

**REPORT OF THE COMMITTEE ON COMMUNICATIONS, TRANSPORT, WORKS AND SUPPLY  
FOR THE THIRD SESSION OF THE ELEVENTH NATIONAL ASSEMBLY APPOINTED ON 25<sup>TH</sup>  
SEPTEMBER, 2013**

Consisting of:

Mr K Simbao, MP (Chairperson); Mrs A M Chungu, MP; Mr V M Mooya, MP; Mr K Konga; MP; Mr O C Mulomba, MP; Mr W Banda, MP; Mr L Chabala, MP; and Mr M Chishimba, MP.

The Honourable Mr Speaker  
National Assembly  
Parliament Buildings  
**LUSAKA**

Sir

Your Committee has the honour to present its Report for the Third Session of the Eleventh National Assembly.

**FUNCTIONS OF THE COMMITTEE**

2.0 The functions of your Committee are as set out hereunder:

- (a) to study, report and make recommendations to the Government through the House on the mandate, management and operations of Government ministries, departments and/or agencies under its portfolio;
- (b) to carry out detailed scrutiny of certain activities being undertaken by Government ministries, departments and/or agencies under its portfolio and make appropriate recommendations to the House for ultimate consideration by the Government;
- (c) to make, if considered necessary, recommendations to the Government on the need to review certain policies and/or certain existing legislation; and
- (d) to consider any Bills that may be referred to it by the House.

**MEETINGS OF THE COMMITTEE**

3.0 Your Committee held thirteen meetings during the year under review.

**PROGRAMME OF WORK**

4.0 At your Committee's second meeting held on Thursday, 2<sup>nd</sup> October, 2013, it considered and adopted the programme of work as set out below:

- (a) consideration of the Action-Taken Report on the Committee's Report for Second Session of the Eleventh National Assembly;
- (b) Public Private Partnerships in Infrastructural Development in Zambia;

- (c) the State of Railway Infrastructure in Zambia; and
- (d) consideration of the draft report.

## **PROCEDURE ADOPTED BY THE COMMITTEE**

5.0 Your Committee requested detailed memoranda on the topics under consideration from concerned 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 during the year under review.

The Report of your Committee is in four parts. Part I deals with topical issues while Part II is on the local tour. Part III is on the Action-Taken Report and Part IV is the conclusion.

## **PART I: TOPICAL ISSUES**

### **TOPIC 1: PUBLIC PRIVATE PARTNERSHIP IN INFRASTRUCTURAL DEVELOPMENT IN ZAMBIA**

6.0 Your Committee resolved to undertake a study on Public Private Partnership in infrastructural development in Zambia. The objective of the study was to:

- (i) ascertain the effectiveness of the Government's Public Private Partnership policy objectives with particular regard to infrastructural development;
- (ii) understand the role of the private sector in the implementation of the Public Private Partnerships in infrastructural development;
- (iii) understand the role of the Government in the implementation of the Public Private Partnerships in infrastructural development;
- (iv) find out if there are any Public Private Partnerships that have been formed in the development of infrastructure in Zambia;
- (v) establish the challenges, if any, faced in the implementation of the Public Private Partnerships in infrastructural development in Zambia;
- (vi) assess the benefits of Public Private Partnerships in infrastructural development in Zambia; and
- (vii) make recommendations to the Executive on the way forward.

The following institutions made both written and oral submissions on the subject:

- (i) Mr Kasebamashila Kaseba, Consultant;
- (ii) National Council for Construction;
- (iii) The Commuter;
- (iv) Civil Society for Poverty Reduction;
- (v) Jesuit Centre for Theological Reflection;
- (vi) Road Development Agency; (written submission)
- (vii) Zambia Development Agency;
- (viii) Zambia Railways Limited;
- (ix) Zambia Air Services Training Institute;
- (x) National Airports Corporations Limited;
- (xi) Engineering Institution of Zambia;
- (xii) Private Sector Development Association;

- (xiii) Zambia Association of Chambers of Commerce and Industry;
- (xiv) Zambia Institute of Architects;
- (xv) Zambia Revenue Authority;
- (xvi) Ministry of Finance;
- (xvii) Ministry of Local Government and Housing;
- (xviii) National Road Fund Agency; and
- (xix) Ministry of Transport, Works, Supply and Communications.

## **CONSOLIDATED SUMMARY OF SUBMISSIONS**

### **GENERAL OVERVIEW OF PUBLIC PRIVATE PARTNERSHIP IN INFRASTRUCTURAL DEVELOPMENT IN ZAMBIA**

6.1 Your Committee heard that Public Private Partnership (PPP) is a concept that had been applied to a range of types of agreements between public and private entities. However, there had been a lot of confusion and differences in opinions among stakeholders as to what exactly constituted a PPP. In addition, there was no single internationally accepted definition of PPP, as different countries had adopted different definitions. In general, Public Private Partnerships (PPPs) are contractual arrangements in which the private party performs part of the Government's service delivery or administrative function and assumes the associated risks. In return, the private party receives a fee according to predefined performance criteria, which may be from service tariffs or user charges, and unitary or availability payment by the Government.

Your Committee learnt that in the context of the Zambian legal framework, a PPP was a contractual agreement between a public entity and a private entity, whereby the private entity performs part of the Government organization's service delivery function, and assumes the associated risks for a significant period of time. In return, the private entity received a benefit or financial remuneration according to predefined performance criteria, which may be derived:

- (i) entirely from service tariffs or user charges;
- (ii) entirely from the Government budgets; or
- (iii) a combination of the above.

In all the above cases, the public sector retained a significant role in the partnership project, either as the main purchaser of the services provided or as the main enabler of the project. It purchased services and specified the service outputs or outcomes required as well as the performance criteria for payments. The private party commonly provided the design, construction, operation and possibly financing the project, and was paid according to performance. Risks were identified and placed with the party best able to bear and manage them at the lowest cost.

The various types of partnership arrangements could be structured depending on the project objectives and requirements. These arrangements also dependant on the allocation of risks and responsibilities between the public and private sectors. For infrastructure development, possible PPP arrangements and their variants could range from the list set out below.

**Build-Operate-Transfer (BOT):** This is an arrangement where the private sector is responsible for the finance, design, construction, operation, and maintenance of a project for a concession period. The asset is transferred to the Government at the end of concession period, usually at no cost.

**Build-Own-Operate (BOO):** In this arrangement, the private sector is responsible for the finance, design, construction, operation, and maintenance of a project. The private sector retains the ownership of the asset in perpetuity.

**Build-Own-Operate-Transfer (BOOT):** In this arrangement, the private sector is responsible for the finance, design, construction, operation, and maintenance of a project for a concession period. The private sector retains ownership of the asset during the concession period and transfers it back to the Government when the concession period expires.

**Design-Build-Finance-Operate (DBFO):** This is an arrangement where the private sector is responsible for the finance, design, construction, operation, and maintenance of a project. The public sector retains full ownership over the project.

**Design-Build-Operate (DBO):** The private sector is responsible for the finance, design, construction, operation and maintenance of a project for a specified period prior to handing it over to the public sector.

**Rehabilitate-Operate-Transfer (ROT):** In this arrangement, the private sector is responsible for the finance, refurbishment, operation, and maintenance of an existing facility for a specified period, at the expiry of which the facility is handed back to the public sector.

**Rehabilitate-Own-Operate (ROO):** In this arrangement, the private sector is responsible for the finance, refurbishment, operation, and maintenance of an existing facility. The private sector retains ownership of the facility in perpetuity.

## **EFFECTIVENESS OF THE GOVERNMENT'S PUBLIC PRIVATE PARTNERSHIP POLICY OBJECTIVES WITH PARTICULAR REGARD TO INFRASTRUCTURAL DEVELOPMENT**

6.2 Your Committee was informed that PPPs could leverage the Government efforts in the development and provision of infrastructure and services. Some of the key general effectiveness of PPPs in infrastructure development were as set out below.

### **Zambia's infrastructure funding gap**

Your Committee heard that according to the Africa Infrastructure Country Diagnostic Country Report (Zambia 2010) produced by the World Bank, Zambia needed to spend US\$1.6 billion a year over the decade 2006-2015 to develop its infrastructure to the level found in the rest of the developing world. This would be equivalent to 20% of Zambia's GDP and was about double the country's rate of investment in recent years. The report thus estimated Zambia's infrastructure funding gap at US\$500 million per year (6.5% of GDP) for the ten years from 2006 to 2015. Closing the gap required raising more funds and finding more effective ways to meet infrastructure targets. PPPs could play a role in mitigating the funding requirements.

### **Providing additional sources of funding and financing**

Your Committee learnt that the Government has limited resources to invest in infrastructure. The revenue collections such as taxes and levies by the Government were evidently not sufficient to support the Government spending on infrastructure facilities to meet the demand. The financing gap for infrastructure in the wake of the Government desire to reduce the infrastructure deficit was widening due to increased demand of public infrastructure facilities and services. Additionally, budget support received from cooperating partners had reduced over the years and was currently at 6% of the budget forcing the Government to consider alternative sources to sustain the budget. Further, with the external debt at US\$3.2billion and internal debt

at K18.52 billion and the proposal to finance 24.6% of the 2014 budget (K10,516.87 million) by borrowing, the Government capacity to borrow for infrastructure development was declining.

Further, PPPs which involve charging users for services may effectively increase total Government revenue and infrastructure funding. PPPs could also help the Government overcome short-term budget constraints because the capital cost of the project was spread over its life time.

### **Private sector analysis and innovation of projects**

Your Committee learnt that applying private sector principles in the delivery of public infrastructure would enable projects to be delivered more effectively. Competitive procurement ensured that projects were subjected to market test assumptions of attracting private finance. Hence, PPPs ensured that projects were subjected to proper planning, coordination and analysis thereby ensuring only projects that added value to the Government i.e. were affordable, provided value for money and transferred optimal risks to the private sector, were developed.

### **Improving project and service delivery**

Your Committee was informed that the World Bank's Africa Infrastructure Diagnostic Study (2011) estimated that inefficiencies in state-owned utilities and infrastructure providers in Sub-Saharan Africa cost around US\$6 billion a year. This was because often, construction projects managed by the Government run well over budget and behind schedule and any changes to the project cost were often at the expense of the Government. More so, service delivery by the Government entities was often poor due to limited capacity and weak management incentives.

By engaging the private sector in the delivery of public infrastructure and services, the Government could harness private sector innovation, commercial and management expertise in the direct provision of assets and services. PPPs could help improve infrastructure service delivery by reducing construction time and cost overruns for new infrastructure assets. The strongest motivation for private sector was to generate a return on their investment which depends on bringing the project on time and on budget. Hence, it was more incentivised to be more efficient and effective in managing infrastructure construction. Further, introducing a private operator under a PPP contract could help improve operational efficiency and service quality.

### **Improving maintenance**

Your Committee was further informed that the Government infrastructure was often not properly maintained due to limited funding resulting in poor infrastructure services and huge maintenance costs to the Government. PPPs could help improve maintenance of infrastructure assets. Further, PPPs exposed private sector capital to performance risk, hence the private sector was more incentivised to design and build infrastructure assets taking into account the costs of longer-term maintenance and renewal leading to greater accountability in the delivery of the service. PPPs bundle construction, rehabilitation and on-going maintenance in a single contract thereby incentivising the private company to build assets to a high quality upfront to minimise the need for maintenance. Further, more PPP revenues such as user charges or availability payments, depended on providing a working service to users or availability of the asset over time to a specified standard. Hence the private sector has a strong incentive to carry out adequate maintenance. Adequate maintenance would, therefore, keep the infrastructure assets in a serviceable condition.

**THE ROLE OF THE PUBLIC AND PRIVATE SECTOR IN THE IMPLEMENTATION OF THE PUBLIC PRIVATE PARTNERSHIPS IN INFRASTRUCTURAL DEVELOPMENT**

6.3 Your Committee was informed that the roles of the Government and the private sector in Public Private Partnerships fluctuate depending on the PPP variant used. The table below indicates some of the roles of the Government and private sector on specified PPP variants. The First Schedule of the *Public Private Partnerships Act No. 14 of 2009* enumerates the variety of PPP arrangements that could be used in Zambia.

**Table 1: The Role of the Government and the Private Sector in Public-Private Partnerships (PPPs)**

PPP Type	Service Contract	Management Contract	Lease	Build-Lease-Transfer	Build-Operate-Transfer	BOO/Divestiture
Objective	Cost reduction and operational efficiency	Improve management and operational efficiency	Operating efficiency and limited private investment	Mobilise private capital and pay investment cost over time	Operating efficiency and mobilise private capital	Operating efficiency and mobilise private capital and total risk transfer to the private sector
Public sector role	Development, financing, O&M, Pays for services	Design, finance and build facility, pays for management	Design, finance and build facility	Operate and maintain facility and pay private sector lease fees	Government regulates the provision of the service	Government regulates the provision of the service
Private sector role	Supplies operational services to government	Management and operation of the facility	Limited financing, management and operation	Design, finance and build facility, lease to Government and transfer ownership to Government at the end of period	Design, finance, build, operate, manage and transfer after a specified period	Design, finance, build, operate, manage and own facility

**PUBLIC PRIVATE PARTNERSHIPS THAT HAVE BEEN FORMED IN THE DEVELOPMENT OF INFRASTRUCTURE IN ZAMBIA**

6.4 Your Committee was informed that Zambia had implemented a number of PPP projects even before the policy and legal framework for PPP implementation was put in place. The Country had implemented some PPP projects even in the colonial era. Projects such as the Rhodesia Rail were built by a private company, namely the British South African Company. The other projects that had been implemented include the Zambia Railways Concession and the Luburma Market Project. Following the formulation of the legal and policy framework, the only project that reached implementation was the Kasumbalesa Border Infrastructure Project. However, this Project was terminated in the interest of national security and the fact that the contract was not favourable to the Government in terms of value for money and revenue sharing. Other projects were either at conception or market testing stages. Your Committee was informed that the projects at various stages were as shown in the table below.

