the Provinces. A team of CEEC staff visited selected Provinces, namely; Copperbelt, Eastern, North-western, Southern and Lusaka. Questionnaires were sent to Western, Central and Luapula Provinces. One-on-one interviews, group discussions and public submissions by walk-in members of the public were employed to gather information on various citizen empowerment issues. The discussions centred on the following issues:

- Extent of citizens' participation in economic activities of various sectors
- Employment equity in various sectors
- Critical skills required by various sectors and skills development challenges
- Enterprise development (growth constraints of formal and informal players)
- Market access and business culture

The following stakeholders were consulted:

- Local authorities
- Association of Mine Suppliers
- District business associations
- Provincial and National Youth Associations
- Women Associations
- Farmers' groups / associations
- Labour movement
- Provincial administration
- Government ministries
- Technical Education Vocation Entrepreneurship Training Authority (TEVETA)
- National Council of Construction and their affiliates
- Tourism Council of Zambia
- Zambia Public Procurement Authority
- Zambia Development Agency
- Competition and Consumer Protection Commission
- Chambers of Commerce and Industry
- Zambia Revenue Authority
- North-Western Development Council of Elders

## FINDINGS

There were some issues that were common to all the sectors and provinces while others were unique to particular sectors and regions. Out of the discussions the following key issues emerged:

- Insufficient entrepreneurship and technical skills among citizens.
- Inadequacy of critical skills in most sectors.
- Inadequate skill in preparing responsive bids e.g costing and pricing of their services.
- In some cases, jobs are taken up by foreigners even where local citizens are capable of doing.
- Lack of transparency in offering contracts.
- Tendering system that disadvantages the provincial based small and medium contractors.

- Delayed payments, which erodes the capital base of entrepreneurs and local suppliers.
- Perceived poor performance among Zambian contractors.
- Poor supportive culture among Zambians.
- Environmental pollution from industrial emissions.
- Loss of mining sites by small scale miners to foreigners as they are staked as collateral to borrow from foreigners.
- Prime business areas owned by foreign nationals.
- Formation of cartels that push the indigenous Zambians out of business.
- Exorbitant rentals in prime business areas working to the disadvantage of citizens.
- Very low uptake of the persons with disabilities as employees due to among others, limited skills and discrimination.
- Low level of uptake of females as employees compared to their male counter parts, especially in decision making positions.
- Remuneration disparities between local and foreign workers.
- Low community investments by companies.
- Inequitable infrastructure development across provinces of the country.
- High wear and tear of public infrastructure due to industrial activities.
- Lack of involvement of the local community in development agenda and investment agreements.
- Low access by citizens to productive assets especially land.
- Locals' participation dominantly in primary commodities – lack of value addition.
- Disjointed efforts amongst government agencies that contradict each others' mandate.
- Lack of interest by investors to invest in community development initiatives.
- Inadequate working capital by citizens.
- High cost of, and low access to, credit.
- Restrictive lending ways that favour a few-to-do (or known) individuals and not necessarily the deserving ones.
- Many employing agents and managers lack integrity, hence the system disadvantaging the poor and disabled. This has denied them opportunities to economic empowerment.
- Unbalanced distribution of development resources resulting in inequalities in regional development.
- Training facilities are dominantly located in the urban areas.
- Low uptake of youths in employment due to inadequate experience and skills.

*Identification of Empowerment Elements*

The issues raised above have been classified into key thematic areas as indicated below:

*Skills gap*

- Insufficient entrepreneurship and technical skills among citizens.
- Inadequacy of certain skills in most sectors.
- Perceived poor performance among Zambian contractors.
- Unbalanced distribution of development resources resulting in inequalities in regional development.
- Training facilities are dominantly located in the urban areas.



**Mindset and supportive culture**

- Perceived poor performance among Zambian contractors.
- Poor supportive culture among Zambians.
- Poor payment culture.
- Unbalanced distribution of development resources resulting in inequalities in regional development.

**Procurement and access to market**

- Lack of transparency in offering contracts.
- Tendering system that disadvantages the provincial based small and medium contractors.
- Capacity to prepare responsive bids.

**Employment inequality**

- Very low uptake of the persons with disabilities as employees due to among others, limited skills and discrimination.
- Low level of uptake of females as employees compared to their male counter parts, especially in decision making positions.
- Low uptake of youths for employment due to inadequate experience.
- Remuneration disparities between local and foreign workers.
- In some cases, jobs are taken up by foreigners even where local citizens are capable of doing.
- Many employing agents and managers lack integrity, hence the system disadvantaging the poor and disabled. This has denied them opportunities to economic empowerment.

**Constraints of enterprise growth**

- Inequitable infrastructure development across provinces of the country.
- Unbalanced distribution of development resources resulting inequities in regional development.
- Delayed payments, which erodes the capital base of entrepreneurs and local suppliers.
- Locals' participation dominantly in primary commodities – lack of value addition.
- Formation of cartels that push the indigenous Zambians out of business.
- Exorbitant rentals in prime business areas working to the disadvantage of citizens.
- Prime business areas owned by foreign nationals.
- Poor supportive culture among Zambians.

**Ownership and control**

- Prime business areas owned by foreign nationals.
- Low access by citizens to productive assets especially land.

**Access to finance and capital**

- Low access by citizens to productive assets e.g. land and machinery.
- Loss of mining sites by small scale miners to foreigners.
- Inadequate working capital by citizens.
- High cost of, and low access to credit.
- Restrictive lending ways that favour a few-to-do (or known) individuals and not necessarily the deserving ones.

**Legal framework**

- Disjointed efforts amongst government agencies that contradict each others' mandate.
- Weak legal framework on corporate social responsibility.

**Corporate Governance**

- Lack of involvement of the local community in development agenda and investment agreements.

**Corporate Social Responsibility**

- Lack of interest by investors to invest in community development initiatives.
- Low community investments by companies.
- Environmental pollution from industrial emissions.
- High wear and tear of public infrastructure due to industrial activities.
- Weak legal framework on corporate social responsibility.

**Development Equity**

- Inequitable infrastructure development across provinces of the country.
- Unbalanced distribution of development resources resulting inequities in regional development.

Arising from the above the priority areas of intervention by the sector players are as follows:

1. Preferential procurement of goods and services
2. Skills development
3. Access to capital finance
4. Enterprise development
5. Corporate social responsibility
6. Equity, management and control
7. Employment equity
8. Development equity

**THE ECONOMIC EMPOWERMENT SCORECARD****PRELUDE**

A score card is a tool for measuring and monitoring the implementation of sector codes. The score card will assist sectors to develop and devise appropriate strategies for achieving set targets by the CEEC.

**CEE ELEMENTS**

The score card has eight(8) key elements that are pragmatic areas of intervention for the empowerment of the citizens as listed below:

1. Preferential procurement of goods and services
2. Skills development
3. Access to finance and capital
4. Enterprise development
5. Corporate social responsibility
6. Equity, ownership, management and control
7. Employment equity
8. Development Equity

These elements are subject to review every five years(5) and they are not necessarily equivalent to the pillars of empowerment indicated below. They are drivers or means of achieving broad based empowerment. On the other hand the pillars of empowerment are strategic intervention areas intended for empowerment delivery. The pillars are not just tools for transformation but are also the expected outcomes.

