



REPUBLIC OF ZAMBIA

REPORT

OF THE

COMMITTEE ON TRANSPORT, WORKS AND SUPPLY

ON THE

LOBITO CORRIDOR TRANSPORT FACILITATION AGREEMENT

FOR THE

THIRD SESSION OF THE THIRTEENTH NATIONAL ASSEMBLY

Printed by the National Assembly of Zambia

FOREWORD

Honourable Madam Speaker, the Committee on Transport, Works and Supply, has the honour to present its Report on the Lobito Trade and Facilitation Agency Agreement for the Third Session of the Thirteenth National Assembly. The functions of the Committee are set out in Standing Orders 197(n) and 198 of the National Assembly of Zambia Standing Orders, 2021. Specifically, Standing Order 198(f) provides that a portfolio Committee shall consider International Agreements, Conventions and Treaties referred to it by the Speaker or a resolution of the House.

The Committee held ten meetings to consider submissions from stakeholders. In order to acquaint itself with the ramifications of the Lobito Trade and Facilitation Agency Agreement, the Committee sought both written and oral submissions from various stakeholders. The list of stakeholders is at Appendix II of the Report. The Report is organised in three parts. Part I provides a background and summary of the provisions of the Agreement. Part II presents the summary of submissions from stakeholders, while Part III highlights the Committee's observations and recommendations.

The Committee wishes to pay tribute to all stakeholders who appeared before it and tendered both oral and written submissions. It further wishes to thank you, Madam Speaker, for according it an opportunity to interrogate the Lobito Corridor Transport Facilitation Agreement. The Committee also appreciates the services rendered by the Office of the Clerk of the National Assembly during its deliberations.



Mr Mubika Mubika, MP
CHAIRPERSON

December, 2023
LUSAKA

LIST OF ACRONYMS

DRC ó Democratic Republic of Congo

LCTTFAA ó Lobito Corridor Transit Trade Facilitation Agency Agreement

SADC ó Southern African Development Community

PPP ó Public Private Partnership

AfDB ó African Development Bank

IDC ó Industrial Development Corporation

CSR ó Corporate Social Responsibility

GDP ó Gross Domestic Product

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1.0 MEMBERSHIP OF THE COMMITTEE

The Committee consisted of Mr Mubika Mubika, MP (Chairperson); Mr Joel Chibuye, MP; (Vice Chairperson), Ms Tasila E Lungu, MP; Mr Emmanuel M Musonda, MP; Mr Sunday C Chanda, MP; Mr Charles A Mulenga, MP; Mr Mutotwe L Kafwaya, MP; Mr Francis Kapyanga, MP; Mr Bernard Kanengo, MP; and Mr Lloyd Lubozha, MP.

PART I

2.0 BACKGROUND

The Lobito Corridor was a vital transportation route in Africa, connecting the Port of Lobito in Angola to the neighboring countries of Zambia and the Democratic Republic of Congo (DRC). Recognising the importance of efficient transit transport along this Corridor, the Governments of Angola, Zambia, and the Democratic Republic Congo (DRC) collaborated to establish the LCTTFA.

The Corridor linked the North-western and Copperbelt Provinces of Zambia, which together accounted for over half of the country's export earnings. Through the Port of Lobito in Angola, the multimodal network connected important mining regions of Zambia and the DRC to the Atlantic Ocean, providing an alternative strategic route to export markets.

The contracting states, represented by their respective transport ministers, approved and sealed the LCTTFA on 27th January, 2023. Thereafter, the formal ratification of the Agreement by the contracting states commenced through internal procedures.

The Agreement was signed with the intention of promoting the creation of trade facilitation tools along the Lobito Corridor and strengthening institutional capacity in the corridor states to enable coordinated development planning. In order to help promote and facilitate the provision of safe, economical, and efficient movement of goods, passengers, and services, the contracting states agreed to bring together key stakeholders that could help promote and facilitate the provision of safe, cost effective and efficient movement of goods, passengers and services. For Zambia, that was also in line with the 8th National Development Plan and the National Transport Policy of 2019 that prioritised intermodal transport development and trade promotion.

