



REPUBLIC OF ZAMBIA

REPORT

OF THE

COMMITTEE ON TRANSPORT, WORKS AND SUPPLY

FOR THE

**SECOND SESSION OF THE TWELFTH NATIONAL ASSEMBLY
APPOINTED ON**

20TH SEPTEMBER, 2017

Printed by the National Assembly of Zambia

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TABLE OF CONTENTS

ITEM	PAGE
1.0 Membership of the Committee	1
2.0 Functions of the Committee	1
3.0 Meetings of the Committee	2
4.0 Programme of Work	2
5.0 Procedure adopted by the Committee	2
6.0 Arrangement of the Report	2

PART I

DEVELOPMENT OF INFRASTRUCTURE IN THE NEWLY CREATED DISTRICTS

7.0 Objectives of the Study	3
7.1 Witnesses	4

SUMMARY OF STAKEHOLDERS' SUBMISSIONS

7.2 Policy Governing Infrastructure Development in Zambia	4
7.3 The State of Infrastructure in the newly created districts	6
7.4 Challenges Faced in Development of Infrastructure in the newly created districts	12

PART II

LOCAL TOUR

8.0 Report on the Local tour	13
9.0 Committee's Observations and Recommendations	14

PART III

CONSIDERATION OF THE ACTION-TAKEN REPORT ON THE REPORT OF THE COMMITTEE FOR THE FIRST SESSION OF THE TWELFTH NATIONAL ASSEMBLY

Prevention of Road Traffic Accidents

10.1 Introduction of measures to prevent road traffic accidents	25
---	----

10.2	Amendment of the <i>Road Traffic Act No. 11 of 2002</i>	25
10.3	Construction of a dual carriage way from Lusaka to Ndola	26

The Management of Railway Transport

10.4	Establishing of Public - Private Partnerships by TAZARA	26
10.5	Payment of Retirees from TAZARA	27
10.6	Fuel Levy to be directed towards support of the Railway Sector	28
10.7	Rehabilitation of Mulobezi Railway Line	28
10.8	Payment of terminal benefits to former Railway Services of Zambia Employees	28
10.9	Clearance of TAZARA debt	29

The Rehabilitation of State House

10.10	Building of a new State House	29
-------	-------------------------------	----

Review of the ICT Policy

10.11	Review of the ICT Policy	30
-------	--------------------------	----

11.0	Conclusion	30
	Appendix I – List of National Assembly Officials	31

REPORT OF THE COMMITTEE ON TRANSPORT, WORKS AND SUPPLY FOR THE SECOND SESSION OF THE TWELFTH NATIONAL ASSEMBLY APPOINTED ON THURSDAY, 20TH SEPTEMBER, 2017

Consisting of:

Mr D M Syakalima, MP (Chairperson); Ms C C Kasanda, MP (Vice Chairperson), Mr P Daka, MP; Ms G Katuta, MP; Mr R Lihefu, MP; Mr A C Mumba, MP; Mr R Mutale, MP; Mr G Sialubalo, MP; Mr Y Siwanzi, MP; and Mr G Zimba, MP. The composition of the Committee changed with the appointment of Mr R Mutale, MP as Deputy Chief Whip. He was replaced by Mr J Kabamba, MP.

The Honourable Mr Speaker
National Assembly
Parliament Buildings
LUSAKA

Sir,

Your Committee has the honour to present its Report for the Second Session of the Twelfth National Assembly.

Functions of the Committee

2.0 In line with Standing Order 157 (2), the duties of the Committee on Transport, Works and Supply are to:

- i) study, report and make appropriate recommendations to the Government through the House on the mandate, management and operations of the Government ministries, departments and/or agencies under its portfolio;
- ii) carry out detailed scrutiny of certain activities being undertaken by the Government ministries, departments and/or agencies under its portfolio and make appropriate recommendations to the House for ultimate consideration by the Government;
- iii) make, if considered necessary, recommendations to the Government on the need to review certain policies and certain existing legislation;
- iv) examine annual reports of Government ministries and departments under its portfolio in the context of the autonomy and efficiency of Government ministries and departments and determine whether the affairs of the said bodies are being managed according to relevant

- Acts of Parliament, established regulations, rules and general orders;
- v) consider any Bills that may be referred to it by the House;
 - vi) consider international agreements and treaties in accordance with Article 63 of the Constitution;
 - vii) consider special audit reports referred to it by the Speaker or an Order of the House;
 - viii) where appropriate, hold public hearings on a matter under its consideration; and
 - ix) consider any matter referred to it by the Speaker on an Order of the House.

Meetings of the Committee

3.0 Your Committee held twelve meetings during the year under review to consider the topical issue under consideration.

Programme of Work

4.0 At your Committee's second meeting held on Thursday, 28th September 2017, it considered and adopted the following Programme of Work:

- (a) consideration of the Action-Taken Report on the Committee's Report for the First Session of the Twelfth National Assembly;
- (b) Consideration of the Topical issue - Infrastructure Development in the Newly Created Districts; and
- (c) consideration of the draft report.

Procedure adopted by the Committee

5.0 Your Committee requested detailed memoranda on the topic under consideration from relevant stakeholders, and invited them to appear before it in order to give verbal submissions and clarifications on issues arising from their submissions. Your Committee also undertook a local tour to Central, Lusaka and Luapula provinces.

Arrangement of the Report

6.0 The Report of your Committee is in three parts. Part I deals with the topical issue considered by your Committee, while Part II is on the

Committee's tour and Part III is on the Action-Taken Report on the Committee's Report for the First Session of the Twelfth National Assembly.

PART 1

DEVELOPMENT OF INFRASTRUCTURE IN THE NEWLY CREATED DISTRICTS

7.0 OBJECTIVES OF THE STUDY

The objectives of the study were to:

- (i) appreciate the policy governing infrastructure development in the districts;
- (ii) appreciate the state of infrastructure in the newly created districts;
- (iii) appreciate the challenges, if any, faced in development of infrastructure in the newly created districts ; and
- (iv) recommend the way forward in the development of infrastructure in the newly created districts.