The nine pillars of empowerment are:—

1. Equity/ownership, management and control of companies. These are: Citizen influenced (5%–25%) Citizen empowered (25%–50%), Citizens owned (50 plus 1%).

2. Preferential procurement. At least 50% of Government and private sector expenditure should go to empowered companies and that at least 30% of the supplier companies be controlled by citizens who are women, youth, disabled and people living with HIV/AIDS.
3. Skills development. Improve education and enhance ability to adapt modern business practices.
4. Access to finance. Establish a fund for credit to would be beneficiaries.
5. Transformation of society to provide supportive culture, entrepreneurship for sustainable CEE.
6. Corporate and social responsibility. Encourage companies and communities to partner and uplift communities.
7. Good political and corporate governance. Creation of predictable legislation and regulatory framework for transparency and accountability.
8. Greenfield investment. Promote investments and partnerships and between local and foreign investors.
9. Foreign Direct Investment. Encourage a foreign and local partnership approach to achieving CEE.

#### PREFERENTIAL PROCUREMENT OF GOODS AND SERVICES

It has been recognized that the citizens are not equitably benefiting from goods, works and services purchased by both the public and private sectors. The large amounts involved in the procurement of goods and services has a potential to contribute to reducing levels of poverty estimated at 65 % for rural and 35 % for urban areas<sup>1</sup>.

Under this element it is targeted that at least 50% of the government and private procurement expenditure should go to citizen owned companies while 30% should go to empowered companies by 2013.

#### Skills development

The participation of the citizens in economic activities is significantly constrained by lack of relevant or inadequate skills. There is an added challenge of the need to align the industrial skills requirement with the skills development in the training institutions.

By and large there is little effort made by companies to develop and implement skills development among the employees. There is also lack of a deliberate strategy for knowledge transfer from expatriates to citizens.

This element seeks to address the above raised problems. TEVETA shall identify the critical skills; draw the generic sector plan for the purpose of education and skills development. The generic sector plan shall clearly spell out the number of individuals that need to be trained in each skills area, and the time frame by which this should be achieved.

#### Access to finance and capital

The participation of citizens in economic activities is hampered by limited or lack of access to productive assets. This challenge goes beyond money to include land, machinery, technology, human capital and integrity

Credit where available is generally expensive thus not affordable by the majority of the citizens.

Greenfield Investments and Foreign Direct Investments have been implemented through access to Finance. Greenfield Investments promote investments and partnerships between local and foreign investors. Foreign Direct Investments encourage a foreign and local partnership approach to achieving CEE.

#### Enterprise development

Enterprise development is considered as the engine of economic growth. For a country like Zambia, concerted efforts are required to graduate the enterprises through the various levels. The economy is dominated by the MSMEs whose growth has stagnated.

The informal sector similarly needs to grow in order to make a considerable contribution to the Zambian economy. It is currently recognized that the sector constitutes 60% of the labour force. It is, therefore, imperative that they are mainstreamed into the formal sector.

It should further be noted that deliberate efforts are required to foster joint partnership between the local entrepreneurs and the foreign investors in order to enhance enterprise development. Investments that will be targeted in new areas of investment, more especially in the rural areas are greatly needed.

#### Corporate Social Responsibility

Profit sharing on a voluntary basis is inadequate. Corporate social responsibility refers to opportunities that encourage socio-economic growth and development. These are primarily investments in community welfare such as housing, transport, health care, sports, HIV/AIDS programmes and environmental responsibilities.

Corporates and other businesses should be encouraged to develop Corporate social responsibility strategies anchored by long term views and driven by mutual benefits. Communities and companies should partner with each other to realize sustainable economic growth and general uplifting of communities.

#### Equity, ownership, management and control

Sustainable development cannot be fully achieved without equity shareholding, ownership, management and control in economic interests by citizens. There is limited commitment to economic activities by citizens because they take a spectator's role.

The objective of ownership in this respect is to expand economic participation and the level of citizen's ownership in the economy. This will not be achieved at the expense of foreign direct investment. This will be done through economic growth that will expand the number of business opportunities that Citizens can access and exploit.

The concept of ownership also relates to equity, economic interest and direct participation in the management of enterprises by citizens. The strategy of ownership is to create the right that would allow empowered citizens to become shareholders, to direct or control the shares in a company, the right to appoint and remove directors and the right to control management of a business.

Ownership recognizes the voting rights and economic interest associated with equity holding. The voting rights afford the rights to determine strategic and operational directions of an enterprise, while economic interest result in accumulation of wealth by the citizens. On the other hand sharing of risk and reward is directly related to capital growth and depreciation.

Management involves power to determine policies as well as the direction of economic activities and resources. Management activities are exercised through Board of Directors and Executive Management.

#### Employment equity

Employment equity is a mechanism used to achieve diversity and inclusion in the workplace by promoting equal opportunity, fair treatment and representation in all occupational categories in favour of Zambian citizens. The underlying principle is to foster active involvement of Zambians in operational and executive decision making processes in the employing enterprises.

Zambia's population has 51 percent of women and 49 percent of men and yet less than 17 percent of women are in managerial jobs in both the public and private sectors.

Moreover, the employment opportunities for persons with disabilities are negligible. The employment equity element aims to redress this status.

*Weighting and Ranking of the Elements for Large Enterprises*

The Elements will be weighted and ranked as shown in Table 1.

Table 1: Weighting and Ranking of the Elements

	<i>Element</i>	<i>Rank</i>	<i>Weight</i>
1	Skills Development	1	50
2	Equity, Ownership, Management and Control	2	40
3	Preferential Procurement	3	35
4	Access to Finance	4	30
5	Employment Equity	5	25
6	Enterprise Development	6	20
7	Corporate Social Responsibility	7	15
	<b>Total</b>		<b>215</b>

The ranks and weightings reflect the importance attached to the elements in terms of the expected impact that the economic players could make on economic empowerment of citizens through their meaningful intervention. For instance, skills development has been ranked the highest because it is a pre-requisite for all the other elements. For Citizens to meaningfully participate in ownership management and control Equity, Ownership, Management and Control, Preferential Procurement, Access to Finance, Employment Equity, Enterprise Development and Corporate Social Responsibility, they require appropriate skills. Moreover, in Zambia there are skills deficits in a number of sectors especially in engineering, mining, construction and other specialized sciences.

Element two ranks second because for citizens to achieve wealth creation, they require ownership, management and control of productive assets and resources. The Preferential Procurement has been ranked third highest because there are huge amounts of money that both the private and public entities spend on purchases of goods and services, which can have a direct impact on the citizens. Moreover, access to markets for goods and services is the basis for enterprise growth which in turn has a multiplier effect in the economy.

*Indicators and Weightings for Large Enterprises*

Indicators and targets have been developed for each of the empowerment element. Players are expected to score on each indicator to contribute to the overall CEE performance. Tables 2 to 9 show each of the elements with the accompanying indicators.