**Table 2: PPP Projects under implementation in Zambia**

No	Project	Sector	PPP Structure /Type	Duration (years)	Contracting Authority	Status
1	Zambia Railways Concession	Transport	Concession	20	Ministry of Works Supply, Transport and Communications	Contract terminated
2	Luburma Market Development	Commerce	Build Operate Transfer (BOT)	65	Lusaka City Council	Implementation stage
3	Kasumbalesa Border Infrastructure	Public Safety/ Commerce	Design Finance Build Operate Transfer (DFBOT)	20	Ministry of Works Supply, Transport and Communication	Contract terminated
4	National Toll Road	Transport	BOT	20	Road Development Agency	Project Conception
5	Long Acres Lodge Redevelopment	Tourism	DFBOT	30	Ministry of Works Supply, Transport and Communication	Contract Renegotiation
6	Housing	Infrastructure	TBA	TBA	Ministry of Local Government and Housing	Project Tendering Stage - Expression of interest
7	Office Block and housing Development	Infrastructure	DFBOT	TBA	Zambia Agency for persons with Disabilities	Project tendering- Request For Proposal
8	Hostel Accommodation	Education	DFBOT	TBA	University of Zambia	Expression of Interest
9	Hostel Accommodation	Education	DFBOT	TBA	Copperbelt University	Project tendering- Request For Proposal
10	Hostel Accommodation	Education	DFBOT	TBA	Mulungushi University	Project tendering- Request For Proposal
11	Waste Management and Recycling	Environmental Management	DFBOT	TBA	Lusaka City Council	Project Conception and Market Testing

### **CHALLENGES FACED IN THE IMPLEMENTATION OF THE PUBLIC PRIVATE PARTNERSHIPS IN INFRASTRUCTURAL DEVELOPMENT IN ZAMBIA**

6.5 Your Committee learnt that the challenges faced in the implementation of PPPs in infrastructure development in Zambia were as set out below.

- (i) **Low traffic volumes:** The relatively low traffic volumes on the major roads has hampered the launch of viable PPPs through concessions using approaches such as BOT. The traffic volume had a direct effect on the toll collections and consequently on the cost recovery.

This has a potential to fail in a scenario where there were high initial investment costs, operational and maintenance costs against the low toll revenues. For instance, the Kitwe-Chingola Road which was one of the most trafficked trunk roads in Zambia has an average of 7,500 vehicles per day in both directions, while Lusaka-Kabwe has 4,600 vehicles per day and approximately 400 per day on the Great East Road and the section of Serenje to Nakonde. Compared to South Africa, the Johannesburg-Pretoria Road which carries between 80,000 and 120,000 vehicles per day in both directions. Meanwhile, the required minimum threshold for a section of the network to have a self sustaining tolling is about 6,000 vehicles per day with modest Government contribution, 10,000 vehicles per day with minimal Government contribution and 15,000 vehicles per day with overall Government contribution.

- (ii) Low vehicle population:** Zambia has approximately less than 500,000 registered vehicles as compared to neighbouring countries like Zimbabwe which has 1.2 million privately registered vehicles, while South Africa has 8 million registered vehicles. Zambia has most of these vehicles in urban areas, implying that they operated within the urban centres where tolling could not be easily applied. This has grossly affected the traffic volume on roads where PPP was applicable.
- (iii) Inadequate experience in the Government to undertake PPP projects:** Most Government officers do not have sufficient knowledge, ability, skills and time to manage the PPP project cycle. Often, inadequately prepared projects that were not ready to go to the market were tendered resulting in delays in the procurement process as sometimes project outcomes were being changed or aligned during procurement. Further, poorly formulated projects by contracting authorities had resulted in PPP concessions being cancelled and projects being reverted back to the Government or failure to achieve transaction closure in the first instance.
- (iv) Lack of financial resources dedicated to PPP projects:** One of the critical factors in PPPs was the preparation of the project in the form of a feasibility study. The absence of a solid feasibility study was likely to reduce the benefits of PPP projects and diminish project attractiveness to private investors. In addition, without a feasibility study, the Government could not predict its total financial liability under various scenarios. In addition, it would be difficult to assess the proposals from the private sector as whether or not they met the minimum criteria of affordability, value for money and whether they optimise the risk allocation between the Government and the private sector as provided for in the *Public Private Partnership Act of 2009*. Further, without a feasibility study, the Government's position during the contract negotiation would be weak with a high likelihood of achieving a weak concession agreement.
- (v) Lack of clear guidelines and regulations to guide Contracting Authorities and the Private Sector in the implementation of PPPs:** Since the enactment of the PPP Act of 2009, PPP guidelines, manuals, regulations and standard bidding documents which should spell out detailed and clear steps in implementing PPPs had not been developed. This has added to the challenges being faced by contracting authorities such as RDA in moving projects through the PPP cycle.
- (vi) High transaction costs and lengthy lead time:** The PPP arrangements were complex and require the involvement of various experts including financial, legal, sectoral expertise and transaction advisory, among others. PPP projects often require extensive expert input and the process could be lengthy resulting from the procurement processes of various expertise and the tendering process for the PPP transaction including complexities

associated with the negotiation process. PPPs also require adequate sensitisation to ensure the buy-in of the public at early stages of the process to avoid rejection of the project once implemented. Moreover, once prepared, the PPP project would have to be marketed through road shows, investment promotion missions and media coverage, among others.

- (vii) Political interference:** The Government unfortunately still adopts practices of patronage and favouritism over capability and competence in its selection process. Several projects had failed at start-up because the process of selection of the partnership was flawed. Further, there were also PPPs which were concluded by a previous Government which succeeding Governments had failed to honour.
- (viii) Lack of Project implementation framework:** For the partnerships to yield intended results for all stakeholders, namely Government, private sector investors and the public, there would be a need for a comprehensive and regular review of projects at both development and operation. This would, therefore, be the core responsibility of structures managing the development of PPPs and coordinated by the PPP unit. Most projects were implemented without putting in place project implementation and monitoring mechanisms, resulting in poor implementation and failure to achieve the intended goals for the Government.

## **BENEFITS OF PUBLIC PRIVATE PARTNERSHIPS IN INFRASTRUCTURE DEVELOPMENT IN ZAMBIA**

6.6 Your Committee was informed that in spite of the challenges and complications of implementing PPPs, introducing private sector effectiveness and productivity in delivering public infrastructure could help the Government achieve what was termed “Triple Bottom Line” benefits of delivering economically, socially and environmentally friendly public good. It was stated that some of the major and documented benefits of PPPs worldwide were as outlined below.

### **Creation of more jobs**

With a constraint on public financing, PPPs offered a viable solution to the creation of employment in infrastructure and related services. Infrastructure investments had the potential to create jobs quickly while providing a foundation for future economic growth and employment, especially for a country like Zambia where the infrastructure gap was great and unemployment was high. For example, empirical evidence had shown that every US\$1billion investment in infrastructure had the potential to generate on average around 110,000 infrastructure-related jobs. Employment creation arising from investment in infrastructure could be as a result of:

- (i) direct jobs such as construction of roads, energy plants and railways;
- (ii) employment through increased demand for core inputs for infrastructure assets such as cement, asphalt and steel, among others; and
- (iii) employment associated with growth of the economy such as jobs created by other industries that rely on infrastructure for their business.

Thus, private financing of public infrastructure was critical for both short and long term economic growth and job creation.

### **Catalysts for economic growth**

Infrastructure such as transport, energy and buildings, among others, were all important inputs into the long term growth of the economy. Further, public sector infrastructure is essential to the growth and survival of a nation. Well planned, funded and maintained infrastructure plays a vital role in supporting a high standard of living and facilitating commerce and trade, thereby extending a nation's global reach. However, the Government has limited resources, hence the need to tap the private sector for capital, technology and expertise to finance, develop and manage public-sector infrastructure projects. Hence, PPPs coupled with the right set of policies and institutional environments could also become catalysts for economic growth.

### **Increase infrastructure availability**

The PPPs would enable the Government accelerate the development of infrastructure by tapping into the private sector's financial resources, as well as its skills in designing, building, and operating infrastructure on a whole life-cycle cost basis. Because PPPs were financed by the private sector and the Government pays for the facility over the life of the project, PPPs would enable the Government have access to the infrastructure facility while paying for it. The public, therefore, benefits from faster implementation of infrastructure projects because the Government would not have to wait until it could afford the construction of the facility to address the matter.

### **Making projects affordable**

Under the PPPs, the private sector finance the construction of the project and are repaid by a service charge from the contracting authority over time or by revenues from the project or a combination of the two. In addition, under a PPP arrangement, the Government would pay the annual payment only if services are being successfully delivered while in traditional procurement, the public sector pays both the capital and operating expenditure and is fully at risk for the actual out-turn costs. Making annual payments throughout the life of the PPP project would make projects affordable within annual authority budgets and the payments by the public sector would more closely match the user benefits of the project as they were being delivered. Affordability was critical in determining the attractiveness of the PPP especially for contracting authorities who have limited budgetary resources to undertake the projects traditionally and have no direct power to borrow such huge amounts for infrastructure purposes, but could enter into long term contracts for the delivery of services and could afford long term annual payments under a PPP scheme. Further, where future revenues of the project could finance the majority or the entire project without recourse to public sector support, affordability of the project to the public sector was further improved. Hence, PPPs were a pragmatic and innovative solution to overcome the budgetary and legal impediments.

### **Development of local private sector capabilities**

The PPPs could help develop local private sector capabilities through joint ownership with large international firms, as well as sub-contracting opportunities for local firms in areas such as civil works, electrical works, facilities management, security services, cleaning services and maintenance services, among others.

### **Provision of additional finances**

By mobilising private sector resources in infrastructure development, PPPs could help the Government free up public funds to other socioeconomic sectors.

### **Creation of efficient economies**

The PPPs could create efficient and productive working relationships between the public and private sector.

### **Easy diversification in the economy**

The PPPs could help create diversification in the economy by making the country more competitive in terms of its facilitating infrastructure base as well as giving a boost to its business and industry associated with infrastructure development.

### **Increased value for money**

PPPs could help the Government extract long term value for money through appropriate risk transfer to the private sector over the life of the project from design or construction to operations or maintenance because of private sector efficiencies.

## **COMMITTEE'S OBSERVATIONS AND RECOMMENDATIONS**

Your Committee observes as follows:

- (i) most Government officers do not have sufficient knowledge, ability, skills and time to manage the PPP project cycle; further, poorly formulated projects by contracting authorities have resulted in PPP concessions being cancelled and projects being reverted to the Government for failure to achieve transaction closure in the first instance;
- (ii) PPPs require adequate sensitisation to ensure the buy-in of the public at early stages of the process to avoid rejection of the project once implemented; in addition, once prepared, the PPP project will have to be marketed through road shows, investment promotion missions and media coverage, among others;
- (iii) the absence of solid feasibility studies is likely to reduce the benefits of PPP projects and diminish the project attractiveness to private investors;
- (iv) there is a lack of clear guidelines and regulations to guide contracting authorities and the private sector in the implementation of PPPs in Zambia;
- (v) the Government unfortunately still adopts practices of patronage and favouritism over capability and competence in its selection process of PPP projects;
- (vi) most PPP projects are implemented without putting in place project implementation and monitoring mechanisms, resulting in poor implementation and failure to achieve the intended goals by the Government; and
- (vii) the current *Public Private Partnership Act of 2009* has some flaws which has contributed to the challenges being faced in the sector.

In view of the foregoing, your Committee recommends that:

- (i) there is need to create dedicated PPP Sub-Units in the contracting authorities that should also be staffed with trainable staff to enable the country implement PPP projects;
- (ii) the Government must scale up awareness campaigns where the PPP concept could be introduced to the relevant line ministries and local authorities as well as other concerned agencies of the Government responsible for infrastructure development and service delivery;

- (iii) the Government should ensure that contracting authorities such as the Road Development Agency (ZDA) or the relevant ministries have the necessary resources required for project preparation and implementation as well as resources required to build capacity within the public sector to implement PPPs;
- (iv) PPP regulations, guidelines and manuals for implementing PPP projects should be developed in collaboration with all key agencies involved in PPP. Contracting authorities should closely liaise with the PPP Unit under ZDA to ensure that it develops PPP regulations and manuals to be used in the planning, design, procurement and implementation of the PPP Projects in line with the PPP Act and other Government policies and directives;
- (v) the Government should put up measures to strengthen the procurement process and ensure that there is transparency in awarding of PPP contracts and encourage competitive tendering of bids, free of patronage and political influence;
- (vi) the Government should develop mechanisms for project implementation, monitoring and contract management, within the PPP unit and line ministries; and
- (vii) the Government must, as a matter of urgency, review the *Public Private Partnership Act of 2009* so as to address the current challenges in the sector.

## **TOPIC 2: THE STATE OF RAILWAY INFRASTRUCTURE IN ZAMBIA**

7.0 Your Committee resolved to undertake a study on the state of railway infrastructure in Zambia. The objective of the study was to:

- (i) find out if there was any policy on the maintenance and management of the railway infrastructure in Zambia;
- (ii) establish the state of railway stations, railway lines, locomotives and wagons in Zambia;
- (iii) assess the challenges, if any, faced in the maintenance and management of railway infrastructure in Zambia;
- (iv) find out if there were any measures that had been put in place to revamp the railway system; and
- (v) make recommendations to the Executive on the way forward.

### **Stakeholders**

The following stakeholders made submissions to your Committee in the study:

- (i) Mr John Mulenga, Member of the Public;
- (ii) Zambia Railways Limited;
- (iii) Tanzania and Zambia Railway Authority;
- (iv) Engineering Institution of Zambia;
- (v) Chartered Institute of Logistics and Transport;
- (vi) Ministry of Finance; and
- (vii) Ministry of Transport, Works, Supply and Communications.

## **CONSOLIDATED SUMMARY OF SUBMISSIONS**

### **THE STATE OF RAILWAY INFRASTRUCTURE IN ZAMBIA**

7.1 Your Committee was informed that Zambia's railway network consists of two main systems namely, Zambia Railways Ltd (ZRL) and Tanzania Zambia Railways Authority (TAZARA).

