



**REPUBLIC OF ZAMBIA**

**REPORT**

**OF THE**

**COMMITTEE ON LOCAL GOVERNANCE, HOUSING AND CHIEFS' AFFAIRS**

**FOR THE**

**FIRST SESSION OF THE TWELFTH NATIONAL ASSEMBLY  
APPOINTED ON WEDNESDAY, 5<sup>TH</sup> OCTOBER, 2016**

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**REPORT OF THE COMMITTEE ON LOCAL GOVERNANCE, HOUSING AND CHIEFS' AFFAIRS FOR THE FIRST SESSION OF THE TWELFTH NATIONAL ASSEMBLY APPOINTED ON 5<sup>th</sup> OCTOBER 2016**

Consisting of:

Mr M Kabanda, MP (Chairperson); Mr E Musonda MP; Mr L Kaziya, MP; Mr K Mukosa, MP; Mr N Samakayi, MP; Mrs S Mulyata, MP; Mr M Chikote, MP; and Mr G Chiyalika, MP.

The membership of your Committee changed following the appointment of Hon L Kaziya, MP as Minister of Water Development, Sanitation and Environmental Protection. He was replaced by Mr E I Chibanda, MP.

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

Sir,

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

### **Functions of the Committee**

**2.0** In accordance with the National Assembly Standing Orders, the functions of your Committee are to:

- (i) study, report and make recommendations to the Government through the House on the mandate, management and operations of the Ministry of Local Government, the Ministry of Housing and Infrastructure Development (Department of Housing only) and the Ministry of Chiefs and Traditional Affairs, departments and/or agencies under their portfolios;
- (ii) carry out detailed scrutiny of certain activities being undertaken by the Ministries, departments and/or agencies under their portfolios and make appropriate recommendations to the House for ultimate consideration by the Government;
- (iii) make, if considered necessary, recommendations to the Government on the need to review certain policies and/or certain existing legislation;
- (iv) examine annual reports of Government ministries and departments under their portfolios in the context of the autonomy and departments and determine whether the affairs of the said bodies are being managed according to relevant Acts of Parliament, established regulations, rules and general orders;
- (v) consider any bills that may be referred to it by the House;
- (vi) consider International Agreements and Treaties in accordance with Articles 63 of the Constitution;
- (vii) consider special audit reports referred to it by the Speaker or an order of the House;
- (viii) where appropriate, hold public hearings on a matter under its consideration; and
- (ix) consider any matter referred to it by the Speaker or an order of the House.

## **Meetings of the Committee**

**3.0.** In considering the topical issue on the Housing Situation in Zambia, your Committee held ten meetings during the year under review.

## **Programme of Work**

**4.0** Your Committee considered and adopted the following Programme of Work for the First Session of the Twelfth National Assembly:

- i) consideration of the Action-Taken Report on the Committee's Report for the Fifth Session of the Eleventh National Assembly;
- ii) consideration of the Report of the Auditor General on the Review of Operations of Local Authorities for the Financial Years Ended 31<sup>st</sup> December, 2013, 2014 and 2015 (A separate Report will be prepared)
- iii) consideration of the topical issue: - "The Housing Situation in Zambia";
- iv) local tour to Lusaka, North-Western and Copperbelt Provinces of Zambia to inspect some selected housing projects in these provinces; and
- v) benchmarking tour to Uganda (To be contained in the Committee's Report on the Report of the Auditor General.

## **Procedure adopted by the Committee**

**5.0** Your Committee requested detailed memoranda from the Permanent Secretaries in selected ministries and also from Principal Officers of local authorities and Chief Executive Officers of other organisations. All submissions made were on the topical issue: "The Housing Situation in Zambia." This Report is, therefore, in two parts; Part I is on the topical issue and the local tour while Part II is on the Action-Taken Report.

## **PART I**

### **THE HOUSING SITUATION IN ZAMBIA**

#### **6.0. Introduction**

According to the Census of Population and Housing of 2010, the Zambia's housing deficit stood at 1.3 million and was projected to exceed three million by the year 2030 if the situation was not addressed. According to a study carried out by Habitat for Humanity in 2014, it was evident that due to lack of affordable housing, about 70% of urban dwellers in the country lived in slums with inadequate water supply and poor sanitation. This situation exacerbated people's poverty in Zambia. The private sector had made efforts to contribute to alleviation of the housing deficit, but the problem remained far from being overcome.

In this regard, your Committee resolved to undertake a study on this topic in order to appreciate the problems associated with housing provision in the country.

## **7.0. Objectives of the Study**

The objectives of your Committee's study were to:

- i. gain insight into the magnitude of the current housing deficit;
- ii. understand the challenges faced by the National Housing Authority (NHA) in the quest to provide affordable housing in the country;
- iii. find out the adequacy of the funding dedicated for the provision of housing in the public sector;
- iv. find out how far the Ministry has gone and what challenges they had faced in the implementation of the National Housing Policy;
- v. establish the role of the private sector in the provision of housing; and
- vi. recommend a way forward.

## **8.0 Submissions by Witnesses**

In the quest to understand the topic, your Committee received both written and oral submissions on the topical issue under consideration. The list of witnesses who interacted with your Committee is at Appendix 1.

A summary of the written and oral submissions made by the various stakeholders who appeared before your Committee were as set out below.

### **i. Overview of the Housing Situation in Zambia**

Your Committee was informed that Zambia was faced with enormous challenges in the provision of housing and, like many other developing countries; she had been greatly affected by rapid urbanisation which was estimated at about 40% of the national population. This was projected to increase to 60% by 2050. Your Committee learnt that the uneven pattern of development between rural and urban areas had resulted in a very high rate of rural-urban migration without a corresponding increase in the housing stock in urban areas. The stakeholders also stressed that the limited capacity of local authorities to deal with the high population growth and the exemption of rural areas from planning requirements partly accounted for the enormous housing challenges that were being experienced in the country.

Your Committee also learnt that the Zambian Government was embarking on a review of the 1996 National Housing Policy to address the serious shortages and the ever increasing backlog of housing. Allied to this was the need to respond to the socio-economic challenges that the country faced and the imperative to spur economic growth and sustainable development.

### **iv. Factors that had contributed to the Housing Deficit In Zambia**

Your Committee was informed that several factors has been identified as having contributed to the housing deficit in Zambia and these included those set out below.

❖ **Legal Constraints**

The outdated and counterproductive regulations on housing standards such as restrictive construction rules, public health requirements and restrictive minimum development clauses, were identified as inhibiting a conducive and enabling legal environment that could foster sustainable housing development.

Some stakeholders alluded to the fact that, until 2015, the most influential pieces of legislation and regulations for housing in Zambia were the *Housing (Statutory and Improvement Areas) Act of 1974* and the *Town and Country Planning Act, as amended in 1997*. These two statutes had since been repealed and replaced with the *Urban and Regional Planning Act, No. 3 of 2015*. However, new regulations needed to be developed for the new legislation to be operationalised.

❖ **High Levels of Unemployment**

High unemployment levels had contributed to the housing deficit. As at December 2015, only 10% of the working population was formally employed, and 90% was in the informal sector. The growth in the informal sector had resulted in a large section of the population not being able to easily access long term financing, such as mortgages, to enable them construct houses. This had resulted in an increase in unplanned settlements in urban areas.