Table 2: Indicators and Targets for Skills Development

#	<i>Indicator</i>	<i>Indicator Weightings</i>		<i>Target</i>
1	Amount contributed to the TEVET fund	15		3% of the enterprise's annual wage bill
2	Number of employees trained in any of the critical skills listed by TEVETA	20		3 per year
3	Number of apprenticeship given to students per annum.	10		Minimum of 5
4	Number of industry related Research programmes sponsored at institutions of learning.	5		1 per year
	<b>Total</b>	<b>50</b>		

Table 3: Indicators and Targets for Equity, Ownership, Management and Control

#	<i>Indicator</i>	<i>Indicator Weightings</i>	<i>Target 0-5 years</i>	<i>Target 6-10 years</i>
1	% of shares held by Citizens	15	25% plus	35% plus
2	Proportion of Citizens in the Board.	5	50% plus 1	50% plus 1
3	% Voting rights held by Citizens	10	25% plus 1	35% plus 1
4	Proportion of Citizens in Executive Management	10	2/3	3/4
	<b>Total</b>	<b>40</b>		

Table 4: Indicators and Targets for Preferential Procurement (up to 5 years)

#	<i>Indicator</i>	<i>Indicator Weightings</i>	<i>Target (0-5 years)</i>
1	% of procurement value awarded to enterprises in which 40% or more shares are owned by Zambians		
2	% of procurement value awarded to Zambian women enterprises	18	50% plus
3	% of procurement value awarded to Zambian youth enterprises	4	20% plus
4	% of procurement value awarded to enterprises owned by Zambian citizens with disabilities	3	20% plus
5	% of procurement value awarded to Zambian contractors operating in the region in which the works are to be done	3	20%
6	% of the contract amount sub contracted to local MSMEs owned by Zambians	5	30% plus
	<b>Total</b>	<b>35</b>	<b>20% plus</b>

After five years of generic codes implementation the following will be the score card for Preferential Procurement.

Table 5: Indicators and Targets for Preferential Procurement (5 years after)

#	Indicator	Indicator Weightings	Target
1	% of procurement value awarded to citizen owned enterprises that are Excellent CEE performers	15	80% plus
2	% of procurement value awarded to citizen owned enterprises that are good CEE performers	6	60% plus
3	% of procurement value awarded to citizen owned enterprises that are Satisfactory CEE performers	3	50% plus
4	% of procurement value awarded to Zambian women enterprises	3	30% plus
5	% of procurement value awarded to Zambian youth enterprises	2	20% plus
6	% of procurement value awarded to enterprises owned by citizens with disabilities.	2	20%
7	% of procurement value awarded to Zambian contractors in the region in which the works will be done	2	30% plus
8	% of the contract amount sub contracted to local Zambian MSMEs.	2	20% plus
<b>Total</b>		<b>35</b>	

Table 6: Indicators and Targets for Access to Finance and capital

#	Indicator	Indicator Weightings	Target
1	% of NPAT contributed to the Industry fund	6	1%
2	% of NPAT contributed to the shareware housing scheme	15	2%
3	Value of technical assistance given to SMEs in critical skills area	9	5% of indi
4	rect labour cost	3 (Bonus)	
<b>Total</b>		<b>30</b>	

Table 7: Indicators and Targets for Employment Equity

#	Indicator	Indicator Weightings	Target
1	% of citizens in top management positions	8	66%
2	% of women citizens in top management positions	5	50%
3	% of women citizens in the establishment	5	30%
4	% of youth citizens in the establishment	3	30%
5	Proportion of persons with disabilities employed in the establishment	2	5%
6	% of youth Citizens in top management positions	2	15%
<b>Total</b>		<b>25</b>	

Table 8: Indicators and Targets for Enterprise Development

#	Indicator	Indicator Weightings	Target
1	% value of contracts subcontracted to MSMEs	5	30%
2	Market size in ZMK created for MSMEs in the supply chain	5	Minimum of K50 million per annum
3	Number of MSMEs supported in quality control.	5	5 per annum.
4	Timeliness of payments to MSMEs	5	30 days small contracts (K50,000,000 and below), 90 days big contracts
5	Investment in rural areas or value addition activities	(15 bonus)	Minimum of K1 billion
<b>Total</b>		<b>20</b>	

Table 9: Indicators and Targets for Corporate social responsibility

#	Indicator	Indicator Weightings	Target
1	Value spent on community projects	7	3% of NPAT
2	Number of waste management projects functioning.	4	3 per year
3	Number of environmental rehabilitation projects implemented of which value is at least 50 Million kwacha	4	3 per year
4	Number of health and safety programs functioning	5 (Bonus)	At least 1 functioning program
<b>Total</b>		<b>15</b>	



*Indicators and Weightings for MSMEs*

The MSMEs will be assessed based on how they perform on element one (1), element two (2) and any other two (2 as indicated in Table 10.

Table 10: Elements and Weightings for MSMEs

<i>Element</i>	<i>Rank</i>	<i>Weight</i>
1 Skills Development	1	30
2 Equity, Ownership, Management and Control	2	30
3 Preferential Procurement	3	20
4 Access to Finance	4	20
5 Employment Equity	5	20
6 Enterprise Development	6	20
7 Corporate Social Responsibility	7	20

Table 11: Indicators and Targets for Skills Development (MSMEs)

#	<i>Indicator</i>	<i>Indicator Weightings</i>	<i>Target</i>
1	% of indirect cost spent on citizen skills development	14	1%
2	Number of Zambian employees trained in critical skills over 3 years	8	1
3	Number of apprenticeship given to students per annum.	8	1 plus
<b>Total</b>		<b>30</b>	

Table 12: Indicators and Targets for Equity, Ownership, Management and Control (MSMEs)

#	<i>Indicator</i>	<i>Indicator Weightings</i>	<i>Target</i>
1	% of shares held by citizens	8	25% plus
2	Proportion of independent citizens (non-family members) in the Board.	6	25% plus 1
3	% Voting rights held by independent Citizens(non- family members)	8	25% plus 1
4	Proportion of independent Citizens(non-family members) in Executive Management	8	1/4
<b>Total</b>		<b>30</b>	

Table 13: Indicators and Targets for Preferential Procurement (MSMEs)

#	<i>Indicator</i>	<i>Indicator Weightings</i>	<i>Target</i>
1	% of procurement value awarded to citizen owned enterprises	8	20% plus
2	% of procurement value awarded to citizen-women owned enterprises	4	20% plus
3	% of procurement value awarded to citizen-youth owned enterprises	4	20% plus
4	% of procurement value awarded to enterprises owned by people with disabilities.	4	20%
<b>Total</b>		<b>20</b>	

Table 14: Indicators and Targets for Access to Finance (MSMEs)

#	<i>Indicator</i>	<i>Indicator Weightings</i>	<i>Target</i>
1	% of NPAT disbursed to project finance for enterprises owned by citizens.	20	1%
<b>Total</b>		<b>20</b>	

Table 15: Indicators and Targets for Employment Equity (MSMEs)

#	<i>Indicator</i>	<i>Indicator Weightings</i>	<i>Target</i>
1	% of independent citizens (non-family members) in top management positions	8	25%
2	% of women citizens in top management positions	4	50%
3	% of women citizens in the establishment.	4	40%
4	% of youth citizens in the establishment	2	20%
5	Number of persons with disabilities employed in the establishment	2	1
<b>Total</b>		<b>20</b>	



Table 16: Indicators and Targets for Enterprise Development (MSMEs)

#	Indicator	Indicator Weightings	Target
1	% value of contracts subcontracted to citizen owned enterprises	10	15%
2	Timeliness of payments to supplier MSMEs	10	30 days small contracts (K50 million and below); 90 days big contracts (above K50 million)
<b>Total</b>		<b>20</b>	

Table 17: Indicators and Targets for Corporate Social Responsibility

#	Indicator	Indicator Weightings	Target
1	Value spent on community projects	20	3% of NPAT
<b>Total</b>		<b>20</b>	

*Indicators and Weightings for Government Institutions*

The Government institutions will be assessed based on how they perform on the elements shown in Table 18.