#### **ZAMBIA RAILWAYS LIMITED**

7.2 Your Committee was informed that Zambia Railways Limited was wholly owned by the Government of the Republic of Zambia and was mandated under the *Railways Act of 1982*, to operate both passenger and freight trains. The total rail network stood at 1,062 kilometres stretching from Victoria Falls in Livingstone in the Southern Province to Chililabombwe in the north. The track gauge of the Zambia Railways network stood at 1067 mm. Out of the 1,062 total stretches of kilometres, 848 kilometres fell on the main line and 214 kilometres was on branch lines. Further, there were stations dotted along the entire rail line.

#### **Railway Stations**

There were three types of railway stations dotted along the line of rail from Livingstone up to the border town of Chililabombwe on the Copperbelt. The three types of stations were classified as big, small and remote stations.

##### **(a) Big railway stations**

These were major stations located in big towns or cities along the line of rail. There were stations where most of the railway activities such as marshalling of trains are done. The stations were of big marshalling yards with not less than eight lines at the station. At some of these stations, there were raised platforms which were protected by way of fencing for the purpose of safety to passengers and the general public.

Further, all yards in these stations were electrically lit although there was still need to intensify the fencing so as to curb theft and trespassing. Of these stations, the ones in cities were of some good standard but the rest still needed face lifting as they still wore old designs. The stations highlighted in this context are Livingstone, Choma, Kafue, Lusaka, Kabwe, Ndola and Kitwe.

##### **(b) Small railway stations**

These were suburban stations located in between big towns or cities and had yards with not more than eight lines. In these stations, train marshalling was also done but not as compared to the activities done in big stations. Some of these stations also have raised platforms, but were not fenced while others were on flat platforms. Their yards also have lights although most of these lightings were malfunctioning and most of their station infrastructures (buildings) need major renovations. In addition to these stations, there were also stations of the same type on the Inter-Mine.

##### **(c) Remote railway stations**

These wayside stations were stations found in between big towns or cities and small towns. Most of these stations did not have more than three rail lines and did not have any meaningful infrastructure buildings. Some of these stations had waiting halls for passengers which have since been vandalised or demolished.

In all of the stations stated earlier, crossing of trains also takes place except in isolated Halt stations where there was only one running line. Other than the big railway stations, most of these stations have some water supply systems either by way of boreholes or hand pumps at stations or by pumping water from streams to the stations. However, this situation was no longer there. Currently, there were no rail staff representations.

## **THE STATE OF THE RAILWAY LINE**

7.2.1 Your Committee was informed that the Zambia Railways rail net work which stretches from Victoria Falls Bridge in Livingstone up to the border town of Chililabombwe consists of three types of rail sections which are 60lbs, 80lbs and 91lbs/90R. The combination of these rail sections make up the total rail track length of 1,062 kilometres of which 848 kilometres was on the main line and 214 kilometres was on the branch lines. The main line was laid mainly on 91lbs rail section and 80lbs and 90R in some isolated sections of the railway track length while the branch lines were on 60lbs and 80lbs rail sections. The main line was generally on rotten wooden sleepers and only a few isolated areas were on concrete sleepers. Even the areas which were on concrete sleepers, some sections had broken concrete sleepers. The branch lines were generally on wooden sleepers, steel sleepers and concrete sleepers in some scanty areas, whilst the wooden sleepers in all the yard lines were not in good condition. The Zambia Railways rail network of 1,062 kilometres was extensively in poor condition due to the poor state of the rails and trains ran at reduced speeds of between 20 and 25 kilometres/hour.

### **The state of wagons, carriages and locomotives**

Your Committee was informed that locomotives, wagons, carriages and other rail way vehicles comprised what was called Rolling Stock. Zambia Railways Limited has a Rolling Stock Department which was responsible for the maintenance, repair and rehabilitation of railroad vehicles and the associated plant equipment and machinery. It was made up of two main sections; the Motive Power Section which was responsible for locomotives and carriages and the Wagon Section responsible for wagons and coaches. Further, ZRL has a total locomotive fleet holding of thirty seven; out of which twenty four were operational and the balance thirteen were defective and extensively cannibalised. The fleet comprise three types of locomotives namely, the twelve General Motors locomotives of 3600 HP power rating and twenty five General Electric locomotives (17 U20C and 8 U15C).

## **CHALLENGES FACED IN THE MAINTENANCE AND MANAGEMENT OF INFRASTRUCTURE**

7.2.2 Your Committee was informed that at the time Zambia Railways Limited was being concessioned to Railway Systems of Zambia in 2003, most of the railway infrastructure was of some good standard although there was still a lot of concern about the state of the rail line. About 62 percent of the rail network had been fully rehabilitated with concrete sleepers by the time of concessioning in December, 2003. However, most of the sections in this portion were currently in a deplorable state due to broken sleepers. As the concessionaire failed to achieve its intended goals of improving the rail infrastructure, the Government of the Republic of Zambia repossessed the Company in September, 2012, with a lot of challenges. Your Committee was informed that the challenges faced by the Government were as set out below.

### **Inadequate provisioning of railway track materials and equipment**

The procurement and supply of all essential materials was inconsistent and too slow as most of these materials such as concrete sleeper fastenings, track tools, rails as well as concrete sleepers were all foreign procured. Of all these, the most erratic were the concrete sleeper fittings. The

only concrete sleeper plant in Zambia does not have the capacity to supply the demand of 665,000 concrete sleepers. Further, of the total 31,000 tons of 91lbs rails demand, only 5,000 tons would be procured due to lack of adequate funds.

#### **Track contractor inefficiencies**

The selection of the local contractors to do the rehabilitation had also taken long. Whilst most of these local contractors were competent and had the capacity to do the work, they lacked tools and equipments such as ballast forks, track jacks, beater picks and cant boards which were procured from abroad. Further, some of the contractors did not have qualified track supervisors.

#### **Worker inefficiencies**

The rehabilitation of infrastructure at the Zambia Railways demanded closer monitoring and supervision, hence the need to engage more track supervisors of at least three track supervisors per gang of 100 track workers.

#### **Poor state of the railway line**

Due to the deplorable condition of the rail network both on main and branch lines, trains were run at average speeds of 20 and 25 kilometres per hour and experienced a lot of derailments. Most of the yard lines were also in a bad condition.

#### **Poor state of station buildings and marshalling yard lines**

There were a few crossing loops as some lines had been dismantled in some stations. Further, most of the infrastructure buildings on sideway stations had been vandalised.

#### **Encroachments and vandalism**

There were numerous encroachments along the rail line and illegal settlements on the railway reserve land thereby leading to a lot of vandalism and thefts. Most of these encroachments had also contributed to the unsafe condition of the line in some sections as it was being used as a garbage dumpsite for mining of gravel and sand on the formation and even trading on the rail track.

#### **Degradation of plant machinery, equipment and tools**

There was degradation of plant machinery, equipment and tools used in the maintenance of rolling stock with time. This was because most of them were over aged and past their life spans.

### **MEASURES PUT IN PLACE TO REVAMP ZAMBIA RAILWAYS LIMITED**

7.2.3 Your Committee was informed that due to the deplorable state of the railway infrastructure, the Government had injected USD 120 million for the rehabilitation of the Zambia Railways Limited infrastructure. Zambia Railways Limited has earmarked to overhaul the whole rail network of 1,062 kilometres from Livingstone to Chililabombwe under the two year programme of full track rehabilitation as from 2013 to 2015. The main reason Zambia Railways had embarked on track rehabilitation was to bring the rail network to higher safety standards of train operations and to increase train speeds to an average of 80 kilometres/hour.

#### **Full track rehabilitation**

The launch of the full track rehabilitation was done in the month of October, 2013 and the rehabilitation had since commenced and was in progress. The process was as set out below.

- (a) Re- sleeping**  
The entire rail network of 1,062 kilometres from Livingstone to Chililabombwe would be continuously replaced with concrete sleepers. All the wooden and steel sleepers would be removed and all the existing broken concretes would be replaced. This was the major task of track rehabilitation.
- (b) Deep screening**  
The rehabilitation (re-sleeping) would be undertaken along with deep screening of the old caked ballast.
- (c) Ballasting**  
The entire network would receive new volumes of clean ballast during full track rehabilitation.
- (d) Rail upgrade and renewal**  
During the track rehabilitation, upgrading and renewal of rails would also be carried out. All the worn-out, skidded and battered 91lb rails would be replaced with new 91lbs rails. The rail upgrade from 80lbs to 91lbs would be done mostly in the Livingstone/Kalomo section and the 60lbs to 80lbs would be done on the Chambishi/Mufulira. The desired type of rails on the entire mainline was 91lbs. The fact that they were more expensive than 80lb rails was the reason why ZRL still used 80lb rails. Hence the upgrading of 80lb rails to 91Lb rails would be continuous as long as funds were available.
- (e) Tamping**  
During the rehabilitation, tamping would be done manually. However, the entire network would be mechanically tamped after full completion of the rehabilitation.
- (f) Rail conversion**  
Sections with good short rails (12.2m), would be welded into short welds or long welds and continuous welds (SWR/LWR/CWR). The welding would be done by way of flash butt and thermit welding.
- (g) Signage**  
The track rehabilitation would also go with signage works such as temporary track signs and permanent signages such as kilometre pegs, signalling, whistle boards and station name boards.
- (h) Earthworks**  
The unblocking and construction of drainages and culverts and repairing and building of formation would also be carried along with the rehabilitation.
- (i) Stations**  
Two crossing loops in each of the major stations would also be rehabilitated or upgraded with concrete sleepers. Fencing of major railway reserves and lighting of major and some other railway stations would also be done. In some of the wayside or remote stations, there were boreholes which were lying idle and some were being used by some individuals. Zambia Railways Limited would need to lease these boreholes to the communities.
- (j) Contractors**  
Thirty-three local contractors had been selected to undertake the track rehabilitation and would be allocated to each of the eleven permanent way inspectors. Of these, twenty two

would undertake the railway track rehabilitation works while four would conduct the earth works and signage. Currently, four local contractors who were identified to undertake the track rehabilitation launch were continuing with the rehabilitation.

**(k) Materials**

Zambia Railways Limited was procuring all railway track materials for track rehabilitation whereas contractors would procure all the essential tools and equipment required for full track rehabilitation.

**(l) Workers**

Each of the thirty-three contractors selected to do the track rehabilitation would have a work force of between fifty to 100 workers and a minimum of two track supervisors. Further, Zambia Railways was going to train about thirty trainee track supervisors out of which sixteen would be directly engaged as in-service while the rest would be surrendered to the contractors.

**Infrastructure activity plan for five years**

Your Committee was informed that ZRL's infrastructure activity plan for the years 2015 to 2018 was as set out below.

<b>Performance Area</b>	<b>Performance Measures</b>	<b>Target</b>	<b>Time Frame</b>
<b>Rail Track</b>	Full Rehabilitation of the Main and Branch Line	Increase traffic levels to 5,000,000MT by 2018	2018
<b>Rail Track</b>	Full Rehabilitation of Yard and Customer Siding Rail Track	Increase in efficiency and customer satisfaction	2016
<b>Train Operations</b>	Upgrading of the New Signalling Train Control System	Installation of GSM-R2 to improve efficiency and safety of Train Operations	2015
<b>Bridges</b>	Installation of Plate Girder Bridges	Replacing of semi through bridges with plate girder bridges	2016
<b>Crossings at Main Station Yards</b>	Installation of Cast Manganese Crossings at Main Station Yards	Replacing of Crossing at Main Station Yards with Manganese Crossings	2017
<b>Railway Reserves</b>	Fencing of Railway Reserves	Fencing of Railway Reserves in built up areas of Lusaka	2015
<b>Rail Sections</b>	Replacement of 80lb Rail Sections with 91lb Rails	17680 tons of 80lb Rail to be Replaced with 91lb Rails	2017
<b>Skidded/ Burned Rails</b>	Replacement of Skidded/ Burned Rails	25894 tons of Skidded/Burned Rails to be Replaced on Mainline	2017
<b>Quarries</b>	Acquisition of Quarries Along Line of Rail	2	2017

**THE TANZANIA ZAMBIA RAILWAY AUTHORITY**

7.3 Your Committee was informed that there were forty- two stations in the Zambian portion of the line with the main railway stations located at Kapiri-Mposhi, Serenje, Mpika, Kasama, Chozi and Nakonde. However, these stations had now suffered neglect and needed urgent intervention.

### **Railway lines**

The total length of the track was 2,060 km with the mainline being 1,860 km from Dar-es-Salaam to Kapiri-Mposhi. The portion of the track in Zambia runs from Nakonde to Kapiri-Mposhi for a total distance of 860 km. The minimum radius was 300m except between Mlimba and Makambako in Tanzania where it was 200m and between Makambako and Chozi where it was 250m. The track consists of 12.5m rails of 45 kg/m, joined with 6 hole fishplates forming a suspended joint, and uniblock concrete sleepers of 191 kg weight. The density of the sleepers was 1520 per km and stone ballast of size 25mm to 70mm was used. The depth of the ballast was 250mm and treated wooden sleepers were used on turnouts and on steel bridges. The track was designed for axle load of 20 ton per axle with maximum speed of 70 km/h. Further, the TAZARA railway line was designed to carry 5 million tonnes per year of freight (2.5 million in each direction). At hand over, the equipment handed over was for a capacity of 2million tons per year based on the number of stations and 11 pairs per day.

### **Locomotives and Rolling stock**

As at handover, the Authority acquired 85 Deng Hong Feng (DFH2) mainline locomotives and 17 DFH1 shunting locomotives. The DFH 2 were diesel hydraulic with 200HP and a maximum speed of 90 km/h while the DFH1 were also diesel hydraulic with maximum speed of 50 km/h. Both types of locomotives were of dual braking system, air and vacuum pressure. Later in 1979, 12 additional DFH2 were purchased from China. Between 1983 and 1985, 14 diesel electric locomotives of 3200 Hp were acquired from Germany Krupp Company. From 1981, the DFH2 locomotives were being repowered with new diesel electric engines. At hand over, the Authority received a total of 2066 wagons and 83 brake vans. All wagons were equipped with air and vacuum braking systems. There were 100 coaches that had been received of which eighty were for passengers, ten dining cars and ten baggage and mail coaches. In 2013, the Authority acquired 6 diesel electric locomotives from China of 300Hp and a further 4 will be delivered by December 2014. Further, the Company now has 16 diesel electric mainline locomotives consisting of 6 new and 10 old ones. Two shunting locomotives were also to be delivered in 2014.