In 2010, Zambia had a total of nine provinces and seventy two districts. In 2011, the situation changed as one more province was created, increasing the number of provinces to ten. Then another twenty eight districts were created, increasing the number of districts to 110.

The creation of the new districts was one of the major policy measures that the Government took in the quest to attain the country's full decentralisation, and equitable distribution of national resources. The basic concept of creating new districts was to ensure that the people there had easy and full access to public services. These services included health, education, agricultural extension, as well as creating jobs for local people during the construction phase, and permanent jobs in the post construction phase. Lack of, or poorly constructed infrastructure denied members of the public access to the much required basic public services.

The Seventh National Development Plan (7NDP) further emphasises the development of the construction industry in Zambia, in order to contribute to improving the state of infrastructure in the country, absorb youths into gainful employment, and reduce poverty. The Plan states that the focus in the construction industry should be on projects that are labour intensive, and create jobs upon implementation. In this regard, the Government has

laid down plans to ensure full execution of the construction of office blocks, and housing units in the newly created districts.

In light of the above, your Committee resolved to carry out a study to clearly understand and ascertain the development of infrastructure in the newly created districts.

Witnesses

7.1 Your Committee interacted with the witnesses below.

- i. Ministry of Works and Supply.
- ii. Ministry of Housing and Infrastructure development.
- iii. Ministry of Finance.
- iv. Ministry of National Planning and Development.
- v. Ministry of Local Government.
- vi. Ministry of Defence.
- vii. Ministry of Health.
- viii. Ministry of General Education.
- ix. Ministry of Agriculture.
- x. Ministry of Home Affairs.
- xi. Ministry of Lands.
- xii. Ministry of Chiefs and Traditional Affairs.
- xiii. Road Development Agency.
- xiv. Road Transport and Safety Agency (RATSA).
- xv. University of Zambia.
- xvi. Engineering Institution of Zambia.
- Xvii. National Council for Construction.
- Xviii. National Housing Authority.
- xix. Zambia Institute of Architects.

xx. National Pension Scheme Authority (NAPSA).

Xxi. Rural Electrification Authority (REA).

SUMMARY OF STAKEHOLDERS' SUBMISSIONS

Policy Governing Infrastructure Development in Zambia

7.2 Your Committee was informed that Zambia lacked an integrated policy that outlined the mechanisms of infrastructure provision across all key sectors. There were, however, sector specific policies in place, some of which were currently undergoing review such as the National Water Policy, the Land Policy and the National Housing Policy, in order to make them more relevant and in tandem with current and future developmental trends.

Your Committee was further informed that sector specific policy pronouncements were espoused in the following ways:

- a) *The National Decentralisation Policy* which advocated for participation in the decision – making process by local communities, as a way in which efficiency and effectiveness could be assured in the delivery of public services. The communities were, therefore, a critical stakeholder that needed to be consulted when coming up with new developmental initiatives.
- b) *The National Housing Policy* (currently under review) which advocated for the availing of serviced land for new housing developments, streamlining of building standards and other controls, and ensuring that housing was functional, healthy, aesthetically pleasant, and environmentally friendly.
- c) *The National Policy on Environment* which outlined a comprehensive framework, which was necessary for effective natural resource utilisation, environmental conservation, and also sensitivity to the demands of sustainable development. The Seventh National Development Plan states that most urban residents lack adequate access to housing, energy, clean and safe drinking water, and sanitation-a result of ineffective urban planning, and weak legal enforcement mechanisms.

Your Committee heard that the creation of new districts had the potential to enhance service delivery at the local level. This, however, depended on the manner in which the planning was carried out to ensure that all the

preliminary but vital aspects were catered for, before the physical implementation process was embarked upon.

Your Committee learnt that the Seventh National Development Plan underscores the above assertion. The Plan states, for example, that Zambia's major cities and urban centers have most of their inhabitants living in squatter and unplanned settlements. The inhabitants lacked adequate access to housing, safe drinking water, sanitation, and transport services. This situation was as a result of ineffective urban planning, and weak legal enforcement mechanisms. The required response to this undesirable state of affairs was to develop policies and accompanying strategies that would leverage the many prevailing socio-economic opportunities. It was further observed that the new districts would need privately financed infrastructure for communities to function effectively. Furthermore, this infrastructure would serve as a vital source of revenue for the newly established local authorities, through rates and other local taxes. This would, further, enhance overall sustainability and create an appetite for municipal services.

Your Committee was informed that the existing policy and legal framework was severely handicapped. It was, therefore, essential that the planning process should incorporate an aspect of how the private sector could be attracted to invest in the new districts. This could be carried out through implementation of specifically targeted incentives, formulation of an appropriate enabling policy framework and an accompanying strategy.

The State of Infrastructure in the Newly Created Districts

7.3 Your Committee was informed that overall, there was progress in the development of infrastructure in the newly created districts. However, in some districts, projects had stalled due to lack of funding. The situation required urgent intervention to ensure completion of the projects.

Further, your Committee was informed that planning for land utilisation in the new districts was a challenge because of the lack of modern techniques such as cartography.

a) Electrification of Newly Created Districts

Your Committee was informed that the Rural Electrification Authority had been electrifying the newly created districts, using technologies available and the status of works carried out in some of the new districts are highlighted in Table 1 below.