Table 18: Elements and Weightings

Element	Rank	Weight
1 Skills Development	1	40
2 Preferential Procurement	2	32
3 Access to Finance	3	30
4 Employment Equity	4	25
5 Enterprise Development	5	20
6 Development Equity	6	18
<b>Total</b>		<b>165</b>

Table 19: Indicators and Targets for Skills Development

#	Indicator	Indicator Weightings	Target
1	% of annual budget cost spent on citizens skills development (including employees)	20	1%
2	Number of Zambian employees trained in critical skills over 3 years	10	10
3	Number of industrial attachments given to students per annum.	5	10
4	Number of apprenticeship given to students per annum.	5	10
<b>Total</b>		<b>40</b>	

Table 20: Indicators and Targets for Preferential Procurement

#	Indicator	Indicator Weightings	Target (0-2 yrs)
1	% of procurement value awarded to citizen owned enterprises	10	50% plus
2	% of procurement value awarded to citizen empowered enterprises	6	30%
3	% of procurement value awarded to citizen influenced enterprises	3	10%
4	% of procurement value awarded to citizen-women owned enterprises	4	30% plus
5	% of procurement value awarded to citizen-youth owned enterprises	4	30% plus
6	% of procurement value awarded to enterprises owned by people with disabilities.	4	20%
7	% of procurement value awarded to enterprises owned by People Living With HIV/AIDS.	1	20%
<b>Total</b>		<b>32</b>	

After two years of generic codes implementation the following will be the score card for Preferential Procurement.

Table 21: Indicators and Targets for Preferential Procurement (2 years after)

#	Indicator	Indicator Weightings	Target
1	% of procurement value awarded to citizen owned enterprises that are Excellent CEE performers	12	50% plus
2	% of procurement value awarded to enterprises that are Excellent CEE performers	8	40%
3	% of procurement value awarded to citizen owned enterprises that are good CEE performers	5	35%
4	% of procurement value awarded to enterprises that are good CEE performers	3	30%
5	% of procurement value awarded to enterprises that are satisfactory CEE performers	1	15%
6	% of procurement value awarded to Zambian women enterprises	3 (bonus)	30% plus
7	% of procurement value awarded to Zambian youth enterprises	2 (bonus)	20% plus
8	% of procurement value awarded to enterprises owned by citizens with disabilities.	2 (bonus)	20% Plus
9	% of procurement value awarded to Zambian contractors in the region in which the works will be done	3	30% plus
<b>Total</b>		<b>32</b>	

Table 22: Indicators and Targets for Access to Finance (Only applicable to disbursing government departments e.g. CEEC, ZDA, GIDD etc.)

#	Indicator	Indicator Weightings	Target
1	% of annual allocated funds disbursed to finance enterprises owned by citizens	15	>90%
	% of annual allocated funds disbursed to finance enterprises owned by citizens	8	75%-90%
	# of staff awarded home ownership loans	7	10% of the establishment per annum
<b>Total</b>		<b>30</b>	

Table 23: Indicators and Targets for Access to Finance (Only applicable to non-loan disbursing government departments)

#	Indicator	Indicator Weightings	Target
1	# of staff awarded home ownership loans	20	20% of the establishment per annum
2	# of staff awarded home ownership loans	10	10% of the establishment per annum
<b>Total</b>		<b>30</b>	

Table 24: Indicators and Targets for Employment Equity

#	Indicator	Indicator Weightings	Target
1	% of women in top management positions	10	50%
2	% of youths in top management position	6	10%
3	% of women in the establishment	4	50%
4	% of youths in the establishment	3	20%
5	Number of persons with disabilities employed in the establishment	2	1
<b>Total</b>		<b>25</b>	

Table 25: Indicators and Targets for Enterprise Development

#	Indicator	Indicator Weightings	Target
1	Availability of a service charter for providing services to enterprises	3	Charter available by end of 2012
2	Compliance level to service charter	7	90% compliance
3	Timeliness of payments to supplier MSMEs	10	30 days small contracts(K50 million and below): 90 days big contracts
<b>Total</b>			

Table 26: Development Equity

#	Indicator	Indicator Weightings	Target
1	Availability of a mechanism for equitable distribution of development resources to provinces and districts	10	Mechanism available by mid of 2013
2	% of allocated budgets disbursed to provinces and districts	20	80% minimum
	<b>Total</b>	<b>30</b>	

### Targets

The basis for setting targets is as provided in the CEE Act No 9 of 2006, ZPPA Act and other guidelines such as the Preferential Procurement Strategy Policy document. Other targets have been set based on what is obtaining in the economy and the need for change.

## APPLICATION OF GENERIC SCORE CARD

### PRELUDE

The generic code will only be relevant to the empowerment mandate if both the public and private sector organizations are able to implement and align their individual sector codes to it. The generic code shall be used to:

- provide a framework for the development of sector specific codes;
- measure or score the performance;
- guide who is going to assess performance;
- provide the duration of the certification; and
- define the implications for compliance.

It is imperative that the principles guiding the intervention through the generic code are appreciated before using the score card to develop, implement, measure and report on broad-based CEE.

### FRAMEWORK FOR THE DEVELOPMENT OF SECTOR CODES

The generic code applies to all sector players. However, individual sectors are free to develop their sector specific codes using this code as the guideline to address their unique circumstances. In developing the sector codes significant departure from the generic code will not be allowed other than to address sector specific situations, and such departure must be justified.

### MEASUREMENT OF PERFORMANCE

As a tool for measuring and monitoring the implementation of economic empowerment generic codes, the CEE generic score card allows different stakeholders to benchmark CEE programmes in different enterprises and/or sectors.

In order to score for each element, the following steps will have to be taken:

- Assess the rating against the target (T) in each indicator to arrive at the raw score (S).
- Divide the raw score (S) by the target (T).
- Multiply the result in (ii) by the indicator weight (IW) to get the indicator score (IS).
- Add all the indicator scores (IS) on that element to get the total performance score in that element (TSE).

The above computation is expressed in the formula below.

$$IS_i = \frac{S_i}{T_i} \times IW_i$$

An illustration of how scores will be computed is given in appendix 1.

If the element is subjected to a subminimum score, the CEE score will not be awarded for that specific element if the total element score is less than the subminimum score.