❖ **Expensive and Less Accessible Mortgages/Land**

Mortgage financing was generally out of reach for most of the general populace. The mortgage sector was also largely underdeveloped. The stakeholders submitted that land registration was critical for access to housing finance. In this regard, your Committee was informed that most lenders did not accept any documents other than title deeds as security for mortgages. Zambia National Building Society (ZNBS) was one of the few, if not the only, financial institution accepting land record cards and occupancy licences as security in the provision of housing finance. With the enactment of the *Urban and Regional Planning Act No. 3 of 2015*, issuance of new land record cards had been done away with, thus issuance of title deeds began with an occupancy licence. However, in practice, the local councils were still issuing land record cards as there was no Statutory Instrument providing for the implementation provision regarding for issuance occupancy licences. Further, while the Act recognised land record cards that were issued prior to its commencement, it did not provide for the change of land record cards to occupancy licences. As such, the holders of land record cards would continue renewing their land record cards upon expiry instead of acquiring an occupancy licence or title deed, which had longer tenure. This was disadvantageous in terms of access to housing finance which by nature was long term. Given its format and nature, the land record card could easily be altered and forged and this posed a risk to financial institutions such as ZNBS

who were accepting it as a security document in lieu of a lien on the property. Therefore, most citizens who held the land record cards could not access mortgages despite some of them having the capacity to service such mortgages.

❖ **High Cost of Building Materials**

There had been little research carried out into the use of local building materials. However, conventional construction materials were very expensive and in some cases not available, especially in towns or districts far from the line of rail. According to UN Habitat only, 3.1% in Zambia or worldwide of the urban household population could afford the cheapest newly built house by a formal developer, estimated to cost about US\$ 65,000 in 2015. The prescriptive laws that did not promote the use of local materials had hindered innovation and research into alternative durable building materials.

❖ **Low Number of Public Private Partnerships (PPP) in the Housing Sector**

Due to low household incomes, most of the population could not afford to buy a new house built by a private developer. This resulted in lower effective demand for new affordable housing projects. The two factors of economic viability and proper allocation of risk that made PPP projects attractive were unavailable in the affordable housing category. Secondly, the *Public Private Partnership Act of 2009* demanded a long approval process and may need streamlining. The current approval process had proved to be cumbersome, long and inefficient as it required getting approval from the PPP Unit at every stage.

❖ **Concentrated Economic Activities**

Most of the economic activities in Zambia were concentrated along the line of rail, provincial capitals and the now “new Copperbelt” in North- Western Province. This had limited employment opportunities for the youth in the rural areas who were also eligible to demand for affordable housing.

❖ **Low Government Investment in Housing**

There had been low Government investment in housing, especially low cost housing, and inability to upgrade informal settlements. Currently, investment in housing development falls below the United Nations and World Bank minimum of 5.0% of GDP. In addition, it also fell below what was proposed in the 1996 National Housing Policy that 15% of the national budget would be set aside for housing development.

Added to the above, the Government’s fragmented financing of the housing sector was one key factor which had hampered the smooth and coordinated delivery of housing units in the country by various players.

❖ **Scarcity of Land for Housing Development**



Land delivery and access had been impeded by limited administrative capacity and land speculation leading to high prices of land on the market. Most urban towns had run out of land for future housing developments, forcing new urban dwellers to settle in unplanned settlements not meant for housing. Where land was available, it was beyond the reach of most of the population. This was also compounded by the lack of adequate serviced land for housing development, a scenario which was a source of major concern to many stakeholders.

❖ **Limited Resources of Local Authorities and National Housing Authority**

The limited financial capacity of local authorities and the National Housing Authority had severely restricted their capacity to construct, maintain and expand the housing stock and related infrastructure. In addition very few local authorities had been involved in the construction of new dwelling structures due to inadequate funding and lack of innovation to generate resources.

❖ **Lack of Infrastructural Services**

Rural housing was characterised by insufficient infrastructure such as water supply, sanitation, electricity, solid waste management, health, education facilities and other social amenities. This was mainly due to the dispersed settlement patterns in rural areas, making service provision costly as rural areas had weak economic bases which could not support costly infrastructure developments. For urban communities, the infrastructure was inadequate and/or poorly maintained. The situation was worsened by the lack of city development plans to absorb future populations.

❖ **Low Incomes**

Most Zambians earned very low incomes and could not afford to build decent housing.

v. **Interventions taken by the Various Players to help Address the Situation**

Your Committee learnt that the Government had taken some measures in an effort to mitigate the housing deficit in the country. Some of the interventions are as set out.

- a) The establishment of the Ministry of Housing and Infrastructure Development to amalgamate and deliver all public housing and reduce on fragmentation in housing financing, formulation and facilitation of the implementation of slum upgrading programmes.
- b) Reviewing the 1996 National related to housing development in order to encourage orderly development, remove restrictive standards and provide

a mechanism for ensuring that limited resources were put to their optimum use and thus promote adequate and affordable housing.

- c) Formulation of house designs and housing delivery models which could permit houses to be bought or constructed within the limitations of the national budget.
- d) Promotion of research and development in institutions of higher learning to promote the use of local building materials and green technologies.
- e) Encouraging joint ventures between the public and private sectors in housing development. Government had been facilitating National Housing Authority and local authorities to engage in Public Private Partnerships (PPPs) in housing development and further for the local authorities and the National Housing Authority to exploit alternative sources of finances for housing development and related infrastructure development.
- f) Facilitating the opening up of serviced land by local authorities for housing development and streamlining the land allocation system to combat the housing poverty in the country.
- g) The construction of medium and low cost houses with related infrastructure in the newly created districts to promote rural housing. When planning for new infrastructure, such as hospitals, schools, among others, a provision for institutional housing was incorporated. For example, each new district hospital was supposed to have a minimum of five medium cost houses and ten low cost houses.
- h) Supporting infrastructure to ensure adequate water supply, sanitation, access roads, solid waste management and other municipal services.

Other stakeholders who appeared before your Committee also reported that the following interventions set out hereunder were underway in the housing sub-sector:

### **Construction of 3,000 housing units in Lusaka and surrounding areas under – NHA and Worldwide Innovation Consortium**

This was a joint venture initiative between NHA and Worldwide Innovation Consortium Limited (WIC) of the Kingdom of Belgium. Under this joint venture partnership, NHA-WIC intended to construct not less than 3,000 low, medium and high cost housing units per year, with associated infrastructure in towns and cities across the country for civil servants under a rent-to-buy scheme. With this rent-to-buy scheme, civil servants were required to pay rentals towards ownership of the houses from K1,414 to K7,984 per month for the period of twenty-years in line with NHA's mandate to provide affordable houses to the public.

### **Urban Renewal Concept - Land for Housing Construction**

To make prime land available, the NHA had come up with the Urban Renewal Project which sought to accommodate households currently in unplanned settlements in the well planned smaller portion of the same land while freeing up

a bigger percentage of the prime land for mixed development. Apart from providing social housing, the concept would also address sustainable housing and financing challenges. Due to the magnitude and social impact of such projects, political will and sovereign guarantees were required.

### **Community-led Housing Developments**

Peoples' Process on Housing and Poverty in Zambia (PPHPZ), whose mandate was to fight poverty and homelessness, had collaborated with the NHA to construct 100 housing units in Lusaka and in two other selected towns. This partnership was through a community-led process. Under social corporate responsibility, NHA would work in collaboration with PPHPZ to construct low cost housing for the vulnerable in society using methods that were cost efficient and environmentally friendly. NHA would provide consultancy services and, where possible, procure land at no cost and access K3 Million funding from Ministry of Local Government and Housing (MLGH) as counterpart funding for the project.