## **CHALLENGES FACED IN THE MAINTENANCE AND MANAGEMENT OF INFRASTRUCTURE**

7.3.1 Your Committee was informed that the challenges faced in the maintenance and management of infrastructure were as set out below.

### **Organisational structure**

The organisational structure of TAZARA refrains the Company from operating in a commercial way. This was because the direct involvement of the two Governments in the decision-making process, makes it difficult to make commercial decisions that would not have implications for either of the two countries.

### **Lack of skilled manpower**

The Authority commenced operations in 1976 and most of the employees were of the same age at the time. As a result of this, now that most of them have retired, (almost at the same time), skilled manpower has, therefore, become a challenge, for the Authority.

### **Lack of adequate finances**

TAZARA has serious challenges of finance to the extent that it has been unable to generate enough funds for operations, resulting in deterioration in performance of the few locomotives it was operating.

For its investment requirements, only the involvement of the Chinese Government has mitigated the situation through the agreements signed under the Protocols of Technical and Co-operation between the Chinese Government and the Governments of Tanzania and Zambia. These Protocols were currently in the 15<sup>th</sup> phase.

#### **Lack of motive power**

During the year 2013, the Authority faced serious challenges regarding locomotives as it only had ten old locomotives initially. However, there was an injection of six new locomotives under the 14<sup>th</sup> protocol and another four mainline and two shunting locomotives were to be delivered in 2014. The Authority needs more locomotives.

### **COMMITTEE'S OBSERVATIONS AND RECOMMENDATIONS**

Your Committee observes the following:

- (i) there are numerous encroachments along the Zambia Railways rail line and illegal settlements on the railway reserve land thereby leading to a lot of vandalism and thefts; further, most of these encroachments have also contributed to the unsafe condition of the line in some sections as it is being used as a garbage dumpsite for mining of gravel and sand on the formation as well as trading on the rail track;
- (ii) there is degradation of plant machinery, equipment and tools used in the maintenance of rolling stock with time at Zambia Railways because most of them are over aged and past their life spans;
- (iii) there is inadequate provisions of railway track materials and equipment at Zambia Railways because the procurement and supply of all essential materials is inconsistent and too slow as most of these materials such as concrete sleeper fastenings, track tools, rails as well as concrete sleepers are all procured abroad;
- (iv) the organisational structure of TAZARA refrains the Company from operating in a commercial way as the direct involvement of the two Governments in the decision-making process, makes it difficult to make commercial decisions that will not have implications for either of the two countries;
- (v) TAZARA has serious challenges of finances to the extent that it has been unable to generate enough funds for operations, resulting in deterioration in the performance of the few locomotives it was operating;
- (vi) the TAZARA stations at Kapiri-Mposhi, Serenje, Mpika, Kasama, Chozi and Nakonde have suffered neglect and need urgent intervention; and
- (vii) skilled manpower has become a challenge for TAZARA as most of the skilled employees have retired almost at the same time.

In view of the foregoing, your Committee recommends that:

- (i) the Government should ensure that the illegal settlers on the railway reserve land are relocated and stiff penalties should be enforced on anyone found to be encroaching the Railway line;

- (ii) the Government should ensure that new plant machinery, equipment and tools to be used in the maintenance of rolling stock are made available to Zambia Railways Limited;
- (iii) the Government should ensure that measures are put in place to ensure that materials such as concrete sleeper fastenings, track tools, rails as well as concrete sleepers are procured on time seeing that they are all procured abroad;
- (iv) the Government should liaise with the Tanzanian Government and revise the *Tanzania Zambia Railway Act of 1995* to provide for modalities of strengthening the commercial operations of the Institution;
- (v) the Government should liaise with the Tanzanian Government and put in place measures to ensure that TAZARA is adequately funded to enable it conduct its operations;
- (vi) the Government should liaise with the Tanzanian Government and ensure that the TAZARA stations at Kapiri-Mposhi, Serenje, Mpika, Kasama, Chozi and Nakonde are given the necessary facelifts; and
- (vii) the Government should ensure that measures are put in place to enhance capacity for training in the railway sector.

## **PART II**

### **LOCAL TOUR TO LUSAKA, CENTRAL, COPPERBELT, MUCHINGA AND EASTERN PROVINCES**

8.0 In order to appreciate what was obtaining on the ground in relation to the two topics; “Public Private Partnership in Infrastructural Development in Zambia” and “The State of Railway Infrastructure in Zambia” your Committee undertook local tours to five (5) provinces in Zambia namely; Lusaka, Central, Copperbelt, Muchinga and Eastern provinces.

Your Committee inspected the Zambia Railways Limited (ZRL) infrastructure in Lusaka, Kabwe, Kapiri-Mposhi, Ndola, Kitwe and Chipata. Further, it inspected the Tanzania-Zambia Railway Authority (TAZARA) infrastructure at Kapiri-Mposhi, Mununga Quarry, Mpika (HQ) and Nakonde terminal to appreciate the state of railway infrastructure.

Further, your Committee toured Luburma Market in Lusaka, Kasumbalesa and Nakonde Border posts, specifically, to appreciate the Private Public Partnership projects. Details on the visits to the various institutions are as set out below.

### **ZAMBIA RAILWAYS LIMITED**

8.1 Zambia Railways Limited (ZRL) is the national railway, one of the two major railroad organizations in Zambia, which was also referred to as Railway Systems of Zambia (RSZ). It was incorporated in the year 1982. Zambia Railways was wholly owned by the Republic of Zambia and was mandated under the Railway Act to operate both passenger and freight trains.

On 10<sup>th</sup> September, 2012, GRZ repossessed ZRL from the concessionaire. For decision making purposes, ZRL shifted its headquarters recently from Kabwe to Lusaka. The handed over Rolling

Stock and Infrastructure by the concessionaire was in a deplorable state and need to be improved in many aspects.

### **Infrastructure and rolling stock**

The Rail network stretches from Livingstone to Chililabombwe and has a total of 1,224 km of 1,067 mm gauge main-line (Mulobezi line inclusive) and branch lines. Its total track length was 2,300 km throughout the country. ZRL has a goods shed in each of the major stations where minor maintenance took place, but for major repairs on wagons, coaches, locomotives and engines, the central workshop in Kabwe was the centre.

### **Inter-mine and sidings**

The previous investor had closed almost all the inter-mine activities and hence the siding became dormant for over a decade. This had given room for massive vandalism and, mostly, rails had been stolen in most of the inter-mine routes. ZRL has managed to re-open the following routes; Nitrogen Chemicals of Zambia (NCZ) in Kafue, Zambia Sugar siding in Mazabuka, Tazama GRZ storage siding in Lusaka, Larfarge Cement siding in Lusaka, MMI line in Lusaka's Industrial area, Ndola Lime siding in Ndola, Batoka coal bay in Batoka, Nkana-Chingola line, Chingola yard lines 1,2,3 and the main line, Chambishi metals line and Manica siding to Kitwe station. With other new innovative openings on plan, ZRL projects would increase their market share from 12% to 52% by 2018.

ZRL management requires additional capital injection of USD 41million to undertake this innovation on the inter-mine.

### **Greenfield railway projects**

In its strategic framework, ZRL has plans to increase its route length to prepare itself for challenges that may arise along the way considering Zambia being a landlocked country. The following are the anticipated Greenfield railway line projects;

- Chipata – Mpika via Petauke, 569 km;
- Nseluka – Mpulungu via Mbala, 191 km,
- North-Western railway to connect Chingola to Angola; and
- Mulobezi- Kazungula into Botswana/Namibia.

### **Lusaka – Chipata connection**

The development of these projects would increase ZRL's route length and thereby grow its business. It would also lessen the cost of maintaining the road infrastructure as most heavy equipment would now move by rail.

### **Public Private Partnership (PPP)**

ZRL intends to contract a private partner on a “finance only type of PPP” to meet its investment needs and develop its brown field projects. For its green field projects, the Company intends to engage on “Finance, Build and Transfer type of PPP” based on ZRL standards.

## **ZRL NEW DIMENSION – THE NACALA AND BEIRA CORRIDORS**

8.1.2 The dream of having a railway line from Malawi to Zambia was conceived in 1972. The Rail line in Malawi to Mchinji was constructed in 1985 and Chipata Railway Station was built in 1991. The Rail Line from Mchinji to Chipata was completed and commissioned in 2010. The first ZRL train run on the Chipata-Mchinji Rail Line was only recently seen on 23<sup>rd</sup> March 2014. The total length to Nacala port is 1150 Km by rail from Chipata. Central and East African

Railways (CEAR) which signed an access agreement with Zambia Railways to use the Chipata/Mchinji Railway line was facing capacity challenges with regards to some sections of the line. The approximate kilometer coverage from Lusaka to Nacala is about 1750KM compared to Dar es Salaam which is about 3000KM and Durban over 2500KM. With that comparison, the ZRL management proposes that Nacala Corridor be the shortest distance to a port that Zambia would use to connect to the sea coast which in turn would reduce the cost of doing business.

### **Security**

To ensure security on the moving cargo, the following has been put in place:

- (i) trains are double monitored (every train has a van following it along the road to monitor it);
- (ii) all Locomotives have a GPS; and
- (iii) all locomotives have security personnel in the cabin to provide security.

### **COMMITTEE'S OBSERVATIONS AND RECOMMENDATIONS**

Your Committee observes that:

- (i) rehabilitation is labour intensive and standards of work are not observed as everything is done manually;
- (ii) most locomotives being used are too old to meet the growing demand and coverage of long distances;
- (iii) illegal settlers and traders that have encroached on the railway pathway sides in Lusaka, Chipata, Ndola and Kitwe are living in quite hazardous and dangerous conditions;
- (iv) some centres such as Ndola have not been visited by Government officers for the past ten years except for the visit made by your Committee;
- (v) the workshops at Kabwe are underutilised and need more machinery to operate at full capacity;
- (vi) the workshops in all centres are generally untidy, scrap metals are not properly stored and poses a health hazard to the workers;
- (vii) there is vandalism in form of stoning the coaches, stealing rails and clips;
- (viii) the Railway Systems of Zambia has not finished paying its workers their terminal benefits to date and that is affecting the employees negatively on their motivation as most of them are now working with ZRL;
- (ix) political involvement in the haulage business has hampered the development of the railway industry;
- (x) the USD 120 million injected in 2013 to improve the status of ZRL infrastructure is not enough to clear the various problems faced by the Railway Company; and
- (xi) the green field projects would offer great opportunities for the improvement of the rail network in the country as well as creation of jobs in the country.

In view of the foregoing, your Committee recommends that:

- (i) the Government should ensure that modern machinery to be used in the rehabilitation process is made available to ZRL;
- (ii) the Government should consider investing in the acquisition of new locomotives;
- (iii) the Government should ensure that all illegal traders and settlers along the line of rail are relocated;
- (iv) the Government, through the relevant ministries, should take keen interest in monitoring and evaluating the operations of ZRL;
- (v) the Government should ensure that workshops are upgraded to at least meet the minimum standards required for a workshop;
- (vi) the Government should ensure that the workshops in all centres are kept clean. Further, the Government should ensure that capacity is built on safety standards both in the workshops and on railway lines;
- (vii) the Government should explore means and ways of securing the infrastructure which is being vandalised by amending the Railway Act and also the Penal Code applicable to stiffen punishments on vandalism;
- (viii) the Government should clear the outstanding terminal benefits owed to the Railway Systems of Zambia former workers, expeditiously;
- (ix) the Government should ensure that the haulage business is depoliticised;
- (x) the Government must ensure that the Office of the Auditor-General should carry out a performance audit on the utilisation of the USD120 million portion of the Eurobond; and
- (xi) Government should continue its recapitalisation programme to ZRL especially considering their Greenfield projects which can be an answer to the problems currently faced on the state of roads.

## **TANZANIA-ZAMBIA RAILWAY AUTHORITY**

8.2 Your Committee was informed during its tour that Tanzania-Zambia Railway Authority (TAZARA) is a statutory body established in both the United Republic of Tanzania and the Republic of Zambia, by *the Tanzania-Zambia Railway Act of 1975*. The Act was later amended in 1995. The Authority is, therefore, jointly owned by the two countries and the Headquarters is in Dar-es-Salaam, Tanzania but has two regional offices in both countries at Mpika and Dar-es-Salaam in Zambia and Tanzania, respectively.



*Honourable Members of Parliament, Ministry of Transport, Works Supply and Communication staff and TAZARA Regional Management Staff pose for a Photo outside Nakonde Station.*

TAZARA is a bi-national railway linking Eastern Africa, Asia and the rest of the world through the sea port of Dar-es-Salaam. Zambia being a landlocked country with no sea coast is, therefore, connected through the TAZARA pathway. The railway covered a total of 1,860KM from Kapiri-Mposhi to Dar-es-Salaam. Until recently, TAZARA had been a major transporter of copper and other minerals out of Zambia and the DRC, but also conversely served as a key conduit for all kinds of bulk imports from all over the world, including fuels, fertilizers, general merchandise, hardware, coke and other critical inputs into the mines and agricultural farmlands of Malawi, Zambia, Tanzania and the DRC, as well as Rwanda and Burundi through the Port of Mpulungu on Lake Tanganyika. With its sprawling interconnectedness and reach, TAZARA was poised to serve as a critical infrastructural backbone for the three regional groupings of the Common Market for Eastern and Southern Africa (COMESA), the Southern Africa Development Community (SADC) and the East African Community (EAC). In terms of passenger transportation, TAZARA not only eased mobility for some of the most disadvantaged rural communities in Tanzania and Zambia, but also provided a public railway service that was very predictable, reliable, safe and convenient.