### PERFORMANCE GRADING

The overall performance on CEE empowerment for MSMEs is the sum of all the total scores on each empowerment element. In the case of large scale enterprises and government institutions, the overall performance in CEE empowerment is obtained by adding up all the scores of the empowerment elements and dividing by the total weight of the elements (i.e. 215 and 165, respectively). This is then multiplied by 100 percent. Performance in meeting targets will be categorized as follows:

- Large Companies

<u>Performance Grade</u>	<u>Score</u>
a. Excellent -	80% and above
b. Good -	65% - 79%
c. Satisfactory -	50% - 64%
d. Poor -	Below 50%

**(b) Government Institutions**

<u>Performance Grade</u>	<u>Score</u>
a. Excellent -	100%
b. Good -	85% - 99%
c. Satisfactory -	50% - 84%
d. Poor -	Below 50%

**(c) MSMEs**

<u>Performance Grade</u>	<u>Score</u>
a. Excellent -	80% and above
b. Good -	65% - 79%
c. Satisfactory -	50% - 64%
d. Poor -	Below 50%

**INSTITUTION RESPONSIBLE FOR PERFORMANCE ASSESSMENT**

The Commission will accredit and appoint verification agents to assess the performance on the implementation of the generic codes or sector codes. The verification agents will work with CEEC and the functions will include:

- Provision of Accreditation
- Submission of independent reports.
- Effecting enforcements of CEE programmes.

**VERIFICATION PROCESS**

An organization that wishes to be assessed will be required to make a written request to the Commission. The CEEC will allocate the request to a specific verification agent to undertake the assessment. Thereafter the verification agent will make appropriate recommendations to the CEEC upon which certification may be given.

Following the initial assessment, an organization that wishes to be reassessed on compliance prior to the expiration of the certification will be required to file its application with CEEC. Further details on this process are contained in the Verification Manual.

**APPLICABILITY TO THE CODE**

All companies registered under the companies act and Government institutions are subject to this code.

**IMPLICATIONS FOR COMPLIANCE**

In order to ensure respect for the principles, values and rules set out by the generic codes, the performance grading on compliance to the CEE Generic Code and the Sector Specific Codes, will be used by Government institutions and agencies as follows:

- To select companies to enter into partnerships with.
- To select companies to conduct business with.
- To be used as eligibility criteria for the participation in preferential procurement and reservation schemes.
- To grant license renewal.

A Government institution that fails to comply with the provisions of the code will be answerable to a parliamentary committee responsible for economic affairs through its controlling officer.

**DURATION OF THE CERTIFICATION**

The certification awarded will be valid for three years. During the course, periodic inspections will be conducted to establish the level of compliance. CEEC reserves the right to withdraw certification where a sector player will be found to have deviated from the original compliance level.

**CONFIDENTIALITY**

The Verification Agent shall, through legally enforceable commitments, have a policy and arrangements to safeguard the confidentiality of the information obtained or created during the performance of rating activities at all levels of its structure including committees and external bodies or individuals acting on its behalf.



The CEEC shall inform the rated enterprise, in advance, of the information it intends to place in the public domain. All other information, except for information that is made publicly available by the client, will be considered proprietary information and regarded as confidential. Except as required in this code, information about a particular client or individual shall not be disclosed to a third party without the written consent of the client/individual concerned.

## CONCLUSION

With guidance from this framework, sectors should be able to state and define rights and responsibilities as well as the principles and rules of conduct for their sector enterprises, employees and services. This will, therefore, foster a stable environment conducive to the strengthening of ethical values and the image of the economic sector, its services, and the professionalism of its employees and members

## APPENDICES

### APPENDIX 1: Illustrations

#### 1. ILLUSTRATION FOR COMPUTING THE TOTAL SCORE FOR AN EMPOWERMENT ELEMENT

1) Assuming Company Mwendo has been rated on the element of Equity, Ownership, Management and Control as follows:

- The total number of shares in the company is 10,000. Out of this, 15% is held by citizens.
- Out of 10 Board members, 7 are Zambians.
- 25% of the voting rights are held by the citizens.
- Out of 8 Executive Management members, 2 are Citizens.

The raw score or rating per indicator will be recorded and computed as shown in the table below:

Table A.1: Illustration of How to Calculate the Score for Empowerment Elements

#	Indicator	Indicator	Target(T) Weight (IW)	Score(S)	Indicator Score (IS) = (S/T) X IW
1	% of shares held by Citizens	15	25% plus	15%	9
2	Proportion of Zambian in the Board.	5	50% plus	70%	5
3	% Voting rights held by Citizens	10	25% plus	25%	10
4	Proportion of Citizens in Executive Management	10	2/3	1/4	3.8
	<b>Subtotal</b>	<b>40</b>			<b>27.8</b>

Therefore, the score on this element is 27.8. Note that even if the outcome S/T on indicator number two (2) is 1.4, the indicator score (IS<sub>2</sub>) is not 1.4 x 5 = 7 because the maximum score has been limited to 5.

#### ILLUSTRATION ON COMPUTING THE OVERALL PERFORMANCE IN CEE EMPOWERMENT

Assuming that the scores obtained by a large enterprise Mwendo on the seven elements are as follows:

- Preferential procurement of goods and services = 30,
- Skills development = 35,
- Access to finance and capital = 15,
- Enterprise development = 10,
- Corporate social responsibility = 10,
- Equity, ownership, management and control = 27.8,
- Employment equity = 12.5;

The overall performance in CEE empowerment is obtained by:-

- add up all the scores of the empowerment elements
- divide the total obtained in (i) by the total weight of the elements (i.e. 215)
- multiply the quotient obtained in step (ii) by 100 percent.

In this case for Mwendo Enterprise the computations are as follows:

- $30+35+15+10+10+27.8+12.5 = 140.3$
- $140.3/215 = 0.6526$
- $0.6526 \times 100\% = 65.26\%$

This may be computed in one step as follows:

$$(30+35+15+10+10+27.8+12.5) \times 100/215 = 140.3 \times 100/215 = 65.26\%$$

## APPENDIX 2: Guidelines for Development Sector Codes

The *CEEC Guidelines to Developing Economic Sector Codes* provides a framework to guide economic sectors to come up with practical measures for the proper functioning of citizens' economic empowerment in Zambia. It focuses on the useful steps which should help economic sectors prepare their economic empowerment sector codes.

A sector<sup>1</sup> is defined as a broad classification of institutions that have similarities and linkages. The FNDP designates the economic sector to be those main drivers of the economy with linkages that have multiplier effects to the development of the economy. These include Agriculture, Land, Mining, Communication and Meteorology, Infrastructure, Natural Resources, Tourism, Commerce and Trade, Energy and Science and Technology.

The complexity of different sectors, sub-sectors and enterprises requires a flexible approach. The CEEC is encouraging each sector or industry within a sector to determine how best to align itself with citizens economic empowerment. The development of sector codes by sector stakeholders ensures ownership and management of the Codes by the stakeholders themselves.

Economic Empowerment Sector Codes are voluntary, prepared in the full knowledge and understanding of pertinent legislative, regulatory, and up-to-date technical information and data from reliable sources and through a deliberate consultative process by stakeholders in a sector.

Economic Empowerment Sector Codes are ethically binding. They do, however, become legally binding once the CEEC has approved and caused their publication in the *Government Gazette*.