Table 1: Electrification of New districts

District Name	Project Description/Scope	Status	Beneficiaries
Luampa	<p>Project implementation involved the construction of 66/33/11kv 2.5MVA Substation, 22km of 33kV</p> <p>High Voltage line and approximately 3,500m of Medium voltage line.</p>	The Luampa Substation project was completed and commissioned on 7 th November 2017.	<p>Upon project completion, Mwandasengo Primary School, as well as the associated institutional staff houses had been electrified and this had directly benefited a total number of 1,798 pupils currently enrolled at the beneficiary school.</p> <p>Forty - four (44) public service workers (teachers) employed at the school and rural health centre had also benefitted from the project. In the long term, the project would also indirectly benefit an estimated catchment population of about 3,240 members of the community,</p>

			who had begun to apply for electricity connection with ZESCO.
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Mushindamo	The project involved the installation of an SF6 33kV Breaker at the already existing Mushindamo substation, as well as the construction of 9,845m of Medium Voltage line, 118m of 33KV and 10.6km of 11kV High Voltage power lines from Solwezi to the new Mushindamo	The Mushindamo Grid Extension Project was completed and technically commissioned on 22nd July 2017.	The project was set to directly benefit a total number of 3,721 pupils that were currently enrolled at the seven (7) beneficiary schools, and about eighty seven (87) public service workers (teachers) employed at the schools. The electrification of the Rural Health Centre (RHC) would also indirectly benefit
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	district.		an estimated catchment population of about 8,656.
Milenge	The project involved construction of 165km 33KV High Voltage power line from Mansa - Samfya junction and 31.52km of Medium Voltage line.	The project was currently under implementation and 66km out of a total distance of 150km of the High Voltage (HV) power line had been completed. The remaining 84km of HV line was expected to be completed by the end of December 2017.	Once completed, the Project was targeted to directly benefit a total number of 2,806 pupils currently enrolled at the five (5) beneficiary schools, and about seventy one (71) public service workers (teachers) employed at the schools, rural health center, youth resource center ,local court and community development center. The project would also indirectly benefit an estimated catchment population of about 31,790 people.

Lunga	<p>REA was in the process of developing a 300Wp Solar Mini Grid in Kasoma on Lunga Island. The project would be the second (2) isolated Mini Grid to be implemented by the REA, with Mpanta Solar Mini Grid Plant being the first ever solar mini grid to be developed by the REA.</p> <p>The Authority was also conducting a Wind Resource Assessment in</p>	<p>The contract was terminated due to non-compliance by the contractor to the REA project implementation standards. The Authority had therefore advertised for an Expression of Interest (EOI) to engage the private sector to undertake all the phases (civil works, MV Network, Solar System and operation & Maintenance) of the Project. The tendering for</p>	<p>Once completed, the project would directly benefit a total number of 1,059 pupils (640 boys and 419 girls), who were currently enrolled at Kasoma Lunga and Kalimankonde. The Project targeted basic schools as well as ten (10) public service workers (teachers) at the basic schools.</p> <p>The project would also indirectly benefit an estimated catchment population of seven thousand seven hundred and twenty (7,720).</p>

	<p>the same area, with a view to developing a hybrid energy system (solar and wind).</p>	<p>construction of civil structures for the Solar Mini Grid was closed on 6th October 2017. It now awaited evaluation of the bid to award the contract to the best bidder. The Technology Development and Advisory Unit (TDAU) of the University of Zambia (UNZA) would assess the project for a period of 1 year. The assessment would be concluded in the second quarter of 2018.</p>	
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Mwansabombwe	<p>The Intensification Programme was implemented in two (2) phases:</p> <p>Phase 1: The project involved construction of 400m of High Voltage power line, 9km of Medium Voltage line, internal wiring and 24 connections.</p> <p>Phase 2: Construction of 11.4km of Medium Voltage lines, internal wiring and 1,817 connections.</p>	<p>Phase 1 of the Intensification Programme was commissioned in 2017. For Phase 2, REA had engaged ZESCO Ltd through a Memorandum of Understanding (MoU) to undertake the second phase of the project.</p>	<p>The Mwansabombwe Electricity Connection Intensification Project involved the supply of electricity to one thousand four hundred and seventy (1,470) service connections. All these connections were made using Ready Boards to the targeted 1,470 grass thatched houses in the project area.</p>
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b) Road Works

Your Committee was informed that the Ministry of Transport and Communication, through the Road Development Agency, the National Road Development Fund, and the Ministry of Local Government, was carrying out road works in the new districts of Shibuyunji, Vubwi, Chipili and Lunga. Apart from construction of new high way and township roads, the Ministry was also upgrading gravel roads to bituminous standard. The Ministry of Local Government, in conjunction with Zambia National Service, was working on the development of feeder roads. Regarding the new districts of Chembe, Ikelen'gi, Manyinga, Luampa, Nkeyema, Sikongo, Nalolo, Chikankata, Pemba, Nsama, Lunte, Mafinga, Shiwanga'ndu, and Ngabwe, your Committee was informed that evaluation studies for road development had been carried out, and contracts had been awarded. However, works were still pending provision of finances.

The Road Transport and Safety Agency informed your Committee that one of its major objectives was to establish stations in all the districts. In their quest to achieve this, the Agency had faced challenges as the cost of land in some districts was too high. The renting of station offices had also proved to be a strain on the Agency's resources.

C) Construction and Upgrading of Schools

Your Committee heard that the Ministry of General Education had embarked on the construction of various schools in the newly created districts as indicated in Table 2 below.

Table 2: Schools constructed in the newly Districts

S/N	Name of School	District	Province
1.	Vubwi boarding school	Vubwi District	Eastern Province
2.	Sinda Day School	Sinda District	Eastern Province
3.	Justin Mukando Boarding School	Chitambo District	Central Province
4.	Ndondi Boarding School	Pemba District	Southern Province
5.	Rufunsa Girls Technical Boarding School	Rufunsa District	Lusaka Province
6.	Mwembeshi Boarding School	Chilanga District	Lusaka Province

7.	Nsama Boarding School	Nsama District	Northern Province
8.	Kapale Boarding School	Mwansabombwe District	Luapula Province
9.	Chembe Boarding School	Chembe District	Luapula Province
10.	Mitete Boarding School	Mitete District	Western Province
11.	Sikongo Boarding School	Sikongo District	Western Province
12.	Nangweshi Boarding School	Sioma District	Western Province
13.	Nalolo boarding School	Nalolo District	Western Province
14.	Ikeleng'i Boarding School	Ikeleng'i District	North Western Province
15.	Mushindamo Boarding School	Mushindamo District	North Western Province
16.	Muyombe Boarding School	Mafinga District	Muchinga Province

Further, the Ministry had launched a countrywide upgrading of 220 primary schools into secondary schools. Some of the upgraded schools were in the newly created districts. There was a serious lack of accommodation for teachers in the new districts; therefore, apart from building new classroom blocks, the upgrading of schools also involved the construction of teachers' houses.