3.0 OBJECTIVES OF THE AGREEMENT

The objectives of the Corridor Agreement were to:

- a. ensure that the Lobito was available to importers and exporters from landlocked states of DRC and Zambia as an efficient and economic addition to other trade routes;
- b. actively market the corridor with a view to encourage its increased utilisation in order to improve international and domestic traffic levels;
- c. support planning and operations of the Corridor by contracting parties through proactive collection, processing and dissemination of traffic data, analysis of competitive corridors and business information;
- d. promote the sustained maintenance of infrastructure and encourage development of the Lobito Corridor and to ensure that such development, in infrastructure and other supporting services met the current and anticipated requirements of the users;

- e. ensure that an open and competitive environment was maintained among corridors;
- f. facilitate mutually beneficial business partnerships between contracting parties;
- g. create a strategic, high level partnerships between senior government officials and business leaders;
- h. encourage the upgrading and development of port, rail, road and border post infrastructure;
- i. encourage the implementation of the on-going bilateral and regional projects;
- j. encourage the implementation of the on-going bilateral and regional projects
- k. encourage the development and adoption of harmonised regional road traffic laws, policies, standards and regulations and to promote their implementation;
- l. harmonise the existing bilateral transport and trade facilitation Agreements concluded between the corridor states and to sign and or accede to multilateral Agreements that promote trade and transport facilitation;
- m. encourage the implementation of improved trade and customs transit procedures and the implementation of integrated border management systems including joint simplified and harmonised inspections and controls along the corridor and at land borders and supports;
- n. promote safety and security along the corridor through joint actions;
- o. conduct joint programmes on prevention and treatment of communicable diseases including but not limited to malaria, tuberculosis, and HIV and Aids;
- p. improve services and facilities along the corridor to encourage commercial and tourist activity as well as increased transport efficiency and traffic; and
- q. cooperate, where appropriate, with other regional bodies that share similar objectives; and create a joint department responsible for cross-cutting issues such as the environment, tuberculosis, malaria, Ebola, Covid-19, other communicable diseases, road safety as well as gender issues.

4.0 SUMMARY OF THE PROVISIONS OF THE AGREEMENT

The summarised provisions of the Agreement were as set out below.

Article 1 - Definitions

This Article provided for the definitions used in the Agreement.

Article 2 - Establishment of the Lobito Corridor Transit Transport Facilitation Agency

This Article provided for the establishment of the Lobito Corridor Transit Transport Facilitation Agency (LCTTFA).

Article 3 ó Goals and Objectives of Lobito Corridor Transit Transport Facilitation Agency

The Article provided for the goals and objectives of the LCTTFA

Article 4 – Right of Transit

This Article provided for transit rights through respective Member States under conditions specified in the Trade Agreement.

Article 5 – Maritime Port Facilities

Article 5 required the Government of Angola to provide necessary Lobito maritime port facilities to the contracting parties, in accordance with the SADC Protocol on Transport, Communication and Meteorology and the Protocol on Trade.

Article 6 - Transit Routes and Facilities

This Article permitted contracting parties to have access to transit routes and facilities set out in Annexure 1.

Article 7 – Frontier Facilities and Services

This Article provided for appropriate measures to ensure fast clearance of traffic in transit in the shortest possible time at their respective designated frontier points. The measures included integrated border posts, coordinated working hours of adjacent frontier posts, and provision and maintenance of rapid and reliable information communication technology and telecommunication services.

Article 8 – Border Control

The Article provided for border controls.

Article 9 ó Documentation and Procedures

The Article, among other things, provided for the simplification and harmonisation of documentation and procedures for transit goods and services. It also provided for harmonisation as far as possible, commodity codes and descriptions with those commonly used in regional and international trade. The Article further provided for the organising of a focal point for co-ordination of information needed for cargo handling, port and terminal clearance and onward transport and for dissemination of such information to the parties concerned.

Article 10- Transport

This Article, among other things, permitted the transit operators to choose the mode and means of transportation to be used in another contracting party's traffic, and permitted the use of transportation registered in another contracting party for traffic in transit on its territory. The Article further required contracting parties to apply the principle of equal treatment in the allocation of services and ensure the insurance of their means of transport to cover third party liability incurred in the course of traffic in transit.