### **Site and Service Schemes**

Site and Service Schemes were being built on the concept of land use planning and putting services before building in a well arranged layout for minimum useful on commercial, residential, schools, health centres and other amenities. There would, however, be need to monitor the developments by local authorities to ensure that developments met acceptable standards.

### **Public Private Partnerships (PPPs) to Reduce the Housing Deficit**

Further to the examples of joint ventures between the public and private sector in housing development outlined above, the private sector reported some interventions in this area of cooperation. Below are examples of recent engagements:

- Jubilee Women –Highways Markets and Support Infrastructure;
- SANY Group- 5,000 houses countrywide;
- China Gezhouba- 30,000 houses countrywide;
- China State Construction Engineering Corporation Limited (Zambia Branch) CSCEC- Urban renewal projects across the country;
- MKP of Malaysia- 255 houses in Lusaka;
- China Jiangsu International- 366 houses in Lusaka;
- Datong Construction Company- Shopping Mall and 1,000 housing units;
- People's Process on Housing and Poverty in Zambia- 100 houses in Lusaka and other towns;
- MAEC 87 of Italy- 25,000 houses countrywide; and
- Worldwide Innovations Consortium- 3,000 houses in Lusaka and surrounding areas.

The above partnerships, which were mostly under NHA, however, required that Government provided either free land or sovereign guarantees. Since the above two variables were difficult to meet, most Joint Venture Agreements formed were yet to be undertaken.

### **Vulnerable Group Housing (OVG)**

This programme supported orphans and their care givers through construction of homes with ventilated improved pit latrines and bathing shelters. Families were provided with skills training including knowledge on HIV and AIDS, succession planning, inheritance rights (property rights), sanitation, hygiene and other housing support services.

### **Maintaining Low Interest Rates**

Zambia National Building Society had endeavoured to provide affordable mortgages by offering the lowest rates in the market. This alone had not helped to increase the number of Zambians who owned houses in formal settlements as the cost of buying a house, be it in the low, medium or high cost income segments, was still beyond the reach of the majority of Zambians in formal employment.

### **Product Innovation**

The mortgage portfolios of money lenders like ZNBS consisted of 65% of loans for self built houses. This entailed that applicants who had land were able to build incrementally based on their affordability. This had helped low income earners to have access to the loans. Where the potential mortgagor had no land, they were allowed to get a short term “building materials loan” from the banking section to purchase one and get all required legal documentation. Later, the customer could apply for a longer tenure mortgage within the same institution. Realising that most women had no access to land, ZNBS undertook a mortgage promotion specifically for women in 2015, at reduced rates. This had not only increased the uptake of mortgages by women, but also assisted in enhancing financial literacy on housing finance for women.

### **Increased Loan Tenure**

Another intervention was increasing the tenure of the mortgage loan by ZNBS, particularly, to a maximum of fifteen years to try and cushion the impact of the increase in interest rates. This had assisted in containing the non performing loan portfolios.

### **Integration of the Housing Supply Chain Players**

One of the major constraints in the housing delivery chain had been lack of coordination by the stakeholders in the implementation and delivery of housing projects. ZNBS had developed a housing delivery model which brought availability of land, infrastructural services (water supply, sanitation, electricity) providers, development funds providers, housing finance providers and contractors under one framework. Using this model, ZNBS had since signed a memorandum of understanding with various councils for the provision of land on which to build housing estates. The model also provided a platform for better information on developmental matters such as service delivery, stakeholder participation and consultations, increased transparency to reduce corruption and citizens

participation as off-takers. The councils would benefit by having 10% of the houses constructed given to them when the housing projects were implemented.

### **“Build and Buy” Products**

ZNBS offered unique mortgage conditions which aimed at fitting the circumstances of a Zambian citizen. As a building society, ZNBS had both the “build” and the buy products. In relation to this option, the Society had the flexibility of either allowing customers to build properties of their own taste or to partner with a suitable construction firm which would build the houses on their behalf. This allowed citizens to build their houses incrementally as the cost of houses in the country compared to incomes did not allow many citizens to acquire houses of their choice through outright purchase.

#### **vi. Budget Allocation**

The stakeholders submitted that the Government had allocated K167.97 million to the Ministry of Housing and Infrastructure Development in the 2017 budget. It was noted that the amount allocated in the budget was not adequate as the country required approximately K13 billion per year to construct the needed 222,000 housing units per year in order to reduce the deficit. The estimate was based on a 2010 study which computed the median affordable cost of one housing unit at K61,300. In view of the depreciated exchange rate, this amount would have to be increased as most building materials were imported.

#### **vii. Affordability of Housing**

The current average cost for a low cost unit was K316,000, medium cost was K531,000 and high cost was estimated to be in excess of K930,000. It was also noted that the cheapest rate to be charged by a formal developer was USD700 per square metre using brick and mortar. This included the costs of infrastructural services such as water and sewerage, roads and power.

#### **viii. Effectiveness of Government Systems**

Your Committee learnt that the Government systems in terms of provision of housing were not effective. This was evident from the ever growing housing deficit in the country. Other Stakeholders submitted that the challenges included those set out below.

##### **a) Contract Negotiation and Pricing**

There was a tendency for Government through its relevant institutions such as the National Housing Authority (NHA) and the National Pension Scheme Authority (NAPSA) to over-price contracts given to developers. These costs were then incorporated into the pricing of houses resulting in further price inflation. There was no incentive for developers who partnered with the Government to reduce the cost of construction, given that they had assurance that they would be paid anyway.

Some stakeholders suggested that the best way forward would be to scrutinise contracts to an absolute minimum value with an added incentive for the developer if they managed to construct below the cost as stipulated in contract. This would provide sufficient scope for innovation on the part of the developer to bring down costs, hence passing on the benefits of reduced costs to future homeowners through lower prices.

**b) House Yield and Mortgage Interest Rate Mismatch**

The minimum return a private investor should expect on their funds was the offering on a country's treasury bills, which in the case of Zambia, was at about 20-30%. Therefore, it followed that yields on housing investments should beat this rate if the investment was going to be worthwhile. The dilemma was that the average Zambian could not afford to finance the purchase of such priced houses. Affordability would require that mortgage rates significantly reduced, effectively creating this demand and supply mismatch.

The stakeholders stressed that this mismatch still existed even in the case of public or parastatal investors who must achieve yields of at least the risk free rate of 15.5% since the reserve bank would lend them money at that price. At 15.5%, a house buyer who was lucky enough to get a loan or mortgage would have to pay close to twice the price in only seven years with monthly instalments that were probably higher than the rentals on a similar house. Thus this yield and interest rate problem was essentially one of unaffordable housing.

**c) A 'Delusional' Perspective of the Zambian Housing market**

Stakeholders submitted that given the current context on the housing market of unaffordable interest rates, rising inflation and unemployment, it was difficult to fathom how the construction of housing units (regardless of how many) at a standard average cost of US\$500 per square metre could contribute towards the reduction of the housing deficit. The fact was that the average Zambian (low-income demographic) could not afford to purchase or rent these housing units. In these partner taps, the NHA provided land. However, the NHA continued to partner with private developers in the construction of housing units for the purpose of selling or renting out these units. This strategy started as early as 1996, when the Presidential Housing Initiative (PHI) was implemented to kick start the National Housing Policy. Unfortunately, the current reality had not changed. The stock of middle to high cost houses increased, leaving the low income demographic that was in most need of housing with no choice, but to resort to sub-standard peri-urban dwellings.