Challenges Faced in Development of Infrastructure in the Newly Created Districts

7.4 Your Committee was informed that the challenges set out below had been faced in the development of infrastructure in the newly created districts.

- a) Financial resources required for the efficient construction of adequate infrastructure, and provision of suitable equipment was lacking, resulting in many projects in the new districts stalling due to inadequate funding.

- b) The funding provided was not enough to support the procurement of external consultants, who were required to compliment Government's efforts in providing effective supervision of the works.
- c) There was inadequate coordination amongst the several stakeholders who were implementing the same construction activities using different sources of funding.
- d) The Ministry of Finance was facing challenges in matching available resources with the expenditure demands, particularly in recent years when there was a slowdown in the growth of the economy. The slowdown was on account of both global and domestic factors such as low commodity prices, electricity supply deficits, high inflation and a deteriorated external sector. These challenges had dampened economic activities, and adversely affected the collection of domestic revenues. Consequently, the Government could not fully finance its expenditures, including those in new districts.
- e) In order to support and sustain growth in other sectors of the economy, the Government had to undertake a number of development projects, despite the limited resources available. This had led to an accumulation of arrears through unpaid Interim Payment Certificates (IPCs).
- f) Your Committee was informed that to ensure adequate planning for infrastructure development in the new districts, all the major stake holders should be involved in the process. Chiefs played a major role in land administration in Zambia. However, the Ministry representing their interests (the Ministry of Chiefs and Traditional Affairs) lacked finances to fully decentralise its functions to district level. This had resulted into the Ministry failing to fully participate in the planning and development of new districts.

PART II

LOCAL TOUR

REPORT ON THE LOCAL TOUR

8.0 Your Committee undertook its local tour from 23rd to 30th April, 2018. In line with its topical issue, your Committee toured infrastructure development projects in the following five newly created districts:

- i. Chipili – Luapula Province;
- ii. Mwanabombwe – Luapula Province;
- iii. Chitambo – Central Province;
- iv. Chisamba – Central Province; and
- v. Chilanga – Lusaka Province.

The main objective of the tour was to carry out an on-the-spot check on the development of infrastructure in the newly created districts. The findings of your Committee are laid out hereunder.

CHIPILI DISTRICT

8.1. Your Committee was informed that Chipili District was created in 2012.

i. Construction of District Administration Office Block

Your Committee was informed that the project was initiated in December, 2014, at a contract sum of K6,491,081.00, and a revised completion date of December, 2018. Your Committee toured the project and observed that the building was at roof level. The contractor had been paid a sum of K3,941,209.00. Unfortunately, the works had stalled at 48% due to delayed payments.

ii. Construction of Civic Centre, Two High Cost Houses and Associated Internal Works

Your Committee learnt that the project was initiated in February, 2014 at a contract sum of K6,411,168.85. The Civic Centre office block was at wall plate level. One of the houses was at substructure level, whilst the other construction had not yet begun. The contractor had been paid a sum of K2,469,059.63 but the project had since been abandoned and it had been recommended that the contract be terminated.

iii. Construction of Ten Medium Cost Houses and Associated External Works

The project was initiated in December, 2014 at a contract sum of K9,091,329.50. The contractor had only carried out some excavations for foundations and he had not been paid any money. The contract was terminated and a new contractor had been engaged, but he had not carried out any works.

iv. Construction of Ten Medium Cost Houses and Associated External Works

The project was initiated in May, 2017 at a contract sum of K 9,420,341.24. The completion date had been revised to December, 2018. The building of the walls had started on five of the houses, whilst the remaining five were on substructure level. The contractor was paid an amount of K1,844,068.24, and was awaiting further advance payments to speed up the works.

v. Construction of Twenty Low Cost Houses and Associated External Works

The project was initiated in December, 2014, at a contract sum of K11,632,264.25. Seventeen of the houses were at ring beam level. Two boreholes had been fixed and external works had commenced. The contractor had been paid an amount of K4,083,221.12, although he had since abandoned the site and the project had stalled. The contract had been recommended for termination.

vi. Construction of a Police Station, Eight Low Cost Houses, Two Medium Cost Houses, and Associated External Works

The project was initiated in December, 2014, at a contract sum of K13,496,299.35, and the completion date had been revised to December, 2018. The contractor had been paid a total sum of K5,875,869.08. Three wings of the police station were at ring beam level, whilst the rest of the building was at window level. The eight low cost houses were at ring beam level, and so were the two medium cost houses. The works had slowed down due to delayed payments.

vii. Construction of Post Office and Associated External Works

The project was initiated in December, 2014, at a contract sum of K3,223,164.00. The completion date had been revised to December, 2018.

The structure had been roofed and plastered but works had stalled due to delayed payments.

MWANSABOMBWE

8.2 Your Committee was informed that Mwanabombwe District was created in 2012.

i. Construction of District Administration Office Block and Associated External Works

The project was initiated on 2nd December, 2014 at a contract sum of K4, 120,150.75 and so far, a total of K1, 498,416.61 had been paid to the contractor. The building was at wall plate level with door frames fitted, and the inside of the building was plastered. Works had, however, stalled due to delayed payments.

ii. Construction of a Civic Centre, Two High Cost Houses and Associated External Works

The project was initiated on 10th December, 2014, at a contract sum of K5,985,670.35 and so far a total of K3,545,492.64 had been paid to the contractor. The office block and the two high cost houses had been roofed but works had stalled due to delayed payments.

iii. Construction of Ten Medium Cost Houses and Associated External Works

The project was initiated on 2nd December, 2014, at a contract sum of K8,026,819.04 and a total of K4,764,291.05 had been paid to the contractor.