Article 11- Facilities for Transit Employees

This Article allowed transit employees and contracting parties to grant permits for work on their territory to other contracting nationals, subject to specific terms and conditions. The Article also required contracting parties to recognise driving permits as long as they were valid and met the specified standards.

Article 12 – Rates, Charges and Payment Arrangements

Article 12 prohibited the levying of duties and taxes on transit traffic except charges for administrative expenses.

Article 13 - Mandate

Article 13 provided for the mandate of the Lobito Corridor Transport Facilitation, which was to consider matters related to the transit transport policy and traffic operational coordination.

Article 14 – Lobito Corridor Transit Transport Facilitation Agency Bodies

Article 14 provided for the Lobito Corridor Transit Transport Facilitation Agency (LCTTFA) Agreement organs of regional and national institutions at the contracting parties regional and Corridor State levels. Regional level institutions were the Committee of Ministers, Executive Committee, Technical Committee, Permanent Secretariat, and National Sub Committees.

Article 15 - Composition of the Lobito Corridor Transit Transport Facilitation Agency Governing Organs

This Article provided for the governing organs of the LCTTFA, which were the Committee of Ministers and the Executive Committee. It also provided for the composition of the organs and their reporting structure.

Article 16 - Functions of the Governing Organs of the Lobito Corridor Transit Transport Facilitation Agency

Article 16 set out the functions of the Committee of Ministers and the Executive Committee including overseeing policy implementation, as directed by the Committee of Ministers.

Article 17 - Meetings of the Governing Organs of the Lobito Corridor Transit Transport Facilitation Agency

This Article provided for meetings of the governing organs of the LCTTFA. The quorum was all Member States.

Article 18 – Decisions by the Committee of Ministers and the Executive Committee

This Article provided for the dispute resolution mechanism based on consensus. If consensus was not reached within the Executive Committee, the matter would be referred to the Committee of Ministers. It further provided for settlement through arbitration if an agreement could not be reached by the Committee of Ministers whilst highlighting the need for a peaceful and diplomatic resolution.

Article 19 – Technical Committees

Article 19 provided for the establishment of technical committees in areas such as transport and Trade, Infrastructure Development, and Legal matters. It also mandated the committees to accord active participation of private sector stakeholders in Corridor matters for innovative technologies and management practices.

Article 20 – National Sub-Committees

Article 20 provided for the establishment of National Sub-committees and outlined them.

Article 21 – The Permanent Secretariat

This Article established a Permanent Secretariat for of the LCTTFA for the member states and outlined its structure and duties.

Article 22 – Permanent Secretariat Financing

This Article provided for financing and sources of funds of the Permanent Secretariat, which included charges for the use of the services of the Corridor, grants, donations and bequests in cash or kind.

Article 23 - Appointment and Conditions for the Permanent Secretariat Staff

Article 23 provided for the conditions of service and appointment of staff of the Permanent Secretariat.

Article 24 – Termination of Membership

Article 24 granted a contracting party, the right to terminate its membership by giving the Secretariat a one-year written notice, which should be circulated promptly to all contracting parties.

Article 25 – Amendment of the Agreement

Article 25 granted powers to a contracting party to propose an amendment to the Agreement by submitting a written proposal to the LCTTFA through the Permanent Secretariat.

Article 26- Settlement of Disputes

This Article provided for contracting parties to settle disagreements peacefully through discussion and negotiation, and if a dispute could not be settled within sixty days, it would be referred to the Executive Committee and to the Committee of Ministers if it persisted.

Article 27 – Work Language

Article 27 provided that the working languages of the Agreement were English, French and Portuguese.

Article 28 – Reservations

This Article precluded Member States from making reservations to the Agreement. The implication of the provision was that parties to the Agreement would be bound by all the terms of the Agreement.

Article 29 – Dissolution

Article 29 provided for the dissolution of the LCTTFA with consent of all contracting parties. The assets and liabilities would be disposed of in accordance with international laws upon dissolution.

Article 30 – Entry into Force and Depository of the Agreement

This Article provided that the Agreement would only become operative on the date the final ratification document was deposited.