The role of the Commission is essentially to facilitate the process of developing, promoting, and using sector codes to bring about sustainable citizens economic empowerment, in line with the objectives of the *CEEC Act*. It is to encourage sectors and enterprises to develop codes which set specific citizens economic empowerment targets, outline plans to achieve their targets within their own sector, and monitor and evaluate how Targeted Citizens, as a priority, benefit from the private sector driven wealth creation activities.

Performance in sector codes will be benchmarked against a scorecard as provided in the generic codes. These elements in the generic score card are essential in measuring and evaluating industry, enterprises and sector performance.

### PURPOSE AND SCOPE

#### PURPOSE

To provide a framework for individual economic sectors to develop sector codes within a period to be specified.

#### SCOPE

The codes will indicate how each sector will participate in CEE, by providing opportunities and resources to enhance involvement of citizens in ownership, management and control of national assets.

## PROCESS FLOW OF DEVELOPING EMPOWERMENT ECONOMIC SECTOR CODE

The CEEC provides basic technical information and related inputs necessary for the development of empowerment economic sector codes by sectors, it works with sectors, sensitizes them to the broad policy and implementation strategy framework of Citizens Economic Empowerment, and makes available this *CEEC Guidelines to Developing Economic Empowerment Sector Codes*.

Economic sectors are encouraged to always liaise with the CEEC, to ensure that they develop their Sector Codes in line with the *CEEC Guidelines* as read with the generic code and *CEE Act*.

The CEEC approves *Economic Empowerment Sector Codes*.

The flow chart below summarizes the process leading to publication of approved Sector Code in the *Government Gazette*.

### CEEC

Provide information including CEEC guidelines to developing Empowerment Sectors

Identified Economic Sectors Economic Sector

Government and Ministries responsible

### CEEC

Monitoring and Evaluation

Publication and Gazetting

### CEE SECTOR CODES

### Mandate

Article 28 of the *CEE Act* states:

"The Commission shall promote sector codes for particular sectors of the economy and shall cause the codes to be published in the *Gazette* for general information, if the Commission is satisfied that the codes

- (a) Were developed by the major stakeholders in that sector, and
- (b) Advance the objectives of the Act."

The *Act* further states that sector codes will assist the CEEC and individual sectors to measure the economic progress made in achieving broad-based economic empowerment. Using a scorecard, the CEEC will measure, evaluate and ensure compliance with the *CEE Act* and any regulations made under the *CEE Act*. The Commission is mandated to publish the codes in the print and electronic media, as much as to demand and receive returns of relevant information from all those involved in the CEE programme. Against this background, the CEEC deems it appropriate to publish these guidelines which present a broad frame for use in preparing codes by the economic sectors.

### SECTOR STAKEHOLDERS

Stakeholders in an economic sector must include:

- i. Key or major enterprises within the sector;
- ii. Industry bodies and relevant sector chambers of commerce;

- iii. Government – Departments with jurisdiction over the sector;
- iv. Professional associations;
- v. Labour bodies and trade unions;
- vi. Industry regulations;
- vii. Relevant Civil society organizations; and
- viii. Any other with relevant interest in the sector.

#### ECONOMIC SECTORS

Target sectors are key economic sectors. These are the strategic enterprise categories that the CEEC considers critical to the development of a vibrant private sector economy. They include, but are not limited to the following:

- o Mining
- o Financial Services
- o Agriculture
- o Tourism
- o Manufacturing
- o Construction
- o Transport
- o Energy
- o Information and Communication Technology; and
- o Services.

The CEEC encourages the economic sectors mentioned above to begin the process of developing sector codes.

#### PROCESS FOR DEVELOPING SECTOR CODES

##### Identification of Sector Leadership

The CEEC identifies a lead organization or institutions in the sector to facilitate commencement of the process of preparing an Empowerment Economic Sector Code.

##### Proclamation to Develop a Sector Code

The lead organizations as initiators make a public proclamation of the objective to develop a sector code. A public proclamation will define what a sector code is, its application, indicate the intentions to develop the code, how it will impact on the lives of the constituent members and the timeframe, including the processes it will take. This entails the publication in both the print and electronic media at both national and community levels. The proclamation should run for a minimum of 5 days.

##### Establish a Sector Council (SeC)

A Sector Council comprising representatives from all stakeholders ensures that good corporate governance principles are adopted and practiced. There must be an equitable representation of the sector participants and the relevant stakeholders within the Sector Council to ensure that the views of the different players are taken into account.

The Sector Council may utilise technical working groups to explore, in a detailed manner, issues that are contained in the charter. The technical working groups may be divided according to the elements of the balanced CEE scorecard. Within the working groups there must be an equitable representation of the key stakeholders in the sector.

A Sector Council is the focal point of contact with the CEEC and operates as a mechanism for ensuring that the implementation of the Code is on course. The mandate and responsibilities of the Council should be included in the sector code.

The responsibilities of the Council will include

1. Reporting to the Commission on the progress and status of CEE programmes within the sector;
2. Providing guidance as and when necessary on matters of CEE;
3. Devising a mechanism to lock in equity of all enterprises for a specified period in order to ensure value addition to investment;
4. Revising the *Codes of Good Practice* in line with the dictate of the changing economic environment;
5. Promoting *supportive culture* and a culture of Good Governance in the sector;
6. Monitoring CEE status;
7. Preparing and submitting quantitative and qualitative reports on transformation in the sector, but **does not** carry out audits of CEE programmes; and

Reporting enterprise progress giving relevant information on *pros* and *cons* in assessing progress made and hindrances toward meeting and achieving CEE programmes.

##### Set up a Steering Committee

In order to efficiently formulate the charter, the stakeholders may decide to appoint a Steering Committee to drive the process. This Steering Committee will be the representative body of the sector in all matters relating to the charter. To undertake the above, the following will have to be observed:

1. Appoint a Management Committee to drive the process;
2. The Steering Committee will be appointed by a mandated body with authority from the relevant stakeholders, e.g., the Sector Council;
3. The Steering Committee must comprise representatives drawn from among key stakeholders;
4. These representatives must be senior or acknowledged influential members of the organization they represent;
5. Each Sector must develop Terms of Reference for its Steering Committee.
6. The activities which will be funded will be entirely for the sector or Industry; and
7. All the costs relating to this process and other work in the sector shall be met by the sector.

*Develop a Mandate for the Sector Code*

1. The initiators of the process to establish a sector code should develop a mandate and objectives of the Code;
2. The draft mandate and objectives document is disseminated to all relevant stakeholders for consideration and comments;
3. Initiators receive and consolidate the comments from stakeholder; and
4. Initiators prepare a final mandate, incorporating the recommendations from stakeholders.

*Appoint Technical Working Groups*

1. The Steering Committee form Technical Working Groups (TWG) to conduct the consultations and draft the sector code;
2. TWGs submit their recommendations to the Steering Committee.

In coming up with recommendations for drafting the sector code, the following steps should be considered:

- a) Conduct the stakeholder consultations.
- b) List down all the issues that were raised by the stakeholders during the consultations;
- c) Identify the key emerging key issues;
- d) Group them into thematic areas
- e) Check the responsiveness of thematic areas to the CEE empowerment pillars;
- f) Select the thematic areas that will make an impact on the empowerment of the citizens through the intervention of your sector as elements;
- g) Rank them and weight them as guided in later sections below.