The ten medium houses were at roof level, and electrical fittings and plumbing works had been completed. The contractor had continued with works at a slow pace due to delayed payments.

iv. Construction of Twenty Low Cost Houses and Associated External Works

The project was initiated on 24th February, 2014, at a contract sum of K12,161,006.95 and a total of K7,000,610.70 had so far been paid to the contractor. Eighteen houses had been roofed, while two houses were at gable level. Electrical fittings and one borehole were installed. Landscaping

had commenced, and the contractor had been warned over unauthorised work stoppages.

v. Construction of Police Station, Eight Low Cost and Two Medium Cost Houses and Associated External Works

The project was initiated on 1st June 2015, at a contract sum of K15,095,421.95 and a total of K7,380,608.88 had been paid to the contractor. All the ten staff houses were at wall plate level. The police station's super structure block work had commenced, and the contractor had been cautioned on slow work pace.

vi. Construction of a Post Office and Associated External Works (terminated)

The project was initiated on 2nd December, 2014, at a contract sum of K2,009,370 and so far a total of K401,874.10 had been paid to the contractor. Only a foundation box had been built on the site. Due to poor work ethics, the contract was terminated and replaced by another contractor.

vii. Construction of a Post Office and Associated External Works

The Project was initiated on 26th June, 2017, at a contract sum of K4,975,768.96. Due to poor work ethics, the contract was terminated at substructure level. A new contractor was awaiting settlement of advance payments.

CHITAMBO DISTRICT

8.3 Chitambo District was created in 2012 and your Committee visited the site that had been finally agreed to host the development of infrastructure in the newly created District. Your Committee was informed that the development of infrastructure in the District had been delayed due to a land dispute, which had since been resolved, and an area agreeable to all stakeholders had been identified.

Your Committee was informed that the Zambia National Service and ZESCO had moved on site to work on the major road and electricity supply. Your Committee was further informed that a dam for water supply was about to be constructed.

Your Committee heard that the District awaited the fulfillment of the pledge by the Ministry of Housing and Infrastructure Development, to send in contractors to begin the development of infrastructure.

Your Committee was informed that although the Government had set out a policy to only fund projects that were 80% and above complete, Chitambo District would be taken on as a special case.

CHISAMBA DISTRICT

8.4 Your Committee was informed that Chisamba District was created in 2012.

i. Construction of District Administration Office Block and Associated External Works

The project was initiated on 26th February, 2015 at a contract sum of K5,707,175.80 and so far a total of K1,871,767.46 had been paid to the contractor. Works on the office block were at wall plate level. Unfortunately works had stalled due to delayed settlement of outstanding payment certificates.

ii. Construction of a Civic Centre, Two High Cost Houses and Associated External Works

The project was initiated on 26th February, 2015, at a contract sum of K6,235,586.96. So far, a total of K3,210,266.19 had been paid to the contractor. All the structures were roofed, plastered, and the installation of electrical and plumbing fittings had commenced. External works had commenced, but they had slowed down due to delayed settlement of outstanding payments.

iii. Construction of Ten Medium Cost Houses and Associated External Works

The project was initiated on 27th February, 2015, at a contract sum of K5,576,862 and so far a total of K2,134,887 had been paid to the contractor. Ten houses were at roof level, and one house was at wall plate level. The contractor had been cautioned on the slow pace of works.

iv. Construction of Two Low Cost Houses and Associated External Works

The project was initiated on 26th February, 2015, at a contract sum of K7,975,378.97 and so far a total of K3,727,891.64 had been paid to the contractor. All the two houses had been plastered while electrical and plumbing fittings had been completed. Tiling, ceiling and external works had commenced. However, works had slowed down due to delayed settlement of outstanding payments.

v. Construction of a Police Station, Eight Low Cost and Two Medium Cost Houses and Associated External Works

The project was initiated on 27th February, 2015, at a contract sum of K14,440,330.76. So far a total of K3,814,978.93 had been paid to the contractor. The police office block was at ring beam level. Two medium cost houses and eight low cost houses were at wall plate level. Works had slowed down due to delayed settlement of outstanding payments.

vi. Construction of a Post Office and Associated External Works

The project was initiated on 26th February, 2015, at a contract sum of K2,131,891.52 and so far a total of K785,065.04 had been paid to the contractor.

Works had progressed to near wall plate level. The contractor was cautioned on the slow pace of work.

vii. Chisamba Ranch Health Post

Your Committee was informed that the health post was completed but had not been handed over to the community due to the issue of the toilet, which was built too close to the borehole. The health post was one of 650 being built country wide. The contractor had been instructed to relocate the toilets which had not yet been done.

Your Committee observed that the facility had been heavily vandalised. The solar panels were missing, and so were the windows, doors and electrical wiring.

CHILANGA DISTRICT

8.5 Your Committee was informed that Chilanga District was created in 2012.

i. Construction of District Administration Office Block and Associated External Works

The project was initiated on 28th September 2015, at a contract sum of K3,504,290.91. So far, a total of K1,720,997.78 had been paid to the contractor. Roofing was in progress and the project was at 61% complete. Unfortunately, works had slowed down due to lack of funding.

ii. Construction of a Civic Centre, Two High Cost Houses and Associated External Works

The project was initially started on 27th February, 2015. Upon termination of this contract, a second contract was commenced on 28th September, 2017, at a contract sum of K5,389,317.64. So far a total of K1,942,853.37 had been paid to the contractor. The project for the construction of the civic centre was at 40% complete. The houses were at finishing level. Unfortunately the works had stopped due to non payment.