Article 31- Miscellaneous

- i. **Article 31.1** ó Provided that the Agreement and its annexes did not hinder contracting parties from fulfilling their commitments under any international convention.
- ii. **Article 31.2** ó Provided for the application of national legislation controls, public safety measures, health, veterinary, and phytopathological regulations. This was intended to balance international cooperation with a nation's right to make decisions in its best interest.
- iii. **Article 31.3** ó Required contracting parties to acknowledge that their laws and regulations applied during transit operations.

Article 32 – Existing Treaty, Agreements or Arrangements

This Article provided that the Agreement superseded previous transit treaties and arrangements regarding the Lobito Corridor and that the annexures would form an integral part of the Agreement.

Article 33 – Period and Termination

This Article provided that the Agreement would remain in force for a period of ten years from the date of entry into force and would be extended for a further period of ten years. It also provided for termination of the Agreement.

Article 34 – Declaration

Article 34 highlighted the names of the signatories to the Treaty.

PART II

5.0 SUMMARY OF SUBMISSIONS FROM STAKEHOLDERS

The Committee was informed that the proposed trade route was important for Zambia's trade facilitation and its pursuit of being a land-linked economy. The proposed Agreement addressed some of the long-standing goals of improving trade facilitation and the movement of people by developing the critical trade routes. Hereunder were a summary of submissions by stakeholders.

i. Rationale of Zambia Ratifying the Agreement

Stakeholders submitted that in order for Zambia to take advantage of its geographical location and transform into a transport and logistics hub for the Southern African Development Community (SADC), it would be important for the Government to continue improving connectivity and transportation infrastructure within the region. Specifically, focus should be on the Lobito Corridor, which was a vital route connecting landlocked countries like Zambia to the coast, while enabling access to international markets and trade routes.

Regional linkages had been identified as key drivers to the country's economic growth, as they had a potential to boost trade, reduce transportation costs, and enhance overall economic development in Zambia and the region. Therefore, ratifying the Agreement would also have a positive impact on Zambia's socio-economic development, as it would provide Zambia with an alternative route for trade, reduce its dependency on traditional routes through South Africa and Dar es Salaam Port in Tanzania.

ii. Expected Benefits of the Agreement

The Committee was informed that the Agreement included provisions for the development and maintenance of transport infrastructure along the Lobito Corridor. The provisions included road networks, railways, border facilities, and customs procedures. Improved infrastructure would not only benefit Zambia, but also contribute to the overall development of the region by promoting cross-border trade and investment. Given the importance of the developmental initiative under the Agreement, stakeholders identified specific benefits such as:

- a) increased investment and the resultant increased jobs among communities living within and along the Corridor;
- b) increased export earnings, which would translate into a stable foreign exchange rate regime and have a positive impact on inflation;
- c) increased Government revenue from envisaged toll-gate infrastructure and road licences;

- d) improved road and railway system through public-private partnerships, which would not only provide additional jobs, but also benefit the communities within the Corridors arising from Corporate Social Responsibility ;
- e) provision of a short and quicker route to both South and North American and the European international markets;
- f) enhanced trade among Member States and in turn boost production across sector and industry, and further impact positively on GDP growth;
- g) reduced congestion at border or entry points; and
- h) well-managed and sustainable environmental ecosystem.

iii. Consequential Negative Effects of the Lobito Corridor Transit Transport Facilitation Agency Agreement

In addition to the expected benefits of ratifying the LCTTFA Agreement, stakeholders also identified some downsides such as:

- a) habitat destruction due to road construction could lead to biodiversity loss and reduced reproductive abilities of sensitive species;
- b) environmental degradation due to increased greenhouse gas emissions and traffic congestion, which could result in the spread of communicable diseases like COVID-19, ebola, and anthrax, thereby, posing new challenges for public health;
- c) contracting parties, including Zambia, could bear significant transport infrastructure costs for the development of the Corridor. Each country would shoulder long-term expenditures, potentially amounting to millions of dollars; and
- d) abolition of visa requirements among contracting parties under Article 32 had a potential to affect budget performance, as it would adversely affect the projected revenue generation. This could also lead to an influx of migrants from neighbouring countries.

iv. The Transport Corridor's Strategic Enablers

Stakeholders submitted that to fully realise the potential of the Lobito Corridor and similar transportation routes, a series of strategic enablers needed to be addressed as outlined hereunder.