**d) Ineffectiveness of Established Institutions**

Some stakeholders highlighted that although institutional arrangements existed for the provision of housing in Zambia, they had not effectively performed their functions. The NHA, for instance, was mandated to provide the affordable shelter but most of the houses that they constructed were not affordable. The majority of the Zambian population could not afford to pay the economic rent or purchase a decent house from the NHA. The Living Conditions Monitoring Survey, 2015 showed that the average monthly income for Zambian households was K1, 801.30. Monthly average income for households in rural areas was K810 while that of households in urban areas was K3, 152.40. However, NHA was currently selling a three bedroomed house at US\$110,000, with a purchaser expected to pay a minimum deposit of 40% of the selling price while the balance of the purchase price was expected to be paid in equal instalments over a period of eighteen months immediately after the first instalment.

**e) High Lending Rates**

Despite the reduction in commercial bank lending rates, not all demand for housing financing had been satisfied. Commercial lending rates were still too high and inappropriate for long term borrowing, especially for residential mortgages. In an effort to design a transparent framework for determining interest rates, the Central Bank introduced a policy rate in 2012, to benchmark lending rates at 9%. However, the 2015 upward adjustment of the policy rate by the Central Bank to 15.5% in order to contain inflationary pressures that threatened to reverse the gains made in making credit in general and housing finance in particular, more affordable, meant that the policy rate did not help as expected.

**Challenges Observed in the Implementation of the National Housing Policy**

The National Housing Policy, which was produced by the then Ministry of Local Government and Housing in 1996, was an endeavour in which the Government, through various development programmes and projects, attempted to localise international trends in the field of shelter by realising the two themes of the Habitat Agenda, namely, adequate 'shelter for all' and 'sustainable human settlements development' (GRZ, MLGH, 1996; UNCHS, 1996). However, the stakeholders submitted that the means and instruments for operationalising the Policy and achieving its goals were not clearly identified and articulated. To improve implementation, the means and instruments must be identified and articulated in the new National Housing Policy.

The stakeholders observed that despite the identification in the National Housing Policy (1996) of all the housing institutions, only the means related to rationalising the functions of the MLGH and amending the *National Housing Authority Act* were identified. There were no means identified for rationalising the operations of the other housing institutions. The instruments to actualise the Policy goals were also not articulated for any of the said institutions.

These shortcomings could have led to a lack of focus by the policy implementers and, therefore, contributed to the non-realisation of the Policy goals.

### **Successes Recorded on the National Housing Policy**

Despite the forgoing, some stakeholders acknowledged that limited success was recorded under the 1996 National Housing Policy. For example, Zambia was awarded the 1996 “HABITAT Scroll of Honour” by the United Nations Centre for Human Settlements in recognition of the participatory and innovative manner in which it was formulated. In particular, the Policy’s approach to provision of adequate shelter for all and sustainable human settlement development, which had stressed the importance of community participation, was highly commended.

## **9.0 LOCAL TOUR REPORT**

The main objective of your Committee’s local tour was to appreciate the housing situation in Zambia by way of on-site checks on selected housing projects across the country. The projects visited were being undertaken by both the Government and the private sector. In this regard, your Committee visited three Provinces, namely; Lusaka, Copperbelt and North-Western. The findings of your Committee during these site visits are summarised below.

### **ix. Visit to Private Housing Development Projects**

#### **1. Foxdale Housing Project**

Your Committee learnt that the Project houses 170 housing units in Ngombe Township of Zambia. The major concerns raised during the tour at this property are as set out below.

- i. It was not easy to access funding to construct more housing units due to foreign exchange fluctuations.
- ii. Roads in most areas where the company wanted to set up new units were bad and the Government had not helped in resolving this problem.
- iii. There was lack of partnership with bulk providers of services such as water and sewerage and electricity.

#### **2. Silverest Gardens**

Your Committee was informed that Henan Guoji Industry Group Company Limited, the joint proprietor with ZDA of Silverest Gardens, was a transnational corporation from China. The company’s business ranged from real estate development, architectural engineering, road, bridge, municipal engineering, contracting, property management, landscaping, and overseas industrial parks. Having been in African countries for eighteen years, the Group had developed and operated industrial parks and civil servants’ housing projects in many African countries, including



Zambia, Mozambique, Malawi, Uganda, Sierra Leone and Tanzania while cooperating with the local government authorities in these countries.

In this vein, your Committee noted that having been the strategic partner with Export-Import Bank of China, China Development Bank, Bank of China, [Industrial and Commercial Bank of China](#), [Standard Chartered](#) Bank and China-Africa Development Fund, Henan Guoji had a financing advantage. At the same time, China-Africa Development Fund was one of Henan Gouji Group's shareholders, which meant that the company could easily access necessary financing for its projects. The company also enjoyed a localisation advantage as it had a focus on training a local management teams, localising management systems, purchasing local building materials as far as possible, and creating a larger market share for local enterprises.

The company also had a cost advantage because with its eighteen years of experience, the Group had accumulated a rich knowledge in African countries' living habits, residential concepts and architectural style. Further, the Group had professional design and engineering teams as well as a construction material processing factory. Overall, therefore, the company's comprehensive construction cost was much lower than that its peers in the industry. Another advantage was the faster rate at which the Henan Guoji Group was able to complete Projects because of its professional engineering and management team. A good example was the Silverest Garden Project where Henan Guoji finished the 404 housing units in only two years and six months while the same Project may take five years with other developers.

Your Committee was further informed that the Henan Guoji Group could assist local institutions to obtain low interest loans from China to construct mass low income housing. Such loans could be repaid through customers' repayments, effectively resolving the problem of national housing shortage and attendant social instability without any Government financial outlay. The company could take charge of the whole project, including planning, designing, financing and construction. Under this scheme, a two bedroomed house would only cost K300,000 while a three bedroomed would cost K350,000. In the meantime, the Government could concentrate its efforts towards resolving serious employment problems, promoting the development of multiple industries and increasing Government revenue.

### **Challenges faced by Henan Guoji**

The key challenges faced by Henan Guoji were as set out below.

- i) Contrary to the provisions in the Investment Agreement, the Zambia Development Agency (ZDA) had not fulfilled its obligation of providing the company with tax exemptions which had resulted in increased construction costs and, therefore, higher housing costs.

- ii) ZDA had not fulfilled its obligation of providing clients which had resulted in the investor's funds being locked up in the housing stocks.

### **3. Meanwood Investment Holding**

Your Committee visited Meanwood Ibex Hill Project and observed that the Project consisted of over 2,000 high cost and executive residential, small holding and social amenity plots and houses. Plot sizes ranged from 1,000 to 20,000m<sup>2</sup>. Your Committee noted that the plots at this site were unaffordable to the average Zambian. Currently, only about 40% of the 2000 units had been developed and occupied.

### **4. Nyumba Yanga Housing Project**

This is a Project under the National Pension Scheme Authority (NAPSA). Your Committee's key findings during the tour to this Project were that:

- i) most of the houses were well constructed but the cost was out of the reach of an average Zambian;
- ii) the cost of bulk services such as water and sewerage and electricity were expected to be borne by the customers, hence the high cost of the housing units; and
- iii) only sixty eight units were remaining to be sold out of 113 housing units at the Project. NAPSA management was considering a "rent to own" option to dispose of the remaining units.