For purposes of inspection, your Committee only toured the Zambian region and visited Kapiri-Mposhi, Mununga Quarry, Mpika and Nakonde stations whose brief profiles were as set out below.

### **Kapiri-Mposhi Station (Terminal)**

Kapiri-Mposhi is the terminal station for TAZARA in Zambia. The other Terminal on the Tanzanian side is Dar-es-Salaam. This terminal was meant to handle cargo to and from the Central and Southern African regions.

One major challenge, among others, was that over five hundred former workers of TAZARA had not yet been paid their terminal benefits.

### **Mununga Quarry**

TAZARA has two quarries, Mununga Quarry in Mpika, Zambia and Kongolo Quarry in Mbeya, Tanzania, each with the capacity to produce more than 2,000mt of quarry products per hour. The two plants produce high quality ballast as the main product for railway maintenance whilst aggregates, chippings, boulders, quarry dust and crusher dust are produced as by-products for sale to the public. Due to aging of machinery, production levels had reduced over the years.

### **Mpika station and workshop**

There were three engineering workshops located in Dar-es-Salaam, Mbeya and Mpika. The Mbeya workshop was specifically set up to undertake the maintenance of General Electric/Krupp (Diesel Electric) Locomotives and all scopes of repair, including the rehabilitation of locomotives from serious train accidents. DE locomotives are TAZARA's mainstay, employed mostly in mainline operations.

Further, the Dar-es-Salaam and Mpika workshops, on the other hand, are exact replicas and were particularly established to conduct wagon and coach maintenance and repairs and to offer general engineering services and works that the railway would require including: steel casting, general purpose and light metal casting, forging services, coiling of springs, crankshaft grinding (up to 3m length and 600mm diameter), all basic machining processes, including planning, grinding, turning, shaping and more, gear manufacture, heat treatment and electroplating, laboratory services, equipment maintenance, repair and overhaul and manufacture of component parts for factories. In addition, TAZARA had six locomotive depots and four rolling stock repair sheds for day-to-day maintenance, fuelling and light repairs.

### **TAZARA TRAINING CENTRE**

TAZARA Training Centre (TTC) which is located 10km west of Mpika Boma in Muchinga Province and about 600km northeast of Zambia's capital Lusaka, was constructed at the very inception of TAZARA for the purpose of training in-service staff and new entrants to the railway industry. The Training Centre has full lodging and boarding facilities and is a Government certified institution with nine classrooms and ten laboratories, two of which are computer laboratories.

### **COMMITTEE'S OBSERVATIONS AND RECOMMENDATIONS**

Your Committee observes the following:

- (i) the equipment at the station in Kapiri-Mposhi is being underutilised;
- (ii) there is lack of drive and motivation on the part of management at TAZARA;
- (iii) workers are demotivated by lack of payment of salaries for three months or more by TAZARA owing to the fact that there is inadequate funding by the shareholders (Zambian and Tanzanian Governments);
- (iv) workers are operating on unspecified contracts;
- (v) the communications system may be hazardous as movement is controlled through cell phones;

- (vi) fuel supply is a problem as some locomotives are kept to wait for too long before refuelling; and
- (vii) most TAZARA retirees have not been paid their benefits.

In view of the foregoing, your Committee recommends that:

- (i) the Government should put in measures to make rail transport competitive so that equipment is not underutilised;
- (ii) there is need for a complete overhaul of top management at TAZARA;
- (iii) there is need for the Zambian and Tanzanian Governments to liaise and ensure that workers' salaries are up to date;
- (iv) there is need for the Government to put in place measures that would compel TAZARA to ensure that workers operate on proper and specified contracts;
- (v) the Government should compel management to acquire safe communication devices;
- (vi) the Government should ensure that fuel for use in the locomotives is adequately supplied to TAZARA; and
- (vii) the Government, in collaboration with its counterparts in Tanzania, should ensure that TAZARA retirees are paid off.

## **KASUMBALESA AND NAKONDE BORDER POSTS -PUBLIC PRIVATE PARTNERSHIP PROJECTS**

8.3 Your Committee was acquainted with issues set out below from the two border posts visited.

### **Kasumbalesa Border Post**

The project was developed through the Public Private Partnership (PPP) Agreement. The concessioned border post project was to run for 25 years on "Build Operate and Transfer" basis. The Government has since cancelled the Kasumbalesa border post concession on grounds that the law and procedure were not followed when the concession was signed.

The matter surrounding the cancellation of the PPP was currently before the courts of law as the Zambian Government has been sued for breach of the Agreement.

### **Nakonde Border Post**

The Nakonde border post was the second largest in terms of volumes and third largest in terms of revenue collections averaging K135 million per month. The total number of members of staff at this station was 64 but it only had 32 staff houses. Further, the station would soon shift to the new facility which was recently built by the Government. The project, which was initially under the Government, was later concessioned by the same contractor who concessioned the Kasumbalesa border. The concession was later aborted by the Government and, therefore, was currently running under the Government through the Ministry of Transport, Works, Supply and Communications.

## **COMMITTEE'S OBSERVATIONS AND RECOMMENDATIONS**

Your Committee observes the following:

- (i) the frequent power outages experienced in Nakonde makes operation costs for the station too high as the generators have to run for long hours;
- (ii) all funds collected are remitted to control 99 and no funds, as earlier planned by the concessionaire, are left at the centre for rehabilitation;
- (iii) there is inadequate human resource at the borders;
- (iv) the porousness of the border makes it difficult to curb the problem of smuggling;
- (v) the office infrastructure at the borders is inadequate, especially at Nakonde, where some officers have to use warehouses as offices;
- (vi) there has been high levels of forgery of customs documents and presentation of forged invoices to customs during clearance;
- (vii) there is limited space of parking at the border facilities and the road leading to the border is narrow;
- (viii) there are some unfinished works on site;
- (ix) crossing fees that are charged by the authority at Kasumbalesa of USD19 per axle are not consistent with other borders such as Nakonde; and
- (x) there is inadequate knowledge of the clearance process by most clearing agents.

In view of the foregoing, your Committee recommends that:

- (i) there is need for Government to consider engaging ZESCO management to offer some exemptions to ZRA in terms of load - shading so as to avoid power shortages at the border facilities;
- (ii) the Government must explore all options including allowing some portion of funds for rehabilitation or simply coming up with a rehabilitation programme for all border facilities;
- (iii) the Government should ensure that additional employees are recruited at the borders;
- (iv) the Government should put up measures at the borders to curb the problem of smuggling;
- (v) the Government should ensure that additional offices are built at the borders especially at Nakonde;
- (vi) the Government should ensure that ZRA expedites the process of integrating its system to the Asycuda world system which is currently underway;

- (vii) the Government should increase parking facilities to avoid congestion at the borders as well as widen the road leading to the borders;
- (viii) the Government should take up the work in progress that was left by the concessionaire at Kasumbalesa border post;
- (ix) the Government should standardise fees charged at all border posts to avoid loss of revenue; and
- (x) the Government should put up measures to ensure that clearing agents at the Kasumbalesa border post are well trained and acquainted with the clearing process.

### **LUBURMA MARKET**

8.4 Luburma Market was amongst the projects that were built under “Build-Operate and Transfer” (BOT) type of Private Public Partnership (PPP). It was built in the year 2004 by China Hainan Zambia Limited and the agreement signed between the Concessionaire and the Government was 65 years. Following the formulation of the legal and policy framework governing the PPPs which had been non-existent at the time of implementing some of the PPPs including this one, the Government was considering renegotiating the agreement to reduce it to a reasonable period.

### **COMMITTEE'S OBSERVATIONS AND RECOMMENDATIONS**

Your Committee observes that:

- (i) the 65 years lease agreement entered into with China Hainan Zambia Limited is just unacceptable as the building would have depreciated to a negative amount at the end of the period; and
- (ii) maintenance is not done unless on request by the clients.

In view of the foregoing, your Committee recommends that:

- (i) the Government should seriously explore options of renegotiating the agreement as indications were that the Concessionaire may have already reaped his cost of investment estimated at about K9.8 Million; and
- (ii) the programme of maintenance must be clearly stated and not wait upon requests from clients.

## **PART III**

### **9.0 CONSIDERATION OF THE ACTION-TAKEN REPORT ON THE REPORT OF THE COMMITTEE ON COMMUNICATIONS, TRANSPORT, WORKS AND SUPPLY FOR THE SECOND SESSION OF THE ELEVENTH NATIONAL ASSEMBLY**

#### **A. Airport Infrastructure**

##### **(i) Simon Mwansa Kapwepwe**

9.1 Your previous Committee recommended to the Government to ensure that reported deficiencies in the current structures such as poor toilets, poor water reticulation, poor electrical systems in the terminal buildings and runways, absence of fire bays, poor furniture, poor ventilation and air-conditioning, and poor runway surfaces were attended to without delay. Being an international airport, the concrete runway and taxiway at Simon Mwansa Kapwepwe International Airport in particular needed urgent attention.

##### ***Executive's Response***

Your Committee was informed that the Government had embarked on a programme to rehabilitate and upgrade aerodromes and airports country wide. All the deficiencies observed would be looked into during the programme of rehabilitation. For the runway and taxiway at Simon Mwansa Kapwepwe, the Government was planning to construct a new Airport in Ndola. The procedures to select a contractor had been completed and AVIC International had been selected to construct the Airport. The estimated cost of the project was \$520 million and the project duration was estimated at 3 years.

##### ***Committee's observations and recommendations***

Your Committee notes the response and requests a progress report on the construction of the new Simon Mwansa Kapwepwe International Airport in Ndola.

##### **(ii) Southdowns and Kasompe Aerodromes**

9.2 Your previous Committee urged the Government to come up with measures that would forestall dilapidation at some aerodromes such as Southdowns and Kasompe which had some structures in good condition.

##### ***Executive's Response***

It was reported in the Action-Taken Report that the runways at these aerodromes had a slurry seal surface which had weakened overtime. However, the Government, through Civil Aviation, had embarked on a programme to rehabilitate aerodromes in the country. Southdowns and Kasompe would also be considered.

##### ***Committee's observations and recommendations***

Your Committee notes the response and requests a progress report on the matter.

#### **B. Land for Aerodromes**

9.3 Your previous Committee had urged the Government to ensure that all aerodromes were surveyed and put on title in order to safeguard the land.

### ***Executive's Response***

Your Committee was informed that the Government had embarked on a programme to ensure that all aerodromes were surveyed so that they were issued with title deeds. The Government had since engaged the Surveyor General, through the Ministry of Lands, to facilitate carrying out of these surveys so that aerodrome(s) could be defined and later fenced off in order to deter encroachment of the land.

### ***Committee's observations and recommendations***

Your Committee notes the response and awaits a progress report on the matter.

## **C. Upgrading Aerodromes**

### **(i) New infrastructure at international airports**

9.4 Your previous Committee had urged the Government to expedite the upgrading and the putting up of new infrastructure at international airports. Further, your previous Committee urged the Government to make it a policy that all provincial capitals must have airports.

### ***Executive's Response***

It was reported in the Action-Taken Report that Mkushi, Serenje, Mpika, Chinsali, Isoka, Luwingu, Mporokoso, Chadiza, Chama and Nakonde were among the aerodromes to receive an upgrade in the first phase. The upgrading of infrastructure on the four international airports which are under National Airports Corporation namely Mfuwe, Kenneth Kaunda, Harry Mwaanga Nkumbula, and Simon Mwansa Kapwepwe was in a tendering process. In addition, plans were equally underway for upgrading of the existing provincial airports country wide.

### ***Committee's observations and recommendations***

Your Committee requests an update on the upgrading of infrastructure at the four international airports and the existing provincial airports country wide.

### **(ii) Upgrading all airstrips to bituminous standard**

9.5 Your previous Committee had recommended that the Government should come up with a comprehensive plan of upgrading all airstrips to bituminous standard. For those aerodromes where there were human-animal conflicts, electric fences or any other effective means should be employed to protect both animals and aircraft.

### ***Executive's Response***

Your Committee was informed that the Government had planned to upgrade selected aerodromes to bituminous standard and would consider types of fencing once the aerodromes had been surveyed and issued with title deeds.

### ***Committee's observations and recommendations***

Your Committee requests the Government to clearly state the selected aerodromes and awaits a progress report on the matter.

## **D. Safety and security equipment at airports**

### **(i) Procurement of surveillance radar**

9.6 Your previous Committee recommended that surveillance radar be procured without any further delay for ease of air traffic control and enhancement of air safety.

### ***Executive's Response***

Your Committee was informed that the Government had selected a successful bidder to supply and install Radar.

### ***Committee's observations and recommendations***

Your Committee notes the response and awaits a progress report on the matter.

#### **(ii) Modernisation of key navigation equipment**

9.7 Your previous Committee recommended that all key navigation equipment should be modernised, in particular, consideration should be made of installing Landing Instrument Systems and VHF Omni-directional Range/Distance Measuring Equipment at all airports.

### ***Executive's Response***

It was reported in the Action-Taken Report that the Government was in the process of modernising navigation equipments by starting with the procurement of Radar and then installation of all other required equipment.

### ***Committee's observations and recommendations***

Your Committee notes the response and requests a progress report on the matter.

#### **(iii) Control towers**

9.8 Your previous Committee had recommended that all control towers at all airports should be given a facelift in terms of outlook.

### ***Executive's Response***

Your Committee was informed that control towers would be considered for a facelift at aerodromes going by the density of traffic handled so that projects were done in a systematic manner without stalling.

### ***Committee's observations and recommendations***

Your Committee notes the response and requests a progress report on matter.

#### **(iv) Weather equipment**

9.9 Your previous Committee recommended that weather equipment should be procured and installed at all airports.

### ***Executive's Response***

It was reported in the Action-Taken Report that the Government would provide funding to Meteorological Department for purchase of relevant equipment as per their standard.

### ***Committee's observations and recommendations***

Your Committee notes the response and requests a progress report matter on the matter.