- a) **Harmonised Transportation Laws** – To guarantee smooth cross-border movement of goods and services, Zambia's transportation laws needed to be reviewed to comply with the SADC trade protocols.
- b) **Streamlined Documentation Processes** – Contracting Party needed to optimise documentation processes at entry points to minimise delays in customs and immigration clearances, facilitating efficient and timely movement of cargo and personnel.
- c) **Technological Modernisation** – The three contracting parties needed to invest in modern technology at entry points such as electronic cargo tracking systems, automated data capture and clearance systems to expedite the movement of goods and enhance border security.

- d) **One-Stop Border Systems** – There was need to strengthen one-stop border systems through comprehensive staff training and recruitment to ensure efficient border management so as to facilitate seamless cross-border trade.
- e) **Security Surveillance** – To improve safety and security along the Corridor and discourage illicit activities, it would be necessary to put in place strong security surveillance systems, which included monitoring of transported goods.
- f) **Truck Inn Facilities** – To improve road safety and lower the likelihood of accidents and theft, well-equipped Truck Inn facilities were required to be built along the Corridor. These facilities would give truck drivers rest areas and amenities.
- g) **Road Network Expansion-** – There was need to consider expanding road networks such as dual carriageways and rehabilitation, ensure smooth traffic flow and accommodate increased freight volumes. There would also be need to implement load regulations to prevent road damage and ensure road safety.
- h) **Minimising Roadblocks** - Unnecessary police roadblocks that caused traffic delays and hindered efficient trade flows should be minimised. There was also a need to establish clear guidelines and procedures for road inspections to balance security and trade facilitation.
- i) **Human Resource Sensitisation** – Stakeholders submitted that the Governments needed to enhance awareness among staff involved in the Corridor operations regarding their crucial role in ensuring efficient and effective movement of goods and personnel. It was therefore, paramount to provide regular training and capacity building programmes to maintain high standards of service delivery.
- j) **Local Employment** – There was a need to advocate for Zambians to be employed at the Lobito Corridor Secretariat in Angola to safeguard Zambian interests and promote local expertise in Corridor management.
- (i) **Communication Enhancement** ó There was a need to enhance telecommunications and network infrastructure throughout the Corridor in order to guarantee uninterrupted information flow, enable real-time traffic updates, and facilitate coordination among border agencies and stakeholders.
- (ii) **Cold Chain facilities** – Most fisheries and livestock products were perishable and as such cold chains were essential along the value chain. To prevent economic losses, the Agreement needed to provide for the development of cold chain facilities along the transportation value chain for easy storage of fisheries and livestock products.

v. Financing of the Project for the Lobito Corridor Transit Trade Facilitation Agency Agreement

The Committee was informed that infrastructure development in the Lobito Corridor would cost a lot of money. The International Conference on the Great Lakes Region Regional Programme of Action for Economic Development and Regional Integration Project No. 3.3.3 Lobito Corridor Project (Prefeasibility Study) of 2006, stated that the 2002 study estimated

the cost to be around US\$ 390 million to build the entire railway system from Lobito on the Atlantic Ocean through Lubumbashi in the DRC to the Copperbelt. According to the conference, the amount required to finance the project could only be raised through both public and private sector funding.

The Committee was further informed that the cost of such a project had escalated substantially to about \$1.6 billion. A consortium of funders had been arranged to support the project. Major funders included the African Development Bank (AfDB), the Africa Finance Corporation, the United States of America and the European Union. The U.S. Government pledged an initial investment of about \$250 million. The AfDB planned to contribute approximately \$500 million to the Lobito Corridor Project.

In light of the off-balance sheet financing approach that were being explored in the Lobito Corridor initiatives, the concessionaire bore the costs and responsibility of construction and then recovered the investments through user toll fees. The Project would have immense benefits with only monitoring costs for the governments involved. In addition to meeting the monitoring overhead costs for the governments involved, there could be a need for an extra proportion of revenue paid to each government to compensate for a prolonged deprivation of revenue (opportunity cost) occasioned by the length of the concession agreements.