iii. Construction of ten Medium Cost Houses and Associated External Works

The project was initiated on 7th October, 2015 at a contract sum of K8,588,881.20 and so far, a total of K3,063,674 had been paid to the contractor. Works were at 65% complete with all ten houses roofed and plastered. Unfortunately works had stalled due to delayed settlement of bills. The project had further delayed due to land disputes as the site was only given to the contractor in September, 2015.

iv. Construction of two Low Cost Houses and Associated External Works

The project was initiated on 7th October, 2015, at a contract sum of K11,860,495.40. So far, a total of K8,688,960.18 had been paid to the contractor. The project was at 85% complete, and the two houses had been roofed, plastered and electrical and plumbing works had been fitted. Painting and external works were in progress although these had slowed down due to delayed settlement of outstanding payments.

v. Construction of a Post Office and Associated External Works

Your Committee was informed that there was a problem with land and the site was only handed over to the contractor in April, 2016. The project was initiated at a contract sum of K2,946,926.36. So far, a total of K592,985.27 had been paid to the contractor. The project was at 42%

complete, and although the site was not suitable, works had to commence to avoid any further delays. The project was at wall plate level.

Committee's Observations and Recommendations

9.0 Having interacted with the various witnesses and undertaken the local tour, your Committee makes the observations and recommendations listed hereunder.

- i Your Committee expresses concern that the country lacks a comprehensive integrated infrastructure development policy to ensure successful development of infrastructure in the new districts.

Your Committee, therefore, strongly recommends that the Government should put in place a policy that will encompass all relevant Government agencies, and facilitate proper planning, prioritisation of infrastructure development projects and adequate financial resource allocation to the projects both at institutional and national level.

- ii. Your Committee is concerned that the Land Policy has not yet been finalised, thereby hampering efficient and effective utilisation of the land in the country.

Your Committee urges the Government to expedite the finalisation of the Land Policy, so as to promote the optimal utilisation of land in the country.

- iii. Your Committee observes with concern that there is a lack of cooperation amongst major regulatory and professional bodies such as the Engineering Institution of Zambia, National Council for Construction, and the Zambia Institute of Architects, thereby hampering infrastructure development in the country.

In order to eliminate conflict, curb overlapping of mandates, and promote closer collaboration and harmonisation of synergies among regulatory bodies, your Committee urges the Government to review the various pieces of legislation governing the professional and regulatory bodies.

- iv. Your Committee observes that due to limited funding, the National Council for Construction (NCC) has failed to spread its activities countrywide.

In light of the above, your Committee recommends that the Government should avail both financial and material resources to the NCC, to allow it to decentralise its operations to all the provinces in order to enhance skills development.

- v. Your Committee is concerned over the weak coordination between the Ministry of Finance and the Ministry of Housing and Infrastructure Development, which is hampering infrastructure development in the newly created districts.

Your Committee recommends that the Government should put measures in place to ensure greater collaboration between the two ministries, and for the Ministry of Finance to fully advise the Government with regard to availability of funding before the inception of new projects.

- vi. Your Committee observes with concern that though massive infrastructure development projects have been initiated in most of the newly created districts, most of the projects have stalled due to non payment of contractors.

Your Committee recommends that the Government should seriously evaluate the projects and ensure that adequate funding is provided for the completion of the projects.

- vii. Your Committee observes that inadequate funding is a major challenge to the development of infrastructure in the newly created districts.

Your Committee strongly recommends that the Government should consider establishing public private partnerships so as to enhance funding for infrastructure development in newly created districts.

Your Committee further urges the Government to urgently put measures in place to support local industries such as block making and hardware supply in close proximity to project areas. This will help to reduce costs and promote local empowerment initiatives.

- viii. Your Committee is concerned that contracts for the development of infrastructure are crafted without taking into consideration the local environment prevailing in the country. As a result, most contractors are failing to meet the deadlines set in the contracts.

Your Committee recommends that the Ministry of Housing and Infrastructure Development should review the process of awarding the

contracts, and ensure that the local environment such as the capacity of both the Government and contractors to fulfil the contractual obligations are taken into consideration.

- ix. Your Committee observes with concern that by the time poor performing contracts for development of infrastructure in the new districts are terminated, most bonds acquired by the contractors will have expired and cannot be cashed for money to be paid to new contractors.

Your Committee recommends that the Ministry of Housing and Infrastructure Development should provide constant supervision of the contractors to ensure that their bonds are valid.

- x. Your Committee observes that while Government policy to prioritise funding only for projects that were 80% and above complete is well meaning, to avoid spreading out of limited resources without any tangible benefits, it has disadvantaged some contractors who had put in their own resources to reach levels of 70% in some cases.

Your Committee recommends that the policy be reviewed so that decisions are made on a case by case basis.

- xi. Your Committee observes that most of the newly created district infrastructure development projects are in isolated areas with no proper road networks. Your Committee further observes that there is no infrastructure for supporting facilities such as health and education.

Your Committee urges the Government to ensure that roads to the projects and infrastructure for supporting facilities are developed at the same time, so as to have a holistic development of the districts.

- xii. Your Committee observes that Government agencies are facing challenges in establishing their operational centres in the new districts due to the high price of land. For example, the Road Transport and Safety Agency informed your Committee that it had to buy land at a very high price in Mpika, which was detrimental to development of newly created districts.

Your Committee, therefore, urges the Government to initiate deliberate policy measures to ensure that Government agencies could acquire land at reasonable prices.

- xiii. Your Committee is seriously concerned with the high number of foreign contractors operating in Zambia at the expense of local contractors.

To ensure safety and strict adherence to standards, your Committee recommends for an independent due diligence on the contractors, in order to establish their capacity, competence and compliance with professional and regulatory requirements.

- xiv. Your Committee observes that lack of funding has hindered Zambian contractors from fully participating in the development of infrastructure in the new districts. It notes that the higher taxes paid by Zambian contractors coupled with unfavourable conditions have made it very difficult for them to access bank loans. Due to this negative situation, Zambian contractors cannot take up complex projects, as they have failed to upgrade their National Council for Construction classes.