The nine pillars of empowerment are:—

1. Equity/ownership, management and control of companies. These are: Citizen influenced (5% – 25%) Citizen empowered (25% – 50%), Citizens owned (50 plus 1%).
2. Preferential procurement. At least 50% of Government and private sector expenditure should go to empowered companies and that at least 30% of the supplier companies be controlled by targeted citizens who are women, youth, disabled and people living with HIV/ AIDS.
3. Skills development. Improve education and enhance ability to adapt modern business practices.
4. Access to finance. Establish a fund for credit to would be beneficiaries.
5. Transformation of society to provide supportive culture, entrepreneurship for sustainable CEE.
6. Corporate and social responsibility. Encourage companies and communities to partner and uplift communities.
7. Good political and corporate governance. Creation of predictable legislation and regulatory framework for transparency and accountability.
8. Greenfield investment. Promote investments and partnerships and between local and foreign investors.
9. Foreign Direct Investment. Encourage a foreign and local partnership approach to achieving CEE.

*Extensive Consultations*

The process of consultations in developing the Sector Codes should meet the following minimum requirements:

1. Be sufficiently consultative and substantially involve stakeholders and indeed everyone in that sector, including under-resourced players whose needs must be amply considered. The

CEEC will not fund the sector code development process but will provide technical assistance. The lack of resources may make it difficult for all the relevant stakeholders to participate in the process. However, this should not be used as an opportunity to exclude other stakeholders from the process. It is incumbent upon all the relevant stakeholders to invest, both in terms of time and financial resources, in the process, as this will have a direct impact on the daily activities of all players. To alleviate the lack of resources, the sector must find ways to raise the appropriate resources to involve all the stakeholders in the process, without abrogating the investments that would be made by all the relevant participating stakeholders in the sector code process.

2. In order to facilitate a systematic approach in capturing the stakeholders submission, the consultation groups should determine mode and means of capturing the required information. It should be clear in their minds which instruments they are going to use and whether they are going to hold community discussions, focus group discussions, one to-one interviews or a mixed approach. The underlying principle is that Efforts should be made to capture key issues that affect the sector through the administration of a questionnaire, interviews and other forms of capturing basic data. A sample of a questionnaire is attached to clarify the matter. Note that the people conducting the consultation process should be flexible enough to give room for the constituent members they are consulting to introduce new issues for discussion as long as they are relevant to the sector and empowerment of the citizens in that sector. The areas of discussion in the discussion could be framed up based on issues brought up in literature reviewed concerning the sector of interest.

3. Identify all the stakeholders that need to be consulted.
4. Select a representative stakeholder constituent that you will visit for consultations.
5. Draw up a program of consultation visits and publish it in the national and community media.
6. Consultations must be conducted in good faith with the aim of accelerating the implementation of broad-based CEE.
7. Advance the objectives of the Citizens' Economic Empowerment of the sector.

*Draw up a Draft Code*

1. The Steering Committee consolidates the work and recommendations of the TWGs;
2. The Steering Committee
  - a) Draws up a *Draft Sector Code*; and
  - b) Submits the *Draft Sector Code* to the Sector Council for consideration and comment by sector stakeholders

*Toward Gazetting the Sector Code*

1. The Sector Council applies to CEEC to have the Code gazetted
2. The application, in writing, must show evidence that the Sector has complied with the provisions of the *CEE Act*
3. The Sector Code must
  - o Ensure that all stakeholders have participated in the process;
  - o Fully addressed all the elements contained on the **scorecards**; and
  - o Define and state the scope of application of the Code.



## THE SCORE CARD

The CEEC will use the seven elements in the table below to benchmark and evaluate the work of economic sectors so as to bring about economic empowerment.

Table A.2: Empowerment Elements, Rank and Weight

Element	Rank	Weight
1 Skills Development	1	50
2 Equity, Ownership, Management and Control	2	40
3 Preferential Procurement	3	35
4 Access to Finance	4	30
5 Employment Equity	5	25
6 Enterprise Development	6	20
7 Corporate Social Responsibility	7	15
<b>Total</b>		<b>215</b>

The scorecard that will be developed for the sector codes will be required to meet the criteria set below.

1. Key indicators for the elements in the scorecard should include weightings of the elements and will be used to assess performance in each sector;
2. Indicator elements for measuring CEE contribution should reflect drivers of empowerment;
3. Targets in the Sector Codes must be in line with recommendations set out by the Commission;
4. The weighting should be in line with the generic scorecards contained in THE Generic Code Section 3.5; and
5. Elements / indicators of the score cards may only be changed or varied by sectors in consultation with the Commission, and in writing.

The elements in the scorecard can be selected from the analysis and grouping of the data collected during the consultative process. These should, however, be aligned to the key CEE elements described above.

## GUIDELINES ON THE SETTING OF INDICATORS

The indicators for the different elements of the broad-based CEE Scorecard shall be set out in the particular Code of Practice relating to the element. The sectors may suggest different indicators from the ones outlined in the particular Code of Practice if they can show the following:

- the suggested indicator can best measure the sector's contribution to that element of broad-based CEE,
- the suggested indicator reflects the key drivers within the sector related to that element of broad-based CEE,
- the suggested indicator is in line with sound economic principles, and

ADVT—2051—4204398

**The Lands and Deeds Registry Act**  
(Chapter 185 of the Laws of Zambia)  
(Section 56)

**Notice of Intention to issue Duplicate Certificate of Title**

NOTICE IS HEREBY GIVEN that the undersigned intends to apply for the diagrams and certificate of title relating to Farm No.396a/A/1/C Lusaka, Registered in the name of Ethel Musamba Nyalugwe.

All persons having objection to the issue of such copy are required to lodge the same within 14 days from the date of publication of this notice.

MESSRS MALAMBO AND COMPANY,  
Advocates and Notaries

P/Bag E324  
LUSAKA

— reasons to support how the currently required indicator, as per the Code of Practice, does not measure the particular element of broad-based CEE adequately.

## GUIDELINES ON THE SETTING OF RANKS

Ranks that are contained within the charter must be in line with the recommended rankings set out in the Code of Practice on rankings. There must be adequate justification if a rank set in the sector charter scorecard differs significantly from the generic scorecard as presented in the Code of Good Practice.

## SETTING THE BROAD-BASED CEE SCORECARD WEIGHTINGS

The overall weightings attached to the different elements of the scorecard must follow the recommendation of the CEEC and the generic scorecard as presented in the Codes of Good Practice.

There can be no deviations of more than 10% from the CEEC's suggested weighting of the different components. There must be adequate justification as to why there should be departure from the suggested weightings. The minimum weighting per element of the scorecard should be 5 percent.

## DATA SUBMISSION

Data is critical for assessment and study of industry trends and acts as an early warning system to facilitate timely intervention. Sector councils should, therefore, establish, develop and maintain a database.

Each sector database should develop the following data and information which should come from a recognized source;

1. Demographic profile of all economically active population in the sector;
2. Empowerment companies in the sector;
3. Economic and financial factors in the sector;
4. Expected economic activities;
5. Company profiles for the sector;
6. Management structures indicating positions held by citizens in the sector; and
7. List of suppliers registered in the sector.