6.0 CONCERNS RAISED BY STAKEHOLDERS

In supporting the Agreement, stakeholders raised concerns as outlined below.

- i. Whilst stakeholders appreciated Zambia's Lobito Corridor initiative, they expressed concern that although the country was among the key producers of some of the most wanted minerals in the world, it was difficult to highlight the benefits of being a key mineral producer because the project appeared to focus more on mopping up critical raw materials and not value addition.

They were of the view that there was need to first put in place necessary infrastructure for value addition, which would result in the export of finished products and ultimately contribute to job creation for Zambians. This would lead to increased tax revenues for the Government through tax collection.

- ii. Stakeholders observed that the management of transport corridors in the tripartite region was likely to pose challenges such as recruitment of employees of the LCTTFA. This was because the Agreement did not expressly indicate which country would supply employees for key positions such as Chief Executive Officer and senior managers.

Stakeholders proposed that all parties to the Agreement should consent to the constitution of the governing organs and structures of the Lobito Investment including regulations that would be put in place regarding the recruitment of staff to work under the LCTTFA. They therefore, recommended that the Agreement should state clearly the recruitment criterion for key positions, which should be on a rotational basis and equitably shared.

- iii. Stakeholders noted that the Government was committing the entire country to the Lobito Corridor project, which would come at a huge cost through public funding and public-private partnership agreements. They emphasised the need to provide precise and timely information concerning funding and concessionaire acquisition in a transparent manner.

Stakeholders, therefore, recommended that the Government should ensure transparency by disclosing details about the concessionaires, the estimated cost to the nation as well as the associated terms of the concession agreements.

- iv. Stakeholders noted that the Agreement did not indicate how the local people in the three stakeholder countries would participate in the project.

In this regard, they recommended that the Agreement should expressly state the percentage of local companies that should participate in the Corridor projects, which should be strictly adhered to by all member-states for enhanced skills transfer and development.

- v. Stakeholders also raised concerns about the regional security situation in the DRC in relation to the safety of transit trucks on the Lobito Corridor.

They proposed that security measures should be put in place by the concerned member-states to ensure the safety of transit trucks, given the Corridor's cross-border nature.

- vi. Stakeholders noted that the Lobito Corridor project's initial funding was envisaged to come from PPP due to the constrained Treasury fiscal space in addition to the support from cooperating partners.

Since the concessionaire would also be using the Zambian land, which could have been used for other profitable purposes, stakeholders were of the view that the Government should consider ways in which the concessionaire would pay taxes on the profits during the concession period for the PPP-funded project on the Lobito Corridor.

- vii. Stakeholders observed that the Agreement lacked provisions detailing consequences or mechanisms in the event of a contracting party failing to meet their obligations. They were of the view that the Agreement should have included consequences for non-compliance to ensure all parties adhered to their commitments. Further, those consequences could encompass various forms, including penalties or fines.

- viii. Stakeholders observed that in addition to opening up a key route to the Sea Port of Lobito, it would also increase the number of people transiting through the Corridor. That in essence could increase the chances of disease break-outs due to the influx of people from various places including places where there could be a pandemic.

Stakeholders proposed that the Government and its counterparts should establish screening health facilities along the Corridor infrastructure to prevent disease outbreaks that could spread to other parts of the country.

7.0 COMMITTEE'S OBSERVATIONS AND RECOMMENDATIONS

The Committee makes the observations and recommendations set out hereunder.

- i. Whilst fully supporting the Lobito Corridor initiative, the Committee expresses concern that if value chains are not set up along the Corridor, it will become a conduit for mopping up natural resources and non renewable mineral wealth.

The Committee urges the Government through the Industrial Development Corporation to ensure that value chains are established along the Corridor.

Further, the Committee urges the Government to ensure that a percentage of the goods transiting through the Corridor are finished products, which are manufactured in Zambia for export markets.

- ii. The Committee notes that the Agreement does not expressly indicate country representation proportions for key employees of the LCTTFA. The Committee is of the view that this can become a source of conflict when one country appears to have more decision-making privileges based on proportional representation.