Your Committee urges the Government to ensure full participation of the Zambian contractors by availing them more opportunities, knowledge and skills to undertake the jobs. Further, measures should also be taken to review the unfavourable taxes and loan conditions. The Government should further consider the establishment of a dedicated institution, such as a construction bank, to principally support and stimulate local contractor growth and development.

- xv. Your Committee observes with concern that in Chilanga District, contracts were awarded before identification of land for the development of infrastructure. When the land was finally identified, it was discovered that it was very rocky and the excavation exercise cost more than was originally budgeted for.

Your Committee urges the Government to put measures in place to ensure that before contracts are awarded, land should be identified and surveyed in order to arrive at appropriate figures in the construction budget.

- xvii. Your Committee is saddened by the rampant vandalism at the Chisamba Ranch Health Post.

Your Committee recommends that completed structures should be handed over to the community for use and protection from vandalism. Problems identified should be quickly rectified to avoid further destruction and more costs.

- xviii. Your Committee is concerned that planning for land utilisation in the new districts still uses out dated methods, making it difficult for authorities to quickly identify illegal activities such as encroachment.

Your Committee, therefore, strongly recommends that the Government should put measures in place to ensure utilisation of modern planning techniques such as cartography.

- xix. Your Committee expresses serious concern at the large number of uncompleted infrastructure projects, especially in the schools in the new districts. This has resulted into an unkempt and unsafe environment, as well as tying up public resources without the public enjoying the use of the infrastructure.

Your Committee strongly urges the Government to avoid spreading resources thinly with no tangible results, by ensuring that older projects are completed before embarking on new ones. Your Committee further urges the Government to ensure that payment certificates are honoured within the stipulated time, in accordance with the contract in order to avoid unnecessary costs in contractual penalties due to failure to honour the certificates timely.

- xx. Your Committee expresses concern at the acute shortage of teachers' accommodation in most of the schools in the newly created districts. While appreciating that a large number of schools have been upgraded in these districts, your Committee observes that a lot remains to be done for the schools to be fully equipped.

Your Committee, therefore, strongly recommends that the Government should put in place measures for provision of modern equipment, qualified teachers, and a comprehensive maintenance plan. Your Committee also urges the Government to consider utilising prefabricated models to ensure that quick, safe and affordable accommodation for teachers is provided.

- xi. Your Committee observes with concern that some infrastructure development projects in the new districts have resulted into displacement of people, and widespread deforestation.

Your Committee urges the Government to establish and enforce a standard legal procedure that will ensure that the communities are not

unduly displaced, and that where displacement of communities is inevitable, the rights of such are recognised and protected.

- xii. Your Committee observes with concern that a large number of qualified staff in the Ministry of Works and Supply has been moved to the new Ministry of Housing and Infrastructure Development. This move had greatly hindered the preventive maintenance role of the Ministry of Works and Supply.

To ensure continued effective operations of the Ministry of Works and Supply, your Committee recommends that the Government takes measures to ensure recruitment and retention of qualified staff.

PART III

CONSIDERATION OF THE ACTION-TAKEN REPORT ON THE REPORT OF THE COMMITTEE FOR THE FIRST SESSION OF THE TWELFTH NATIONAL ASSEMBLY

PREVENTION OF ROAD TRAFFIC ACCIDENTS

Introduction of Measures to Prevent Road Traffic Accidents

10.1 Your previous Committee had recommended for wide spread consultation before the introduction of any measure to prevent road traffic accidents. Further, the Ministry of Transport and Communication should ensure that it gained the support of the transporters, by sharing with them the benefits of the measures being undertaken.

Executive's Response

In response, your Committee was informed that the Agency held two consultative meetings in Kitwe and Lusaka, to get the views of the general public on the impact of Statutory Instrument (SI) No. 76. Arising from the said consultative meetings, another SI had been drafted to amend SI No 76 and was being considered for issuance. Hence forth, the Agency would ensure widespread consultations were undertaken before introducing any new measures to promote road safety. The Agency would also highlight the objectives of the proposed measures to the transporters.

Committee's Observations and Recommendations

Your committee requests an update on the issuance of a fresh Statutory Instrument amending Statutory Instrument no 76.

Amendment of the Road Traffic Act No. 11 of 2002

10.2 Your previous Committee had recommended for urgent preparation and presentation of a Bill to amend the *Road Traffic Act No 11 of 2002*.

Executive's Response

In response, your Committee was informed that Cabinet did not approve the Cabinet Memorandum presented due to two contentious provisions in the Bill, namely - Administration of Admission of Guilty Fines and Manning of Road Blocks by RTSA Traffic Inspectors. The Bill had since been revised to remove the two contentious provisions, and would be resubmitted to Cabinet Office for presentation to Cabinet. The Ministry would update the Committee on progress made.

Committee's Observations and Recommendations

Your Committee requests for an update on the presentation of the Bill to amend *The Road Traffic Act No 11 of 2002*.

Construction of Dual Carriage Way from Lusaka to Ndola

10.3 Your previous Committee had recommended that the construction of a dual carriage way from Lusaka to the Copperbelt should be undertaken as a matter of urgency, so as to reduce the occurrences of road traffic accidents.

Executive's Response

In response, your Committee was informed that the contract for the upgrading to dual carriageway of the Lusaka to Ndola Road was awarded to China Jiangxi Cooperation. The works would be executed using funds to be facilitated by the contractor. It was envisaged that the works on the project would commence during the course of the fourth quarter of 2017.

Committee's Observations and Recommendations

Your Committee requests for an update on the commencement of the works on the Lusaka – Ndola Road.

THE MANAGEMENT OF RAILWAY TRANSPORT

Establishing Public-Private Partnerships by TAZARA

10.4 Your previous Committee had recommended that TAZARA, should be supported to establish public-private partnerships, which would ensure its development into a commercial entity, and enable it to raise funds for its own sustainability. Financial sustainability would ensure that the company could re - establishe itself as a modern railway company, able to compete with the road transport sector.