## SUBMISSION OF ANNUAL RETURNS

All enterprises and companies that subscribe to the sector codes shall submit annual returns detailing what has been done in support of CEE targets.

LUSAKA  
L. M. MUKUMBUTA  
Director-General  
Citizens Economic Empowerment Commission

ADVT—2052—4167680

**Lusaka City Council**  
**Legal Services Department**  
**Notice**

NOTICE IS HEREBY GIVEN that MARY BANDA of House No. 390/22, Mpatamato, Luanshya have applied to the Council to have Duplicate Certificate of Title Deed and that I have appointed thirty (30) days from the date of this notice as the time, period within which any person having any interest or claim, whatsoever in the property is requested to lodge his/her objection (s) with the Council Registrar in Room Two (2), Administration Department, Civic Centre, 14th Street-Luanshya.

This property referred to is Plot No. C156, Site and Service-Mikomfwa Statutory Housing Area, Luanshya.

Dated this 26th day of October, 2012.

LUANSHYA

C. KABASO,  
Council Registrar

**The Liquor Licensing Act**  
(Section 20 (4) and (6))

**Notices of Intention to Apply for Grant or Renewal of a Liquor Licence**

**ADVT—2053—4204713**

NOTICE IS HEREBY GIVEN that DERRICK CHIPOYA, of P.O.Box 60991, Livingstone, intends to apply to the Provincial Licensing Board of the Southern Province for the renewal of a retail liquor licence in respect of the premises situate at Plot No. 2567 Musi-O-Tunya Road, Livingstone.

Notices and other documents may be served on the above named and the above address.

**ADVT—2054—4204621**

NOTICE IS HEREBY GIVEN that CHISHALA EMMANUEL, of Buleya Malima Irrigation, Sinazongwe, intends to apply to the Provincial Licensing Board of the Southern Province for the grant of a bar liquor licence in respect of the premises situate at Buleya Malima Irrigation, Sinazongwe.

Notices and other documents may be served on the above named and the above address.

**ADVT—2055—4204332**

NOTICE IS HEREBY GIVEN that LILLIAN NGONYA CHUMA, of Social Club, P.O. Box 80968, Kabwe, intends to apply to the Provincial Licensing Board of the Central Province for the renewal of a club liquor licence in respect of the premises situate at Plot No. 7070 Munkoyo Street, Kabwe.

Notices and other documents may be served on the above named and the above address.

**ADVT—2056—4204331/2**

NOTICE IS HEREBY GIVEN that RHODNEY MUTSGWE, of P.O. Box 80968, Kabwe intends to apply to the Provincial Licensing Board of the Central Province for the renewal of a retail liquor licence in respect of the premises situate at Plot No. 73/74/ Freedom Way, Kabwe.

Notices and other documents may be served on the above named and the above address.

**ADVT—2057—4204678**

NOTICE IS HEREBY GIVEN that YALUMETA SONDASHI BUKALI, of 21 Muombo Street Nkana East, Kitwe, intends to apply to the Provincial Licensing Board of the Copperbelt Province for the renewal of a liquor licence in respect of the premises situate at 21 Muombo Street, Nkana East, Kitwe.

Notices and other documents may be served on the above named and the above address.

**ADVT—2058—4136704**

NOTICE IS HEREBY GIVEN that JENNIPHER MUKOSABWALYA, of Plot 4029, Flamboyant Drive, Buyantashi, Kitwe, intends to apply to the Provincial Licensing Board of the Copperbelt Province for the grant of a retail liquor licence in respect of the premises situate at Plot No. 82, Buchi Off Kazembe Road, Kitwe.

Notices and other documents may be served on the above named and the above address.

**ADVT—2059—4167813**

NOTICE IS HEREBY GIVEN that WISTON MWANDILA of Club Seven, 47 Zambia Compound Chambishi, intends to apply to the Provincial Licensing Board of the Copperbelt Province for the renewal of a liquor licence in respect of the premises situate at 47 Zambia Compound, Chambishi.

Notices and other documents may be served on the above named and the above address.

**ADVT—2060—4171819**

NOTICE IS HEREBY GIVEN that ADOON LITETA KABALU, P.O. Box 20512, Kitwe, intends to apply to the Provincial Licensing Board of the Copperbelt Province for the renewal of a restaurant liquor licence in respect of the premises situate at Plot No. 6713, Central Street Nkana East Palm Drive and Airport Road, Lusaka.

Notices and other documents may be served on the above named and the above address.

**ADVT—2061—4204601**

NOTICE IS HEREBY GIVEN that NDINENKA J. K. of Kitwe, intends to apply to the Provincial Licensing Board of the Copperbelt Province for the renewal of a liquor licence in respect of the premises situate at Plot No. 51, Natwange, Ndeke.

Notices and other documents may be served on the above named and the above address.

**ADVT—2062—4204604**

NOTICE IS HEREBY GIVEN that EWART PRICE POWELL, of P.O. Box 410694, Kasama intends to apply to the Provincial Licensing Board of the Northern Province for the renewal of a bar liquor licence in respect of the premises situate at Plot No. 612, Zambia Road, Kasama.

Notices and other documents may be served on the above named and the above address.

**The Trades Licensing Act**

**Notices of Intention to Apply for a Trading (Wholesale) Licence/Trading (Retail) licence**

**ADVT—2063—4204527**

**Applicant:** COMNET INTERNATIONAL LIMITED.

**Postal Address:** P.O. Box 37282, Lusaka.

**Business Name:** Comnet International Limited, Plot No 4278, Oxford Road, Kitwe.

**Details of licence:**

(2) Trading (Retail) Licence

(a) in a prescribed area;

(b) for prescribed goods only.

**ADVT—2064—4157877**

**Applicant:** BANDA RAINFORD M.

**Postal Address:** Stand No. 53

**Business Name:** More and More General Trading

**Business Premises:** Chamboli Township, Kitwe.

**Details of licence:**

(1) Trading (Wholesale) Licence:

(a) in a prescribed area;

(b) for prescribed goods only.

**ADVT—2065—4163445**

**Applicant:** HUMPHREY KABUNGO

**Postal Address:** Humka Electronics and Central Dealer Limited, Kitwe.

**Business Name:** Humka Electronics and Central Dealers Limited.

**Business Premises:** Stand 13 Chisokone Mall

**Details of licence:**

(1) Trading (Retail) Licence

(a) in a prescribed area;

(b) for prescribed goods only.

**ADVT—2066—4204666**

**Applicant:** CARNIVAL FURNISHERS (Z) LIMITED.

**Postal Address:** P.O. Box 21060, Kitwe.

**Details of licence:**

(2) Trading (Retail) Licence

(a) in a prescribed area;

(b) for prescribed goods only.

**ADVT—2067—4204869**

**Applicant:** JONATHAN LUKWESA

**Postal Address:** 569 Chisokone Market, Kitwe

**Business Name:** Garden Electronics and General Dealers Limited.

**Details of licence:**

(2) Trading (Retail) Licence

(a) in a prescribed area;

(b) for prescribed goods only.