The Committee, therefore, recommends that all parties to the Agreement should consent to the constitution of the governing organs and structures, which should also provide for proportional representation in all the organs of the LCTTFA.

- iii. The Committee notes that the Lobito Corridor project will come at a huge cost through public funding and public-private partnership agreements.

In view of the foregoing, the Committee urges the Government to be transparent in the procurement of concessionaires. The Committee further recommends that the Government should disclose details about concessionaires, estimated costs, maintenance expenses, as well as the associated terms of the concession agreements to ensure transparency and accountability.

- iv. The Committee in agreeing with stakeholders' view on the participation of local contractors, observes that the Agreement does not appear to indicate explicitly how the local people in the three Member States will participate in the project.

In view of the foregoing, the Committee recommends that the Agreement should clearly state the percentage of local companies' participation in the Corridor projects, which should be strictly adhered to by all Member-States for enhanced skills transfer and development.

- v. The Committee is concerned about the DRC's regional security situation in relation to the Lobito Corridor's implementation.

In this regard, the Committee recommends that security measures should be put in place by the tripartite member countries to ensure safety of transit trucks and people traversing across the Corridor.

- vi. The Committee notes that the funding to the Lobito Corridor project is envisaged to come from the PPP due to Treasury constraints.

The Committee, therefore, recommends that the Government should devise mechanisms which will compel the concessionaire to pay taxes on the profits made during the concession period for the PPP-funded project on the Lobito Corridor. This is because the concessionaire will also be using the nation's land, which may be used for other profitable purposes.

- vii. The Committee observes that the Agreement has not provided for sanctions to be imposed on a Member State that fails to abide by the provisions of the Agreement.

The Committee, therefore, recommends that the Agreement should state clearly the sanctions to be imposed on a Member State for non-compliance to ensure all parties fulfil to their commitments. This should also encompass various forms such as penalties or fines.

- viii. The Committee notes that the operationalisation of the Corridor will result in an influx of people travelling through it, in addition to providing access to a vital route to the Sea Port of Lobito. This can essentially increase the spread of diseases because there will be a greater influx of people from different locations.

In this regard, the Committee recommends that the Government in collaboration with Member States should set up screening health facilities along the Corridor infrastructure in order to prevent the rapid spread of infectious diseases.

8.0 CONCLUSION

The Committee is in support of the ratification of the Agreement as it is in line with Zambia's aspirations of becoming a prosperous middle-income country by 2030 through export led growth.

The Committee is also cognisant of the fact that when the project is fully implemented, it will bring along numerous business opportunities for local people. It is also the hope of the Committee that the Agreement establishing the Lobito Corridor Trade Facilitation Agency will open up a market for finished agricultural products and finished commodities made from minerals mined along the Corridor.

We have the honour to be, Madam Speaker, the Committee on Transport, Works and Supply mandated to consider the Lobito Corridor Trade Facilitation Agency Agreement.



Mr Mubika Mubika, MP
CHAIRPERSON

December, 2023
LUSAKA

APPENDIX I
LIST OF NATIONAL ASSEMBLY OFFICIALS

Mr Stephen Chiwota, Director (FC)
Mrs Angela M Banda, Acting Deputy Director (FC)
Ms Chitalu R Mulenga, Senior Committee Clerk (FC2)
Mr Darius Kunda, Committee Clerk
Ms Anita Mulale, Administrative Assistant
Mr Daniel Lupiya, Committee Assistant

APPENDIX II
LIST OF WITNESSES

Centre for Trade Policy and Development
Industrial Development Corporation
Ministry of Justice
Ministry of Infrastructure, Housing and Urban Development
Ministry of Local Government and Rural Development
Ministry of Agriculture
Ministry of Lands and Natural Resources
Ministry of Transport and Logistics
Ministry of Foreign Affairs and International Relations
National Road Fund Agency
Road Development Agency
Road Transport and Safety Agency
The Copperbelt University
The University of Zambia
Zambia Chamber of Commerce and Industry
Zambia Development Agency
Zambia Institute for Policy and Research
Zambia Institute of Chartered Accountants