## **E. Human capital**

9.10 Your previous Committee recommended that in order to keep up with the changes, there was need for the Zambia Air Services Training Institute (ZASTI) to be adequately capitalised so

that it could offer the kind of training commensurate with the requirements of the modern aviation industry.

***Executive's Response***

Your Committee was informed that the Government was in the process of transforming the Department of Civil Aviation into the Civil Aviation Authority to enable the institution benefit from funding from the European Union. In this regard, the Government had requested for the transfer of ZASTI to the Ministry of Transport, Works, Supply and Communications (MTWSC). Once this transfer was completed, ZASTI would be able to access the funds set aside by the European Union to capitalise the Institution. The Institution would be adequately capitalised even to meet the modern trends in the aviation Industry. However, in the interim, the Government has set aside resources for routine maintenance.

***Committee's observations and recommendations***

Your Committee notes the response and requests a progress report on the matter.

**CONSIDERATION OF MATTERS ARISING FROM LOCAL TOURS**

Your previous Committee visited eleven aerodromes namely: Kenneth Kaunda International Airport; Simon Mwansa Kapwepwe International Airport; Harry Mwaanga Nkumbula International Airport; Mfuwe International Airport; Chipata Airport; Kasama Airport; Kasaba Bay Airport; Kabwe Airstrip; Mkushi Airstrip; Serenje Airstrip and Mpika Airstrip.

**A. Infrastructure at aerodromes**

**(i) Cost overruns**

9.11 Your previous Committee recommended that the Government should be very strict with timelines for implementation of projects to avoid cost overruns. It was of the view that it would be prudent to handle a few aerodromes at a particular time and complete them as opposed to handling many, as spreading of resources would result in delayed completion of works and poor quality.

***Executive's Response***

It was reported in the Action-Taken Report that the Government had prioritised and phased the rehabilitation of aerodromes. The delays in implementing programmes was as a result of delayed funding which further contributed to cost overruns. The Government has since prioritised implementation of the projects and hence is lobbying for more funds.

***Committee's observations and recommendations***

Your Committee notes the response and urges the Government to provide adequate funding of the projects in order to prioritise their implementation. Further, your Committee requests a progress report on the matter.

**(ii) Integrated developmental approaches**

9.12 Your previous Committee recommended that integrated developmental approaches were required in places that had low aircraft movements.

### ***Executive's Response***

Your Committee was informed that integrated developmental approaches in areas with low aircraft movements would require inputs from district administrations so that the Department of Civil Aviation provides technical inputs as and when required. In addition, tourism operators in some areas were involved in developments in order to avoid total dilapidation.

### ***Committee's observations and recommendations***

Your Committee urges the Government to ensure that the district administrations provide inputs to the Department of Civil Aviation to enable it provide technical inputs as and when required. Further, your Committee requests an update on the matter.

### **(iii) Structural improvements**

9.13 Your previous Committee recommended that the Government should re-equip, furnish and make other structural improvements to control towers.

### ***Executive's Response***

It was reported in the Action-Taken Report that the Department of Civil Aviation in its submission for projects to be carried out would include re-equipping control towers at aerodromes and ensure that an input from the Department of Meteorology was made in form of automated weather equipment.

### ***Committee's observations and recommendations***

Your Committee notes the response and requests a progress report on the matter.

### **B. Fire and rescue services**

9.16 Your previous Committee urged the Ministry of Transport, Works, Supply and Communications to ensure that airports that did not operate at night always had skeleton staff to attend to any emergency considering the huge investment that was being made in upgrading airports.

### ***Executive's Response***

Your Committee was informed that by the nature of the work, a fireman was available 24 hours on most of the upgraded airports. However, airports have stipulated times that they operate and when they are closed, the firemen are available.

### ***Committee's observations and recommendations***

Your Committee notes the response and strongly urges the Government to acquire an early warning fire detection system (MUS-Fire) and High Velocity Water Spray System.

### **C. Kenneth Kaunda International Airport**

9.17 Your previous Committee urged the Government to ensure that plans to put up new infrastructure were not delayed.

### ***Executive's Response***

It was reported in the Action-Taken Report that the tendering committee for the Lusaka and Mfuwe Airport projects had finalised its work and a contractor has since been selected to start the airport expansion.

***Committee's observations and recommendations***

Your Committee notes the response and requests an update on the matter.

**D. Harry Mwaanga Nkumbula International Airport**

9.18 Your previous Committee urged the Government to impress upon the Ministry of Foreign Affairs to resolve aircraft landing issues with Zimbabwe as there had been a substantial investment in upgrading the Airport.

***Executive's Response***

Your Committee was informed that the two States through respective Aeronautical Authorities were planning to hold meetings in order to design a workable procedure for traffic so that no conflict between traffic for Victoria Falls Airport and Harry Mwaanga Nkumbula Airport exists.

***Committee's observations and recommendations***

Your Committee notes the response and requests an update on the matter.

**E. Mfuwe International Airport**

**(i) Promoting air travel**

9.19 Your previous Committee recommended that efforts of promoting air travel should be supplemented by a good road to the National Park.

***Executive's Response***

It was reported in the Action-Taken Report that the Government has planned rehabilitation of the road leading into Mfuwe so that road transportation to and from was eased.

***Committee's observations and recommendations***

Your Committee notes the response and requests an update on the matter.

**(ii) Safety of the travelling public**

9.20 Your previous Committee recommended that a mechanism that would facilitate the co-existence of humans and animals should be put in place to ensure the safety of the travelling public.

***Executive's Response***

Your Committee was informed that the National Airports Corporation Limited (NACL) was in consultation with ZAWA on this matter in order to revise mechanisms of managing human/animal conflict.

***Committee's observations and recommendations***

Your Committee notes the response and requests an update on the matter.

**(iii) Secure Airport land**

9.21 Your previous Committee advised the Ministry of Transport, Works, Supply and Communications to ensure that the Airport land was secured by obtaining title.

***Executive's Response***

It was reported in the Action Taken Report that the Government has embarked on a programme to put all Government Aerodromes in the Country on title.

***Committee's observations and recommendations***

Your Committee notes the response and requests an update on the matter.

**F. Chipata Airport**

**(i) Title Deeds**

9.22 Your previous Committee recommended that the Government should secure the Airport land from further encroachment by having it surveyed and title deeds obtained.

***Executive's Response***

Your Committee was informed that the Government has embarked on a programme to put all Government Aerodromes in the Country on title. This would deter further encroachments on airport land.

***Committee's observations and recommendations***

Your Committee notes the response and requests an update on the matter.

**(ii) Security at the Airport**

9.23 Your previous Committee recommended that the Government should enhance security at the Airport by erecting an electric fence as other permanent solutions to trespassing were being explored.

***Executive's Response***

Your Committee was informed that with the securing of these aerodromes by obtaining title deeds, encroachment would be deterred. Different types of fencing would be considered as the electric fence option had its advantages and disadvantages too.

***Committee's observations and recommendations***

Your Committee notes the response and requests an update on the matter.

**(iii) Navigation and meteorology equipment**

9.24 Your previous Committee recommended that the Government should procure navigation and meteorology equipment to enhance the safety of flying into Chipata.

***Executive's Response***

It was reported in the Action-Taken Report that the Government would procure meteorological equipment and improve navigation equipment at Chipata Airport.

***Committee's observations and recommendations***

Your Committee notes the response and requests an update on the matter.

**(iv) Crash Aid Bay**

9.25 Your previous Committee recommended that the Government should urgently secure funds for the completion of the Crash Aid Bay whose works had stalled at slab level.

***Executive's Response***

Your Committee was informed that the Government has released funds for this project to be completed before the end of the year and the contractor was already mobilised.

***Committee's observations and recommendations***

Your Committee notes the response and requests an update on the matter.

**(v) Extension of the runway**

9.26 Your previous Committee recommended that the Government should consider relocating the Airport due to the limited land that was available to extend the runway.

***Executive's Response***

It was reported in the Action-Taken Report that the Airport was currently servicing light and medium sized aircrafts which were sufficient for the kind of traffic using it.

***Committee's observations and recommendations***

Your Committee notes the response and strongly emphasises that Chipata Airport should be relocated. Further, your Committee requests a progress report on the matter.

**G. Kasama Airport**

**(i) Water supply**

9.27 Your previous Committee recommended that the Government should address the water supply problem without any further delays.

***Executive's Response***

It was reported in the Action-Taken Report that the Government would have the Airport connected to the main supply line and borehole.

***Committee's observations and recommendations***

Your Committee notes the response and requests an update on the matter.

**(ii) New control tower**

9.28 Your previous Committee urged the Government to construct a new control tower.

***Executive's Response***

Your Committee was informed that the Government would consider constructing a new control tower with the availability of funds. However, the Government was currently considering rehabilitating the existing one.

***Committee's observations and recommendations***

Your Committee notes the response and requests an update on the matter.

**(iii) Fire station**

9.29 Your previous Committee urged the Government to have a fire station constructed.

***Executive's Response***

It was reported in the Action-Taken Report that with the acquisition of new fire equipment for Kasama Airport, the Government was planning to construct a new fire station.

***Committee's observations and recommendations***

Your Committee notes the response and requests an update on the matter.

**(iv) Runway upgrade**

9.30 Your previous Committee recommended that the Government should upgrade the runway to bituminous standard since the Airport was designated as an exit and entry point for international flights.

***Executive's Response***

Your Committee was informed that the runway designs for this Airport had been completed by the consultant and were only awaiting tendering for a contractor.

***Committee's observations and recommendations***

Your Committee notes the response and requests an update on the matter.

**H. Kasaba Bay Airport**

**(i) Investigation of contractor and consultant**

9.31 Your previous Committee recommended that the Government should engage another contractor and proceed with the project. In the meantime, the contractor and consultant on the project should be investigated to ensure that the Government was not defrauded.

***Executive's Response***

Your Committee was informed that the Government would consider advertising the remainder of works at Kasaba Bay so that the project could be completed without escalating the costs. Your Committee was also informed that the Anti-Corruption Commission (ACC) was still carrying out investigations on this Project. The outcome of the investigation would be provided by the ACC once they had concluded the investigations.

***Committee's observations and recommendations***

Your Committee notes the response and requests an update on the matter.

**(ii) Construction of the bridge across the Lufubu River**

9.32 Your previous Committee recommended that the Government should expedite the construction of the bridge across the Lufubu River to improve accessibility to the Airport and other areas and that the Kasama-Mporokoso-Nsama Road also needed urgent attention.

***Executive's Response***

It was reported in the Action-Taken Report that the Government, through the Road Development Agency (RDA), was in the process of procuring a consultant to carry out detailed design and supervision for the construction of a bridge across the Lufubu River. Tenders had been received and the evaluation process was ongoing. The tender process for the works contract was expected to commence after conclusion of the consultancy within the second half of 2014. The Road Development Agency engaged Messers Sable transport for the upgrading to bituminous standard of the 151 kilometers of the Kasama to Mporokoso Road, 10 kilometres of

the Mporokoso to Kawambwa and 10 kilometres of the Mporokoso to Kaputa road at a contract sum of K421.7 million from gravel to bituminous standard. However, due to poor progress of the contract, the RDA had reduced the length of the contract from 171 km to 96 km. The contractor had so far surfaced 60 km (20 km from Mporokoso towards Kasama and 40km from Kasama-Luwingu Junction towards Mporokoso) out of the 96km and works were expected to be completed in September, 2014. Your Committee was also informed that the RDA would engage another contractor to carryout works on the remaining 75 km. Further, the RDA had engaged a consultant to carry out consulting services for the Techno-Economic Study, detailed engineering design and tender document preparation for the upgrading of 220 km of the Mporokoso – Kaputa via Mutundu gate (D037) Road in Northern Province. This road will pass through Nsama District.

***Committee's observations and recommendations***

Your Committee notes the response and requests a progress report on the construction of a bridge across the Lufubu River.

**I. Kabwe Airstrip**

**(i) Upgrading of airstrip**

9.33 Your previous Committee urged the Government to consider upgrading the airstrip into an airport since Kabwe was the capital for Central Province.

***Executive's Response***

Your Committee was informed that the Government has commenced rehabilitation of aerodromes throughout the Country and Kabwe Aerodrome would be considered.

***Committee's observations and recommendations***

Your Committee notes the response and requests an update on the matter.

**(ii) Prevention from encroachment**

9.35 Your previous Committee urged the Government to put in place some security measures in the near future to prevent it from encroachment.

***Executive's Response***

Your Committee was informed that all Government aerodromes were being surveyed for issuing of title deeds and fencing. This would deter encroachment.

***Committee's observations and recommendations***

Your Committee notes the response and requests an update on the matter.

**J. Mkushi Airstrip**

9.35 Your previous Committee urged the Ministry of Transport, Works, Supply and Communications to expedite the process of developing the allocated land into an airstrip. However, the Ministry should in collaboration with the private sector ensure that the new airstrip will be active otherwise it could be over taken by other developments as was the case with the previous airstrip.

***Executive's Response***

Your Committee was informed that the project at the new site would include construction of a bituminous runway and other associated infrastructure. The runway designs have since been completed by the consultant.

***Committee's observations and recommendations***

Your Committee notes the response and requests an update on the matter.

**K. Serenje and Mpika Airstrips**

**(i) Maintenance**

9.37 Your previous Committee urged the Ministry of Transport, Works, Supply and Communications to ensure that the airstrips were maintained throughout the year as they could also be used during the rainy season.

***Executive's Response***

It was reported in the Action-Taken Report that the Government have included these two aerodromes in the upgrading from their current state to bituminous standard runways.

***Committee's observations and recommendations***

Your Committee notes the response and requests an update on the matter.

**10.0 CONSIDERATION OF THE ACTION-TAKEN REPORT ON THE COMMITTEE'S REPORT FOR THE FIRST SESSION OF THE ELEVENTH NATIONAL ASSEMBLY**

**"THE MANAGEMENT AND UTILISATION OF GOVERNMENT VEHICLES IN ZAMBIA, VIS-AVIS THE ROLE OF THE ENGINEERING SERVICES CORPORATION (ESCO) LIMITED"**

**A. Establishment of workshops at Provincial Centres**

10.1 Your previous Committee urged the Government to re-establish its own workshops and garages. It recommended that the team of officers that had been put in place to consult and come up with recommendations on the re-establishment of workshops and garages should be given a time frame. It therefore requested a progress report on the matter.