## **x. Visits to the Districts**

As part of its local tour, your Committee visited Luanshya, Kitwe, Chingola, Solwezi, Ikeleng'i, Kalulushi, Kalumbila districts.

### **xi. Luanshya District**

#### **District Overview and Background**

During its visit to Luanshya District, your Committee learnt that the District had a population of 153,117 according to the 2010 Census of Population and Housing. Your Committee further learnt that Luanshya District had Mikomfwa, Roan, Mpatamatu, Kamirenda, Ndeke and New Townships. Before the privatisation of the mines, Luanshya District used to be organised in two parts, the mine area and the municipality area. Most of the activities, including housing management, were being handled in respective areas. The privatisation of the mines took place from 1995 to 2000 and management of the entire District was transferred to the Council. In the same year, the Government initiated a sale of houses, which programme targeted sitting tenants, including miners who occupied mine houses at that time. Before the sale of houses to sitting tenants started, ZCCM had given plots to miners and had plans to support the miners through a programme of housing

construction in an effort to end the housing deficit in Luanshya. However, just after the pronouncement of sale of houses by the Government to sitting tenants, all those miners who were given plots abandoned the plots and bought houses as sitting tenants. This increased the housing deficit in Luanshya as residents preferred to purchase the houses to building their own. The population of Luanshya at that time was about 92,000 and if that programme of housing construction under ZCCM had continued, it would have averted the housing shortage.

The challenge arising from the sale of Government houses did not only affect miners, but also civil servants including all those who were about to retire and build houses for themselves as they abandoned their plans and bought houses as sitting tenants.

In particular, your Committee found that:

- i. the approximate number of households in Luanshya was 30,888. This was against a total of 28,554 housing units. To fully resolve the housing shortage in the District, more than 2,334 housing units were needed;
- ii. Luanshya District had several informal settlement areas, and the calculation of the housing shortfall was done using formal and permanent structures, excluding informal settlements. If informal settlements were to be considered, the deficit may increase to more than double the stated number;
- iii. structures in the informal settlements were made of locally available materials such as mud bricks, poles, bamboos with grass thatched roofs, plastics, cardboards and other available materials. While these settlements were informal, the Council was encouraging residents to use available affordable and safe materials such as burnt bricks and affordable roofing materials; and
- iv. approximately 632 households were in danger of losing their housing as their housing units, which were built in the 1920s, were slowly giving up and some had since collapsed. They were built using unburnt mud bricks and reinforced with simple mesh wire.

### **Challenges faced in the District relating to Housing**

In relation to provision of housing, Luanshya District faced the challenges set out below.

- i) During the sale of houses, some houses were being sold for as low as K10, which made the setting up of a revolving fund to build more houses impossible. It was noted that the money realised from housing rentals used to go a long way in strategising for housing projects. The sale of houses left local authorities with no resources to embark on major projects such as building new housing units.

- ii) A major challenge faced by Luanshya District Council was the inadequate sources of reliable revenue for the Council to embark on capital projects such as those involving housing provision. Local authorities countrywide were facing challenges in collecting revenue in terms of rates which could help finance such projects. Government funding had also reduced, with equalisation funds being disbursed in varying amounts to different councils while capital funding was only 20%, which was also inadequate for such big projects.
- iii) In line with the above, Luanshya Municipal Council had never received any funding specifically for housing projects in the District. This had left the Department of Housing and Social Services dealing with only markets and bus stations since all the housing units which the Council had before, were sold to sitting tenants and no major programme was put in place to replace those structures.
- iv) Attempts had been made to enter into Public Private Partnership arrangements in the quest to enhance the provision of housing, but these efforts proved futile due to lengthy procedures that were required despite this being the only way forward.
- v) The Luanshya local authority wished to extend the boundaries of the District, but large parcels of the land around Luanshya were owned by ZAFFICO, the mines or Zambia Railways. It was a challenge for the Council to have access to this land because the process of surrendering the land for alternative developmental usage was lengthy. Similarly, the procedure for de-gazetting land was too long and tedious.
- vi) There was no clear distinction in the National Housing Policy on the roles of the Ministry of Local Government and Housing, the National Housing Authority and local authorities. In this vein, there was need to revise the Policy to ensure that it respond to current trends and challenges.



***Examples of deteriorating houses in Roan Township, Luanshya, which were visited by the Committee***

## **xii. Visit to Kitwe District**

Your Committee held a public hearing at the Kitwe Council Chamber and major submissions by stakeholders are summarised here below.

- i. The Government should pay particular attention to the plight of people living with disabilities with regard to the provision of housing.
- ii. The councils throughout the country must be revamped to complement the Government's efforts in provision of housing.
- iii. The Government should help the underprivileged in society not only to acquire land, which was very expensive, but also assist them to construct the necessary structures.
- iv. One of the Aldermen present disputed the figure of 1.5 million being reported as deficit on housing units. He averred that this was an understatement as the survey from which these figures emanated did not cover all areas.
- v. Interest rates on loans were very high and this was one of the key factors which had hampered the development of housing infrastructure in the country.
- vi. The community also complained about the lack of deliberate measures to encourage private investors' participation in the provision of housing in the district.

- vii. There was a complaint regarding the bureaucracy and corruption in land allocation and issuance of title deeds.
- viii. The community also submitted that there was need for relevant authorities to enforce building standards and plans.

### **xiii. Visit to Chingola District**

In Chingola District, the Town Clerk submitted that the Council had allocated land to LASF at the rate of K1,400,000 and that similar arrangements were being made to allocate land to NAPSA so that more housing units could be erected in the district. The Council was also making efforts to open up land in Chingola South and Hellen, especially to medium and low cost housing developers. So far, a total of 1,400 plots at a price of K1,500 for low cost and K3,500 for medium cost houses had been made available to the public.

Your Committee also visited Breesave Estate Limited, a private property developer within Chingola. Breesave is a small developer with only thirty-two housing units housing approximately 150 persons. The Company complained bitterly on the high cost of land rates despite them offering a service to the community at reduced rentals. In an attempt to resolve this challenge, the developer had written to the Council, but the Council had not helped this developer. Currently, the developer's annual rate bill was around K60,000. The other challenge the developer faced was with regard to the erratic water supply in the District.

### **d) Visit to Solwezi District**

During the visit to Kabitaka Housing Project and later at the public hearing at Solwezi Council Chamber, a number of issues came to light, and these are summarized below.

- i. The Department of Education had a huge and alarming housing deficit as tabulated below.

S/N	INSTITUTION/S	NO. OF STAFF	NO. OF HOUSING	CONDITION	#	TOTAL #	DEFICIT
	CATEGORY		UNITS AVAILABLE				
1	DEBS OFFICE	35	0	N/A	0	<b>0</b>	Snr/staff houses -9 Jnr Staff houses-15 Aux. Staff houses-11
2	SECONDARY SCHOOLS	384	92	Good Fair Poor	8 6 5 1	<b>92</b>	292
3	SCH. FOR CONT. EDU.	30	5	Good Fair Poor	5 0 0	<b>5</b>	25
4	PRIMARY SCHOOLS	785	187	Good Fair Poor	8 0 8 5 2 2	<b>187</b>	598

- ii) The Kabitaka Housing Project was not transparent as occupants of the houses, who were mostly workers under the mine, were told that they would purchase the houses within eighteen months but the period was later adjusted to fifteen years without any written notification to the occupants and also no documentation to that effect.
- iii) The amounts deducted from workers' salaries were not clearly defined and, therefore, the occupants felt that there was no full disclosure by their employer.
- iv) Occupants felt that the houses turned out to be very expensive coupled with very expensive bulk utility services.
- v) Generally speaking, occupants lamented that it was not clear as to what would happen in cases of death by the occupant with regard to the funds paid towards the purchase of a housing unit.