Executive's Response

In response, your Committee was informed that the Ministry of Transport and Communication was alive to the fact that one way to sustainably finance the operations of the TAZARA, was through a PPP Financing Model. To realise that broader objective, the Ministry was facilitating the PPP arrangements below.

- a. A public - private partnership between the TAZARA Mpika Training School, and the Copperbelt University School of Engineering for training of Railway Engineers. A Memorandum of Understanding was signed in January 2017;
- b. The Ministry of Transport and Communication, through the TAZARA Board, was facilitating a public - private partnership with potential investors in the Mununga Quarry in Mpika. This partnership would culminate into the transformation of the Quarry into a leading supplier of concrete sleepers, and ballast for Greenfield and Brownfield railway projects. The quarry would also supply materials for road construction.
- c. The Zambian and Tanzanian Governments were engaging the People's Republic of China on modalities for a model of cooperation that would see China Railway operating TAZARA for a period of 15-20 years. This model of cooperation would culminate in the Chinese Government investing \$398million for the modernisation of TAZARA.

Committee's Observations and Recommendations

Your Committee requests for an update on the matter.

Payment of Retirees from TAZARA

10.5 Regarding the payment of retirees from TAZARA, your previous Committee had recommended Government's urgent intervention to ensure that the retirees, most of them living in poverty, were paid their dues.

Executive's Response

In response, your Committee was informed that a total of 803 TAZARA retirees on the Zambian side were paid their retirement benefits. A total of K33,500,000 was paid in 2016 to clear all the retirees who were owed retirement benefits. However, there were 105 retirees whose payments were still pending due to insufficient documentation to support processing of their payments.

Committee's Observations and Recommendations

Your Committee requests for an update on the payment of the remaining 105 retirees.

Fuel Levy to be directed towards support of the Railway Sector

10.6 Your previous Committee had recommended that part of the funds raised through the fuel levy should be directed towards the support of the railway sector.

Executive's Response

In response, your Committee was informed that the Ministry of Finance was being engaged on modalities for the railway operators in Zambia, to benefit from revenue generated from fuel levy.

Committee's Observations and Recommendations

Your committee requests for an update on the matter.

Rehabilitation of Mulobezi Railway Line

10.7 Your previous Committee had recommended that part of the funding from Government should be targeted towards the rehabilitation of the Mulobezi Railway Line.

Executive's Response

In response, your Committee was informed that rehabilitation of Mulobezi Railway Line would be carried out as part of the rehabilitation and modernisation of the Zambia Railways Limited mainline. The rehabilitation would be from Mulobezi to Chingola, including the five branch lines.

Committee's Observations and Recommendations

Your Committee requests for an update on the matter.

Payment of terminal benefits to Former Railway Services of Zambia Employees

10.8 With regard to workers who had not been paid their dues after the termination of the concession with Railway Services of Zambia (RSZ), your previous Committee had urged the Government to dialogue with the workers, in order to arrive at an amicable agreement.

Executive's Response

In response, your Committee was informed that the payment of terminal benefits to former RSZ employees would be carried out in 2018. It had been agreed that the Ministry of Finance would include the K45, 900,000 in the 2018 budget.

Committee's Observations and Recommendations

Your Committee requests for an update on the matter.

Clearance of TAZARA Debt

10.9 Your previous Committee had recommended that both the Zambian and Tanzanian Governments should seriously discuss ways of clearing TAZARA's huge debt. The Chinese Government should be approached to reconsider the construction debt, and the statutory bodies should be approached and requested to provide a moratorium on the amount owed.

Executive's Response

Your Committee was informed that the Zambian and Tanzanian Governments were engaging the People's Republic of China, on modalities for cooperation that would see China Railway operating TAZARA for a period of 15-20 years. This model of cooperation would ensure that the Chinese Government invests \$398million for modernisation of TAZARA.

Committee's Observations and Recommendations

Your Committee requests for an update on the matter.

THE REHABILITATION OF STATE HOUSE

Building of a new State House

10.10 Your previous Committee had recommended that land should be located for a modern, more spacious, and safe building to house the Head of State.

Executive's Response

In response, your Committee was informed that the land where the State House was currently located was sufficient to accommodate the proposed new office block. The proposed building would be utilised as an office block, and it would have, among other things, facilities such as offices, conference halls, banquet halls, and committee rooms.

Committee's Observations and Recommendations

Your Committee requests for an update on the matter.

REVIEW OF THE ICT POLICY

Review of the ICT Policy

10.11 Your previous Committee had recommended for the review of the ICT Policy, to ensure that modern trends were incorporated.

Executive's Response

In response, your Committee was informed that the Ministry of Transport and Communication had commenced the process for the review of the ICT Policy. The Ministry had written to Cabinet, seeking approval for the review.

Committee's Observations and Recommendations

Your Committee requests for an update on the review of the ICT policy.

CONCLUSION

11.0 Your Members are grateful to you, Mr Speaker, for granting them the opportunity to serve on your Committee. Your Committee is also grateful to the office of the Clerk of the National Assembly for the support rendered to it throughout this session. Your Committee is further indebted to all witnesses that submitted memoranda and appeared before it.

Finally, your Committee remains confident that its observations and recommendations will be considered by the Executive and go a long way in addressing some of the challenges associated with the development of infrastructure in the newly created districts.

June, 2018
LUSAKA

D M Syakalima, MP
CHAIRPERSON

APPENDIX I

List of National Assembly Officials

Ms C Musonda, Principal Clerk of Committees
Mr F Nabulyato, Deputy Principal Clerk of Committees
Mr S Chiwota, Acting Senior Committee Clerk (SC)
Mrs C K Mumba, Committee Clerk
Ms A Mulale, Typist
Mr M Chikome, Committee Assistant
Mr D Lupiya, Acting Committee Assistant