***Executive's Response***

It was reported in the Action Taken Report that the Government was currently working on the structures and budgets for the creation of garages and workshops at all Provincial Centres.

***Committee's observations and recommendations***

Your Committee notes the response and requests a progress report on the matter.

**B. Determination of suitability of vehicles purchased**

10.2 Your previous Committee urged the Ministry to put a time frame to the constitution of the Plant, Vehicle and Equipment Committee. Further, it requested a progress report on the matter.

### ***Executive's Response***

Your Committee was informed that the Committee of Permanent Secretaries on plant, vehicle and equipment was already existing. Further, the Government was yet to form a Technical Committee of experts.

### ***Committee's observations and recommendations***

Your Committee notes the response and requests a progress report on the matter.

## **C. Insurance of Government Vehicles**

10.3 Your previous Committee urged the Ministry of Transport, Works, Supply and Communications to ensure that all ministries insured their fleet. It requested a progress report on the matter.

### ***Executive's Response***

It was reported in the Action-Taken Report that sensitisation on the insuring of Government vehicles was being carried out throughout Government institutions. The total number of vehicles in the ministries was 6,616 according to available records. However, the information regarding the total number of vehicles insured in the ministries was not available at the Ministry since the vehicles were insured by individual ministries.

### ***Committee's observations and recommendations***

Your Committee notes the response and emphasises that the Government should clearly state how many vehicles in the ministries have been insured so far.

## **D. Transformation of Government Transport Control Unit into a Department**

10.4 Your previous Committee urged the Ministry of Transport, Works, Supply and Communications to upgrade the Government Transport Control Unit into a Department. In addition, it recommended that the exercise must be given a time frame. Further, your previous Committee requested a progress report on the matter.

### ***Executive's Response***

Your Committee was informed that all necessary requirements for the transformation of the Government Transport Control Unit into a Department had been completed and sent to the necessary Government organs for approval.

### ***Committee's observations and recommendations***

Your Committee notes the response and requests for an update on the matter.

## **E. Revision of penalties for misusing Government vehicles**

10.5 Your previous Committee requested to be informed of when the penalty fees would be reviewed. In addition, it recommended that the exercise must be given a time frame. Further, it requested a progress report on the matter.

### ***Executive's Response***

It was reported in the Action-Taken Report that the Government was currently reviewing the Transport Management Policy which was yet to be approved by Cabinet. Your Committee was informed that the penalties meted out to persons flouting the regulations pertaining to the use of Government Vehicles would, therefore, be revised after the proposed Policy had been approved

so that the penalties conformed with the new policy guidelines. It was hoped that the new Policy would be approved before 31<sup>st</sup> December, 2013.

***Committee's observations and recommendations***

Your Committee notes the response and requests for an update on the matter.

**F. Roll-out of IFMIS**

10.6 Your previous Committee requested the Ministry to quickly roll-out the Integrated Financial and Management Information Systems (IFMIS) to other Ministries without any further delay. It requested a progress report on the matter.

***Executive's Response***

Your Committee was informed that through the use of (IFMIS), the Government had targeted 48 public sector organisations (ministries, provinces and spending agencies) that relied predominantly on budgetary appropriations. Further, your Committee was informed that to date, 12 modules, including fleet management had been configured in the IFMIS and rolled out to the various sites namely:

***Sites 1-8***

Ministry of Finance – Pilot site  
Auditor General's Office  
Ministry of Education, Science Vocational Training and Early Education  
Ministry of Transport, Works, Supply and Communications  
Ministry of Foreign Affairs  
Eastern Province  
North Western Province

***Sites 9-16***

Central Statistics Office  
Ministry of Agriculture and Livestock  
Ministry of Commerce, Trade and Industry  
Ministry of Health  
Ministry of Information and Broadcasting Services  
Ministry of Labour and Social Securities  
Ministry of Mines, Energy and Water Development  
Ministry of Sport, Youth and Child Development

***Sites 17-28***

Government Stores  
Provincial HQ – Central Province  
Ministry of Information, Broadcasting and Tourism  
Prisons HQ Kabwe  
Ministry of Lands, Energy and Water Development  
Ministry of Local Government, Housing, Early Child Education Environment  
Ministry of Agriculture and Livestock  
Ministry of Mines, Energy and Water Development  
Ministry of Education–Science and Vocational Training  
Ministry of Home Affairs  
Police HQ Lusaka  
Ministry of Justice  
Judiciary

Eight (8) new sites were earmarked for rollout in 2013. The 2013 roll out sites included:

***Sites 29-35***

Cabinet Office (Common Services Unit)  
Ministry of Defense  
Human Rights Commission  
Drug Enforcement Commission  
Copperbelt Province  
Western Province  
Ministry of Gender and Child Development  
Anti Corruption Commission

Your Committee was also informed that the remaining 12 sites would be completed by end 2014 and these included:

Zambia Air Force (Lusaka)  
Zambia Army (Lusaka)  
Zambia National Service (Lusaka)  
Ministry of Community Development Mother and Child Health  
Lusaka Province (Lusaka)  
State House (Lusaka)  
National Assembly (Lusaka)  
Office of the President – Special Division (Lusaka)  
Electoral Commission (Lusaka)  
Luapula Province (Mansa)  
Southern Province (Choma)  
Northern Province (Kasama)

Further, your Committee was informed that to date there was no infrastructure that had been provided to support the implementation or the roll out of IFMIS.

***Committee's observations and recommendations***

Your Committee urges the Government to provide infrastructure to support the implementation or the roll out of IFMIS to the remaining sites which are to be completed by end 2014. It requests a progress report on the matter.

**G. Filling stations**

10.7 Your previous Committee requested to be informed of the progress made by the Government in reverting to having its own filling stations in all provinces and districts.

***Executive's Response***

Your Committee was informed that the Government resolved to await the transformation of the Government Transport Control Unit into a Department before the establishment of the filling stations.

***Committee's observations and recommendations***

Your Committee notes the response and requests an update on the matter.

## **FOREIGN TOUR TO MALAWI**

10.8 Your previous Committee had recommended that the Malawian system where ministries and Government departments hired vehicles from the Vehicle and Plant Hire Organisation (VPHO) must be studied further for possible implementation in Zambia. Further, your previous Committee had requested to be informed of the progress made on the matter.

### ***Executive's Response***

It was reported in the Action-Taken Report that the tour for the study of the Malawian Government Fleet Management System had not yet been undertaken by the Government Transport Control Unit.

### ***Committee's observations and recommendations***

Your Committee notes the response and requests an update on the matter.

## **11.0 CONSIDERATION OF THE ACTION-TAKEN REPORT ON THE COMMITTEE'S REPORT FOR THE FIFTH SESSION OF THE TENTH NATIONAL ASSEMBLY**

### **OPERATIONS OF THE ROAD TRANSPORT AND SAFETY AGENCY (RTSA)**

#### **A. Revision of the Road Traffic Act**

11.1 Your previous Committee requested to be informed of the progress on the draft Amendment Bill.

### ***Executive's Response***

Your Committee was informed that the statutory instrument was drafted and finalised in May, 2013. It had been submitted to the Ministry of Transport, Works, Supply and Communication for approval.

### ***Committee's observations and recommendations***

Your Committee notes the response and urges the Government to expedite the process. Further, it requests a progress report on the matter.

#### **B. Driving Schools Training Grounds**

11.2 Your previous Committee requested to be informed of the progress made in acquiring land for driving schools in the remaining districts.

### ***Executive's Response***

It was reported in the Action-Taken Report that in Lusaka, land had been allocated. However, RTSA was still facing challenges with acquisition of land in other districts.

### ***Committee's observations and recommendations***

Your Committee notes the response and urges the Government to assist RTSA with the acquisition of land in other districts. Your Committee requests a progress report on the matter.

#### **C. Uniform Syllabus for Driving Schools**

11.3 Your previous Committee requested to be informed of how far the Ministry had gone with the Statutory Instrument.

***Executive's Response***

Your Committee was informed that the Statutory Instrument on regulation of driving schools had been done. An invitation to tender for the review and publishing of a uniform syllabus for Driving Schools was currently running in the National Press.

***Committee's observations and recommendations***

Your Committee notes the response and requests an update on the matter.

**D. Registration and Licensing of Vehicles in Districts**

11.4 Your previous Committee requested to be informed of the progress made on the matter.

***Executive's Response***

It was reported in the Action-Taken Report that the registration and licensing of vehicles had been implemented in all districts where RTSA had an office. This project was completed in July, 2012.

***Committee's observations and recommendations***

Your Committee notes the response and requests that the Government should clearly state the measures that have been put in place in districts where RTSA is not present.

**E. Highway Code**

11.5 Your previous Committee requested to be informed of the progress made on the matter.

***Executive's Response***

It was reported in the Action-Taken Report that the awarding of the tender for translation into vernacular and publication of the Highway Code had been completed. Publication in the seven major languages was expected by the fourth quarter of 2013.

***Committee's observations and recommendations***

Your Committee notes the response and requests an update on the matter.

**LOCAL TOUR REPORT OF LUSAKA AND SOUTHERN PROVINCES**

**Service Charter**

11.6 Your previous Committee requested to be informed of the progress made on the matter.

***Executive's Response***

Your Committee was informed that the procurement of e-Zamtis was on hold, therefore effecting of service charter could not be undertaken.

***Committee's observations and recommendations***

Your Committee notes the response and requests an update on the matter.

## **12.0 CONSIDERATION OF THE ACTION-TAKEN REPORT ON THE REPORT OF THE COMMITTEE FOR 2010 (TOUR REPORT)**

### **A. ICT Training Centres in Local Communities**

12.1 Your previous Committee requested to be informed of the progress made on the matter.

#### ***Executive's Response***

Your Committee was informed that in order to promote access and use of ICTs in under-served and rural areas, the Government in 2009 through the Zambia Information and Communications Technology Authority (ZICTA) embarked on a project to establish Multipurpose Community Telecentres (MCTs) in rural parts of the country. MCTs were aimed at offering the rural population including marginalised groups such as women, children and persons with disabilities access to basic ICT and communications services such as internet, telephone, fax, photocopying, and document scanning, laminating, and binding. The MCTs were also meant to serve as ICT training centres.

The project commenced with a pilot project of eight (8) telecentres that covered Mpulungu (2 sites), Mporokoso, Serenje, Kabwe, Mumbwa, Mazabuka and Mongu. Following operational challenges associated with the model of rollout that was deployed, it was decided to prioritise creation of computer labs in schools with internet connectivity which could also serve as community ICT access centres aside from being used for education purposes.

#### ***Committee's observations and recommendations***

Your Committee notes the response and requests to know if the roll-out had been completed.

### **B. Use of ICTs**

12.2 Your previous Committee requested a progress report on the use of ICTs in all public private operations.

#### ***Executive's Response***

It was reported in the Action- Taken Report that the Government through the Zambia Information and Communication Technology embarked on establishing computer labs in 150 schools: seventy-five (75) basic; and seventy-five (75) high schools countrywide and forty-seven (47) colleges in the financial year 2012.

The key deliverables of the project were as set out below.

Set up of a computer lab at each school/college for 20 users in the case of schools and 40 users in the case of colleges. Provision of two (02) desktop computers for use by management and administration of each school/college.

#### **Provision of internet connectivity**

Training of trainers in effective use of ICTs to deliver lessons to learners.

Training of trainers in effective operation and maintenance of equipment installed to ensure local capacity in the schools for troubleshooting network/equipment problems.

## **Implementation**

Two (02) computers (for administration usage) and one (01) printer were delivered to all 197 institutions by May/June 2012.

Delivery and installation of Computers for 40-users in each of the 47 colleges under the project was completed by December, 2012.

Delivery of furniture for computers for the schools under the project located in Central, Luapula, Muchinga, Northern, Copperbelt, Southern and Lusaka Provinces had been completed.

Delivery of furniture for computers for outstanding schools located in North-Western, Western and Eastern was on-going and was expected to be completed by end of September 2013.

Delivery of computers for the 150 schools was ongoing. The delay in executions was attributed to the fact that the tender had to be re-issued on at least two separate occasions in line with public procurement requirements as directed by the Zambia Public Procurement Authority, (ZPPA). The procurement process was finally completed in June, 2013 and contracts for the supply were awarded. It was expected that the delivery and installation would be completed by end of December 2013.

### ***Committee's observations and recommendations***

Your Committee notes the response and requests the Government to clearly list the 150 schools and state the time-frame in which the computers will be delivered and installed.

## **TOUR REPORT FOR 2009**

### **A. Lusaka-Chirundu Road**

12.3 Your previous Committee requested to be informed of how much the retention allowance was, how much was spent on the road with Messrs Teichmann Contractors and whether Messrs Sable Transport Limited had been cautioned. It resolved to await a progress report.

### ***Executive's Response***

Your Committee was informed that it must be corrected that Messrs Teichman Contractors were not involved on these works. The 5% retained on the Sable Transport Contract was for non-completion of remedial works after substantial completion. The remaining works were not necessarily critical works but the RDA had to withhold this retention because completion of all prescribed works was contractual. The withholding of the 5% of the Retention was also in a way a form of penalty to the contractor for failure to complete the remaining remedial works and, therefore, no further sanction against the contractor was necessary.

### ***Committee's observations and recommendations***

Your Committee notes the response and requests the Government to clearly state how much the retention allowance was. Further, the Government should also state how much was spent on the other contractor.

## **B. Kafue-Mazabuka Road**

12.4 Your previous Committee requested to be informed of the progress made on works on the Kafue-Mazabuka Road.

### ***Executive's Response***

It was reported in the Action-Taken Report that in order to save cost, RDA had decided to forego the periodic maintenance intervention and immediately carry out full rehabilitation (which is in fact overdue). Your Committee was informed that in the meantime, before the rehabilitation contract was procured, RDA through Force Account would carry out holding maintenance works. i.e. pothole patching and edge repairs etc. Further, the RDA had engaged a consultant (WCE Zambia Limited) to carry out detailed designs for full rehabilitation of the road.