- vi) It was negotiated that, the District Commissioner had always been threatening the occupants not to talk about the Kabitaka houses and that anyone doing so would risk losing employment.

**e) Visit to Ikeleng'i District**

During the tour of Ikelengi district, your Committee observed that housing for various Government departments in this new district was a big challenge with most departments sitting at 100% deficit. In Ikeleng'i, most officers were renting privately owned houses which were not of good standards. The Council was currently at 100% housing deficit, while other departments' deficits were as follows:

- Education - 72% (plus 2% dilapidated);
- Agriculture - 64%;
- Health – GRZ Rural Health Centres and Missions -76%;
- Forestry - 50%; and
- Home Affairs - the situation was worse as only the Police had existing and dilapidated houses at Jimbe Police Station.

**f) Visit to Kalulushi District NAPSA Housing Project**

During its visit to the NAPSA Housing Project in Kalulushi, your Committee observed that the bulk of the housing units were not taken due to high sale prices. The cost was compounded by inclusion of the cost of bulk utility services (electricity, water and sanitation infrastructure).

**C. Visit to Some of the Construction Sites for the 2,350 Housing Units for the Ministry of Home Affairs by AVIC International Holdings Corporation**

Your Committee learnt that the Ministry of Home Affairs engaged AVIC International Holdings Corporation to construct housing units for the security wings under the Ministry of Home Affairs, covering Zambia Police Service, Zambia Correctional Services, the Immigration Department and the Drug Enforcement Commission. Under this Housing Project, Phase I had a total of 2,350 housing units distributed as follows: - 997 low cost units, 1238 medium cost units and 115 high cost units.

The Project was a Design, Build and Transfer Model PPP in which the contractor was engaged to design, build and handover the Project to the client. The total contract price was US\$ 323,073,844.79, of which the Government was to provide 15% counterpart funding. The Project was to run for three years, having commenced on 27<sup>th</sup> October 2015. Currently, the following sites were completed:

- i. Chelston Site in Lusaka (forty eight houses );



- ii. Silverest Site in Lusaka, Chongwe area (forty one houses);
- iii. Kawama Site in Kitwe (twenty four houses); and
- iv. Mukobeko Site in Kabwe (forty two houses);

Your Committee visited Kawama Site located in Kitwe District. This site was under the Zambia Police Service and had a total of twenty-four housing units (sixteen low cost houses and eight medium cost houses). According to the information which was gathered on site, works at Kawama commenced on 15th July 2016 and the works had been completed. The site was due for handover on Friday 7<sup>th</sup> April 2017.



***Completed houses in Kawama, Kitwe***

Your Committee also visited two sites, Mokambo and Masaiti, which were unfinished but learnt that the contractor was currently mobilising to those sites. The Project Manager assured your Committee that apart from the two sites named above, the contractor was mobilising to the following sites.

- Lilayi Police College Site with a total of seventy-two housing units;
- State Lodge Site in Lusaka with a total of eighty nine housing units;
- Mukobeko Site;
- Makeni Site for the Drug Enforcement Commission;
- Kenneth Kaunda International Airport Site for the Immigration Department;
- and
- Matumbo Site in Muchinga.

The contractor was set to mobilise to more sites by June 2017, (including Kamfinsa, Masaiti, Kabwe, Kasumbalesa, among others). The 2017 annual target set for the construction of the housing units was 1,411.

#### **D. Visit to Lumwana Mine /Kalumbila Mine Townships**

Kalumbila was declared a district on 28<sup>th</sup> August 2015, by the President following the delimitation of Solwezi West Constituency. According to the Census of Population and Housing of 2010, the population of Kalumbila was 85,505 consisting of 42,548 males

and 42,957 females. There had been a rapid increase in the population with the advent of mining activities in the area, and the number was estimated to have risen to more than 100,000. The majority of the population was living in the rural parts of the district. This drastic increase in population had put pressure on social amenities such as housing, among others.

### **Lumwana Mining**

Lumwana Copper mine began production in 2008 and in 2011, it became part of Barrick Plc Limited. Going by a survey carried out in 2015, it had 3,756 employees and contractors. Its production was about 287 million pounds of copper in 2015, with about 3.1 billion pounds of proven and probable copper reserves. Its catchment area was as tabulated below.

<b>Ward</b>	<b>No of House Households</b>	<b>No Males</b>	<b>No Females</b>	<b>Total Population</b>	<b>No&gt;18 yrs</b>
Shilenda (Inclusive of Manyama)	3159	6953	7257	14,210	6112
Lumwana (West of LMC)	1483	3508	3658	7166	3066
Muajimambwe (East of LMC)	1976	4752	4740	9492	4116
Total	6618	15,213	15,655	30,868	13,294
Estimate 2012				34,000	

The mine had a trust whose objective was to aid the local community with housing. Lumwana Development Trust Fund supported infrastructure projects identified by a committee consisting of local traditional leaders, the Government and mine management. The cost of projects identified was shared, with the mine contributing 75% and the balance covered by local communities. Under this project, about sixty staff houses were constructed.

### **Key findings**

The key findings of your Committee are set out below.

- i. Government had created Kalumbila District without a town layout plan to provide for formal residential plots and new housing. The lack of a plan, coupled with the population influx into the area, had resulted in numerous informal settlements.

- ii. The local settlers and developers for housing were constrained There was lack of staff accommodation for new Government departments in the area and this had created pressure on Lumwana Mining Company.
- iii. Lack of police presence due to accommodation shortage impacted negatively on security in the area.

**Kalumbila Mine**

Kalumbila Mining Plc, through the Kalumbila Town Development Corporation, had developed a town with good housing units and other infrastructure. This had helped address the housing deficit and challenges experienced by the miners in the area. Since investment opportunities were very high, the Corporation was trying to attract investors to invest in the housing sector and this would boost infrastructure development in the District.

**E. Visit to Ministry of Defence Houses at Kabwe and Mufulira Cantonments**

During the visits to these two sites, your Committee noted numerous problems in terms of the quality of workmanship and building materials used. These challenges are itemised in the Tables below.

**Plumbing Faults Reported**

Ser	Items	Conditions	Remarks
(a)	(b)	(c)	(d)
1.	Kitchen Taps	Unserviceable	
2.	Kitchen Stands	Broken Stands	
3.	Shower Stands	Also shower stands are damaged	
4.	Tanks	Leakages on the main water supply tanks	Require Replacement

**Problems affecting all Houses both at Low and Medium Cost House in**

**Chindwin Barracks**

**Carpentry faults arising to Beijine Houses**

SER	ITEMS	CONDITIONS	REMARKS
(a)	(b)	(c)	(d)
1.	Termites	Most door frames and wooden floor tiles are eaten by termites	
2.	Locking System	The keys for locks fixed especially in the Kitchen doors break easily.	
3	Built In Kitchen Units	They are made of boards which are not water resistant resulting in breaking. They are Semi- attached to the sink.	