### ***Committee's observations and recommendations***

Your Committee notes the response and requests an update on the matter.

## **C. New Chirundu Bridge**

12.5 Your previous Committee requested the Ministry to expedite the repairing of the damaged bearing without any further delay. This defect was pointed out in 2009.

### ***Executive's Response***

Your Committee was informed that the Joint Team comprising the RDA, Roads Department of Zimbabwe and the Japan International Cooperation Agency (JICA) inspected the Bridge in October, 2012. Further, JICA had agreed to finance the repairs of the damaged bearings at the new Chirundu Bridge through a grant of US\$1.25 million to both the Zambian and Zimbabwean Governments. The scope of works for the repairs was agreed by the two recipient Governments. However, the procurement of a contractor and a consultant was being handled by JICA in Japan and this was outside the control of the Zambian Government.

### ***Committee's observations and recommendations***

Your Committee notes the response and requests an update on the matter.

## **D. Kafue Weighbridge**

12.6 Your previous Committee requested to be informed of the progress made on the construction of the new Kafue weighbridge.

### ***Executive's Response***

It was reported in the Action-Taken Report that after successful commissioning of the old weigh bridge, the Lenders Technical Advisor (LTA) had been engaged to provide oversight for construction of the New Kafue Weigh Bridge opposite the old bridge. The tender for the works on the new Kafue Weigh Bridge was to be evaluated before the end of July 2013. Requests for proposals (RFPs) for consulting services for supervision had been issued to the shortlisted consultants and the closing date for the submission of the RFPs was 16<sup>th</sup> August, 2013. Works were expected to start by end of October, 2013.

### ***Committee's observations and recommendations***

Your Committee notes the response and requests an update on the matter.

## **E. Toll gate fees**

12.7 Your previous Committee requested to be informed of the progress made on the matter.

### ***Executive's Response***

It was reported in the Action-Taken that the following had been undertaken since the last update:

#### **Capacity building**

On-going exercise. Skill and knowledge gaps are being measured and appropriate training being identified.

#### **Sensitisation**

The RDA has drawn up a robust media plan i.e. covering TVC, road (both national and community), outdoor media etc, through which it would engage stakeholders and the members of the public on road tolling activities. The engagement included below the line (BTL) activities such as interaction with the public at such events such as Zambia International Trade Fair, (ZITF), Zambia Agriculture and Commercial Show (ZCAS).

However, the official above the line (ATL) roll-out waits signing of SI by the Minister. SI was currently undergoing scrutiny at the Ministry of Justice since 11<sup>th</sup> June, 2013.

#### **Site identification for the location of toll gates**

The RDA through the Road Tolling Unit has identified and located with the coordinates 24 sites for the construction of toll plazas. In addition, Geo-Technical Material investigation and Topographical Surveys have begun.

#### **Traffic volume count**

Preliminary traffic volume count study was done to underpin the road tolling business case. A second traffic count exercise would be done to validate the data collected in the first exercise.

#### **Establishment of RDA Technical Committee**

A Technical Committee was established within the RDA to oversee the design process and work on toll plaza infrastructure designs had since begun.

#### **Establishment of the Road Sector Consultative Group**

A consultative group has been established within the sector and meetings had been held with RTSA on the proposed sub-regulation (Statutory Instrument) in order to operationalise tolling activities.

#### **Identifying suitable IT infrastructure**

Initial terms of reference (TOR) for the required IT infrastructure had been drafted and a request for proposals (REP) would be prepared to be floated to the public.

## **Identifying suitable operating models**

A comparative study of tolling operating models was being considered so as to select a model that could be adapted to local conditions and at the same time operate efficiently.

## **Developing tolling structure for the Tolling Unit at RDA**

The structure for the RDA Tolling Unit had been developed and a Manager in charge and two other staff had been employed so far to spearhead the project.

## **Identifying suitable financial systems**

A comparative study of financial systems suitable for tolling was being considered in order to come up with a robust financial system.

Further, your Committee was informed that the Road Development Agency (RDA) was responsible for the administration and operation of Toll Roads in Zambia. Working under the guidance of the *Tolls Act No. 14 of 2011*, the RDA was implementing the National Road Tolling Plan (NRTP) in line with the overall Commercial and Technical Strategic objective of the RDA in tolling of critical sections of the Core Road Network, that is, "To commission Road Tolling so as to increase revenue to the Road Fund for sustainability of its mandate to care for, maintenance and construction of Zambian roads to world class standards." Tolling in Zambia officially began on 1<sup>st</sup> November, 2013.

## **Status highlights**

The following had been undertaken in Phase 1 for the implementation of the National Road Tolling Plan:

- (i) gazette of Statutory Instrument No. 73 of 2013 as sub regulation to the Tolls Act signed by the Minister of Transport, Works, Supply and Communications on 7<sup>th</sup> August, 2013;
- (ii) road tolling of heavy goods vehicles from existing infrastructure at seven (7) weighbridges commenced on 1<sup>st</sup> November, 2013;
- (iii) an electronic receipting system for Tolls had been installed at six (6) of the seven (7) weighbridges and the last one would be installed before the end of March, 2014;
- (iv) RTSA had been appointed as the Agent for Toll Collection at Ports of Entry tolling points under the new Statutory Instrument;
- (v) training of staff both at weighbridges and Regional Offices was conducted for Road Tolling at weighbridges;
- (vi) 30 Toll Collectors had been recruited and deployed;
- (vii) a Standard Operating Procedures Road Tolling manual had been prepared and the draft under review;
- (viii) stakeholder sensitisation and engagement through print and electronic media began in October, 2013 and was on-going, including meetings with stakeholders such as the Truckers Association of Zambia (TAZ);
- (ix) the design of a Prototype Conventional Road Tolling Plaza would commence in March, 2014 and the first Toll Plaza was expected to be built by August, 2014; and
- (x) training of Zambia Police officers on road tolling and weighbridge operations who would provide security had been done and the officers would be deployed at all weighbridges before the end of February, 2014.

Since the commencement of the tolling programme on 1<sup>st</sup> November, 2013, approximately K44 million had been collected by close of the year 2013. The table below provides details on revenues as at 31<sup>st</sup> December, 2013.

Road Tolling Collection Summary Report as at 31<sup>st</sup> December, 2013

Collection Points (RDA)	November 2013 (ZMW)	December 2013 (ZMW)	Total (ZMW)
Total weighbridge collections	1,964,234.00	2,003,027.30	3,967,261.30
Total Port of entry collection	20,894,205.29	19,569,851.28	40,464,056.57
Total Tolls Revenue	22,858,439.29	21,572,878.58	44,431,317.87

***Committee's observations and recommendations***

Your Committee notes the response and requests an update on the matter.

**F. Mulamba-Harbour (Mongu)**

12.8 Your previous Committee requested to be informed of the progress made regarding the meeting with the Barotse Royal Establishment (BRE).

***Executive's Response***

Your Committee was informed that the Department of Maritime and Inland Waterways was still carrying out consultations and would inform the Committee when a meeting with the BRE would be arranged. As with regards to the penalties, the Government through the Ministry of Transport, Works, Supply and Communication was currently working on the revision of the *Act, Cap 466 of the Laws of Zambia*. Once this was done, the penalty fee for a number of offences as prescribed in the Inland Waters Shipping Act shall be revised. Consultations were underway with the Ministry of Justice and Boat Builders Association.

***Committee's observations and recommendations***

Your Committee notes the response and requests an update on the matter.

**G. Maintenance and rehabilitation of Government buildings**

12.9 Your previous Committee requested to be informed of the progress made on the matter.

***Executive's Response***

It was reported in the Action-Taken Report that the maintenance and rehabilitation policy of Government Buildings was underway and had since been circulated for comments. However, currently, the maintenance and rehabilitation of Government Buildings lies in the individual institutions/ministries that hold the budget lines and consult the Ministry of Transport, Works, Supply, and Communications at implementation.

***Committee's observations and recommendations***

Your Committee notes the response and requests an update on the matter.

**H. Roads connecting provinces**

**Chingola-Solwezi Road**

12.10 Your previous Committee requested to be informed of the progress made on the road works on the Chingola-Solwezi Road.

### ***Executive's Response***

Your Committee was informed that that the contract was signed with Roads and Pavings and was being supervised by Rankin Engineering Consultants. The Road Development Agency (RDA) engaged Roads and Paving Zambia Limited to undertake periodic maintenance of the Chingola-Solwezi Road at a total contract sum of K70,767,718.22 and a contract period of 12 months, covering a total distance of 169 km. Works commenced on 3<sup>rd</sup> March, 2013 and were supposed to be completed on 3<sup>rd</sup> March, 2014.

The Contractor, Roads and Paving Zambia Limited, had not made meaningful progress on site. Therefore, in order to speed up progress, RDA has since allowed Roads and Paving Zambia Limited to sub contract approximately 50% of the works (first 89.5 km from Solwezi) with a value of K90,318,461.53 to China Geo Engineering Corporation (CGC). CGC had demonstrated capacity on all the projects they had done for RDA. CGC had mobilised to the site in a short space of time and had started work on the Solwezi end of the project road. It had also been agreed that Roads and Paving allows China Geo to work on the Kansanshi Junction in Solwezi Town. Your Committee was informed that the engagement of CGC would result in the speedy completion of work on Chingola-Solwezi Road to meet the revised completion date of November, 2014.

### ***Committee's observations and recommendations***

Your Committee notes the response and requests a further update on the matter.

## **13.0 CONSIDERATION OF THE ACTION-TAKEN REPORT ON THE REPORT OF THE COMMITTEE FOR 2009**

### **A. Mongu-Senanga-Sesheke Road**

13.1 Your previous Committee had requested to know if the works on the Sesheke-Senanga Road had been completed. It resolved to await a progress report on the matter.

### ***Executive's Response***

It was reported in the Action-Taken Report that works had been substantially completed on all the three lots of this 221km long Road and had since been opened to traffic. Construction of the bridge at Sioma to provide connectivity between the Eastern and the Western side of the Zambezi River had commenced. Further, the contractor (China Henan) for the bridge works was currently setting up camp. The final report for the completed Road was currently being compiled.

### ***Committee's observations and recommendations***

Your Committee notes the response and awaits a progress report on the completion of the bridge.

### **B. Mansa-Luwingu-Kasama Road**

13.2 Your previous Committee wished to know if the works on the Mansa to Luwingu Road had commenced. It resolved to await a progress report on the matter.

### ***Executive's Response***

Your Committee was informed that the works contract was signed on 27<sup>th</sup> December, 2012 with China Henan International Cooperation Group Co. Limited at a total cost of K206,962,966.38. The contractor was currently mobilising and appointment of the supervision consultant was underway. Further, the project was expected to run for 40 months.

***Committee's observations and recommendations***

Your Committee notes the response and requests an update on the matter.

**C. National Airline**

13.3 Your previous Committee requested for an update on the Inter-Ministerial Committee formed by the Government through the Ministry of Transport, Works, Supply and Communications to seek Cabinet's approval on the establishment of a National Airline.

***Executive's Response***

Your Committee was informed that Cabinet had approved the establishment of a National Airline. A draft business plan had been produced and was under review. The Government was making consultations with a number of airlines that had expressed interest in partnering with the Government in the National Airline. In addition, the Government was making consultations with a number of aircraft manufacturers for possible supply of aircraft to the National Airline.

***Committee's observations and recommendations***

Your Committee notes the response and requests an update on the matter.

**D. Road signs**

13.4 Your previous Committee requested to be informed of the progress made on educating the public about the costs of vandalism, encouraging communities to be reporting acts of vandalism to the police – school authorities, or someone who can take action, and engaging the police on enforcement since vandalism is a crime.

***Executive's Response***

It was reported in the Action-Taken Report that the sensitisation of the general public on the road signs vandalism was ongoing through the RDA Public Relations Unit. The police were also been engaged on this issue. Further, the strategy for now was more preventive than punitive, therefore, enforcement by the police at the moment had not been effected.

***Committee's observations and recommendations***

Your Committee notes the response and strongly urges the Government to put up strong measures and engage the police on enforcement.

**E. Chipata-Mfuwe Road**

13.5 Your previous Committee requested to be informed of the progress on the road works.

***Executive's Response***

Your Committee was informed that the works were at 70% in progress and were expected to finish by end of November, 2013 after extension of time was granted.

***Committee's observations and recommendations***

Your Committee notes the response and requests a further update on the matter.

**F. Construction of a weighbridge along Great East Road**

13.6 Your previous Committee requested to be informed of the progress on the matter.

***Executive's Response***

It was reported in the Action-Taken Report that revision of the initial design to suit the budget had been completed and had since been submitted to the World Bank for a "No-Objection". Works were expected to be advertised as soon as the World Bank Grants a "No-Objection". It was noted that the project had been captioned under Mwami Weigh Bridge. This should be corrected to construction of a Weigh bridge along Great East Road. Proposals had been made to construct another weighbridge around Katete area.

***Committee's observations and recommendations***

Your Committee notes the response and requests a further update on the matter.

**PART IV**

**CONCLUSION**

14.0 Your Committee expresses its gratitude to you Mr Speaker and the Clerk for the guidance and services rendered to it throughout its deliberations. Gratitude also goes to the stakeholders for their oral and written submissions.

K Simbao, MP  
**CHAIRPERSON**

June, 2014  
**LUSAKA**

## **APPENDIX 1**

### **List of Officials**

Mr S M Kateule, Principal Clerk of Committees  
Mr S C Kawimbe, Deputy Principal Clerk of Committees  
Ms M K Sampa, Committee Clerk (Social Committees)  
Mrs M E Z Banda, Assistant Committee Clerk  
Mrs R T Mwila, Typist  
Mr R Mumba, Committee Assistant  
Mr C Bulaya, Committee Assistant