4.	Leaking Roofs	Only four (04) Houses have some roof leakages.	
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### Electrical Fault Findings arising from Chinese House Complex

Ser	Items	Conditions	Remarks
(a)	(b)	(c)	(d)
1.	Bulbs	108w Bulbs for the street lights are ring bulbs are blown off in all the houses	They are not available on Zambian market.
2.	Geyser Element	Not functioning in all the House.	
3.	380v Contactors	30 Amps and 50 not in use.	
4.	380v Tipple Pole Isolators	Also damaged	
5.	63amps Mcbs	Malfunctioning	Required attention
6.	Sockets (3x3 AND 3 X6)	Not functioning in all the Houses	Also require replacement
7.	Cooker Control Units (3x6)	Unserviceable	Replacement required
8.	Distributors 63 Amps And Isolators	Unserviceable	Replacement attention
9.	Inductors	Malfunctioning	Requires attention

### Key Findings during the Local Tour

Your Committee's findings, after interacting with the stakeholders in the above named sites, are as set below:

- i. The high interest rates for mortgages, strict approval procedures, limits of loans and short loan periods makes it difficult for citizens to buy properties offered by private developers.
- ii. Contrary to the existing agreements, the Government has not fulfilled its obligations of providing tax exemptions to the private investors in the housing sub-sector. This has resulted in increased construction costs and unaffordable housing prices.
- iii. The Government has not fulfilled the obligation of providing clients to the private developers as per agreement which has resulted in locking up the developers' funds, which were intended to go towards the alleviation of the housing deficit.
- iv. The Government's counterpart funding of 15% of the contract sum pertaining to the housing projects under the Ministry of Home Affairs has not been consistently disbursed, hence progress has been delayed on most projects.
- v. The materials used to build the prefabricated housing units under the Ministry of Defence are substandard and inappropriate for the Zambian situation. For example, most fittings cannot be replaced as they cannot be sourced locally.
- vi. Housing for various Government departments in new districts is a big challenge with most departments sitting at 100% deficit. In Ikeleng'i, for instance, most

- officers are renting privately owned houses which are not of good standards. The Council is also currently at 100% housing deficit.
- vii. Great strides have been made in establishing Kalumbila town, but these still fall short of providing high quality modern housing due to a number of factors.
  - viii. The NAPSA houses both at Nyumba Yanga and Kalulushi sites have taken too long to be sold due to the high cost, which is partly due to the inclusion of bulk utility services like roads, electricity, and water and sanitation infrastructure in the pricing.

### **Committee's Observations and Recommendations**

After interacting with the stakeholders who appeared before it, your Committee makes the observations and recommendations as outlined below.

- i. Your Committee observes that the existing legal framework on housing in Zambia needs to be reviewed as it leaves too many lacunas, making it very difficult for coordinated housing development to take place. For instance, the *Urban and Regional Planning Act of 2015* does not clearly stipulate the phasing out of land records. Similarly, the *National Housing Authority Act* is inadequate as it does not provide for partnership with the private sector, especially on loan contraction hence, the National Housing Authority is unable to list on the stock market. Further, the NHA Act still provides for some defunct positions on the Board. In light of these concerns, among others, the whole legal framework requires comprehensive review as a matter of urgency.

Your Committee, therefore, recommends that Government must review the existing legislation, including the *National Housing Authority Act*, the *Urban and Regional Planning Act, No 3 of 2015* and other pieces of legislation relating to the housing sub sector, in order to expeditiously seal the lacunas as observed and facilitate the increased provision of housing in the country.

- ii. Your Committee notes that the National Housing Policy lacks a clear implementation strategy and does not clearly define the role of NHA. Further, the commitment of allocating 15% of the national budget towards housing has not been met by the Government.

Your Committee recommends that the Government must expedite the finalisation of the new National Housing Policy which is expected to resolve some of the bottlenecks in the delivery of decent housing to citizens. Further, noting that a good housing policy is only as good as its implementation, your Committee calls for full implementation of the National Housing Policy once revised, as it would remain an illusion as long as the necessary financial and other resources are not applied towards its realisation.

It also recommends that the new Ministry of Housing and Infrastructure Development should coordinate and liaise with other line ministries to review all policies that hinge on housing development as a matter of urgency so as to promote sustainable housing and human settlements.

Further, your Committee strongly urges the Government to maintain and meet its commitment in the National Housing Policy to allocate 15% of the national budget towards housing financing every fiscal year. Your Committee also urges the Government to ensure that funding of the construction of housing units is prioritised and released to the relevant ministry in time in order to curb the shortage of housing, particularly in the new districts.

- iii. Your Committee observes that the Zambian financial lending environment has very expensive financing, making mortgages inaccessible to most citizens, including the working class.  
Your Committee strongly recommends that the Government must intervene, promptly, in the financial sector in order to make mortgages affordable to an average Zambian.
- iv. Your Committee notes that most contractors on both private and public construction projects are utilising imported building materials, which fuels the high cost of housing in the country.

Your Committee, therefore, strongly urges the Government to enhance its research and development programmes by stepping up the capacity of the relevant institutions so as to encourage the production and use of local (and likely cheaper) building materials and technologies. In this regard, there is need to enact legislation that will promote the use of local materials so that innovation and research into alternative durable building materials will also be fostered. Your Committee also recommends that the Government should seriously consider spearheading the establishment of standards for local building materials by the Zambia Bureau of Standards (ZABS).

- v. Your Committee observes that, generally, there are no city development plans to guide the provision of housing in a formalised and orderly manner.  
  
Your Committee strongly recommends that in order to ensure that there is efficiency and transparency in the delivery of land and build organised housing estates on a large scale, its land must be given at a reduced rate to institutional developers with a bias towards the development of affordable housing schemes for different social economic groups. The local councils would benefit from this proposal as these areas would be well planned and would bring additional land rates payments and other income.
- vi. Your Committee observes that service providers do not provide their services in bulk to residential areas resulting in higher costs of housing as new developers have to meet these costs in full and pass them on to the final consumer. This is compounded by lack of infrastructural services and high Property Transfer Tax rate on housing which contribute to higher property prices.

Your Committee strongly urges the Government to consider enacting the necessary legislation on utility services to compel service providers to bear the cost of their infrastructure, unlike passing this cost to citizens who buy houses offered by property developers. This will also help to reduce the cost of houses which will consequently encourage developers to build more houses for the citizens.

The Government is also urged to seriously consider waiving tax on imported building materials to reduce the cost of construction in order to increase the uptake of housing units provided by property developers in the country. The Government should further consider reducing Property Transfer Tax on housing so as to encourage citizens to purchase houses.

- vii. Your Committee observes with concern that land is inaccessible to most settlers, hence, the mushrooming of unplanned settlements around towns and cities.

Your Committee urges the Government to take measures to make serviced land available for housing development and streamline the land allocation system.

- viii. Your Committee notes that over 60% of formal sector employees are regarded as the working poor as they earn very little and cannot afford decent housing. Lack of social housing in the country to accommodate citizens who cannot afford commercial housing poses a great challenge to this class of citizens and, ultimately, contributes negatively to the housing situation in the country as these populations are forced into informal settlements.

Your Committee, therefore, recommends that Government must upgrade the informal settlements through focused investments in housing-related infrastructure (such as roads, drainages, electricity, water and sewerage), deal and with land tenure issues (increasing the issuance of title deeds and occupancy licences) as this would encourage individuals to improve their housing.

Your Committee further urges the Government to consider coming up with housing cooperatives for all income groups. The Government can help low income earners by releasing public land, establishing an umbrella organisation for housing cooperatives which should build their capacity, and establishing a cooperative bank or guarantee mechanisms so that cooperative banks lend money to housing cooperatives.

- ix. Your Committee observes with concern that there is no proper risk management framework as regards the loans procured by Government entities. The case of the loan obtained by NHA from Shelter Afrique for the construction of North Gate Gardens is a case in point. Your Committee contends that if there had been a proper risk management framework, the NHA would not be experiencing the challenges that it is currently facing in repaying the loan.

Your Committee therefore, urges the Government to ensure that it provides a policy direction with regard to risk management on loans procured by Government entities.

- x. Your Committee observes that there is fragmentation in the housing delivery systems in the country as some developers mainly from the private sector, build without adherence to set standards.

Your Committee strongly urges the Secretary to the Treasury to consolidate the fragmented housing funding scattered across various ministries and channel it through the new Ministry of Housing and Infrastructure Development. Your Committee, furthermore urges the Government to consider setting up a national housing fund into which all Government funding relating to housing should be paid. The Government should consider establishing a Special Purpose Vehicle (SPV) to administer the fund.

- xi. Your Committee notes that some Councils are still lamenting the historical issue of sale of institutional houses, which was done over twenty years ago, as the source of their financial challenges.

It is, therefore, recommended that Government must be encouraged to go into Public Private Partnerships (PPPs) also this would reduce financial pressure on it, while enabling developers to meet the housing shortfall and provide housing for all income groups. In particular, the Government should assist vulnerable groups, such as persons with disabilities, to acquire decent shelter through alleviation of their affordability problems. Your Committee further recommends that there is need to synergise the partnerships with quasi-government institutions and local authorities in order to have a well coordinated system of reducing the housing deficit in the country.

- xii. Your Committee is impressed with the works undertaken by the contractor who was constructing residential housing for various Departments under the Ministry of Home Affairs. Your Committee is, however, concerned over the fact that despite the successes recorded, the Government has not been consistent in honouring its 15% counterpart funding as per contract.

Your Committee, therefore, recommends that the Government must not only honour its counterpart funding obligations to contractors providing housing units to for Government department, but also ensure that these are disbursed timely and consistently in order to avoid delayed works as is the case with Masaiti, Kamfinsa and Mokambo Police Houses.

While your Committee cautions the Government to desist from contracting works using foreign standards as is the case with the Chinese Company which erected prefabricated houses for the Ministry of Defence, your Committee encourages



partnerships with contractors like the one under the Ministry of Home Affairs Housing Project who has proved to be very capable and is helping the country in reducing the housing shortage being experienced by the Ministry.

Your Committee also recommends that the Government must encourage local contractors to participate in construction jobs by helping them to partner with foreign contractors on these projects.

- xiii. Your Committee observes with concern that most of the old mine houses is dilapidated and need a complete overhaul. Your Committee also observes that these houses pose a risk to their occupants. A case in point is the houses in Roan Township in Luanshya.

Your Committee further observes with serious concern the challenges being encountered under the Ministry of Defence Project for the construction of staff residential housing and notes that the Project will not contribute to the alleviation of the housing shortage given the poor workmanship and inappropriate materials used.

Your Committee, therefore, strongly recommends that Government must put in place a mechanism to enhance maintenance and rehabilitation of the existing institutional houses including those being built specifically for men and women in uniform. The Government should also, as a matter of urgency, put in place a mechanism of effective supervision of construction projects.

## **Part II**

### **CONSIDERATION OF THE ACTION-TAKEN REPORTS**

#### **CONSIDERATION OF THE ACTION-TAKEN REPORT ON THE REPORT OF THE COMMITTEE ON LOCAL GOVERNANCE, HOUSING AND CHIEFS' AFFAIRS FOR THE FIFTH SESSION OF THE ELEVENTH NATIONAL ASSEMBLY**

#### **STUDY OF THE MANAGEMENT OF THE CONSTITUENCY DEVELOPMENT FUND (CDF)**

10. Your previous Committee had recommended that a thorough review of the management of the CDF be undertaken. In this vein, your previous Committee had suggested that the Government should work closely with the NGOs in order to carry out a large scale study to evaluate the CDF. The Government should also work with the NGOs in order to continuously monitor and evaluate the management of the CDF as this would improve the administration of the Fund.

### **Executive's Response**

In response, the Government reported to your Committee that it had already commenced consultations with the NGOs with a view to working closely with them and to learning from them before it undertook the study. In addition, the commissioning of the study by the Ministry of Local Government would depend on the availability of resources. Be that as it may, the Ministry remained committed to undertaking the study. However, should the fiscal challenges persist, the Ministry would share its terms of reference regarding the study with NGOs and request them to undertake the study on its behalf.

### **Committee's Observations and recommendations**

Your Committee resolves to await a progress report on the matter.

**11.** Your previous Committee had recommended that the Government should initiate a consultative process with all the stakeholders in the quest to expedite the formal adoption of the revised CDF Guidelines. Further, appropriate legislation, with effective enforcement mechanisms, should be enacted to govern the administration and management of the CDF, as opposed to mere Guidelines. Provision should also be made in the legislation for regular auditing of the CDF by the Office of the Auditor-General.

### **Executive's Response**

In response, the Government informed your Committee that through the Ministry of Local Government and Housing, the draft revised CDF Guidelines had been shared with the members of the general public and the NGOs and their submissions had since been incorporated in the draft Guidelines. In this regard, the Ministry was also committed to sharing the draft document with Members of Parliament and to obtain further submissions from the MPAs before finalisation. In addition, the Ministry reported that the CDF was currently audited by the Office of the Auditor General regularly since the funds were a charge on the national budget.

### **Committee's Observations and recommendations**

Your Committee resolves to await a progress report on the matter.

**12.** Your previous Committee had recommended that the management of the CDF should be carried out in a consultative, inclusive and participatory manner, involving all key stakeholders. Your Committee had further recommended that the number of community dialogue meetings be increased to allow community members to interface with local officials and project implementers.

### **Executive's Response**

In response, the Government reported to your Committee that communities had always been involved in the management of CDF. However, sensitisation by the Councils had been irregular and inadequate, thus contributing to low local participation. To this end, it had been emphasised in the revised draft CDF Guidelines that the selection of projects should remain the preserve of the communities. Without evidence of such, Provincial

Local Government Officers had been directed to recommend to the councils not to approve such projects. In addition, to enhance local participation, communities had been advised in the draft Guidelines to elect project implementation and maintenance committees to monitor implementation and sustenance of projects.

### **Committee's Observations and recommendations**

Your Committee resolves to await a progress report on the matter.

**13.** To further enhance local community participation, your previous Committee had recommended that Ward Development Committees (WDCs), Area Development Committees (ADCs) and other similar structures should serve as community education committees. Their roles should include organising communities to respond to participatory community activities, educating communities on the benefits of participating and helping to build local capacities, which would enhance the involvement of the local labour force on the CDF projects.

### **Executive's Response**

In response, the Government reported to your Committee that Ward Development Committees (WDCs) were performing the role of sensitisation and advocacy to the local communities, thus enhancing local participation in districts where they had been formed. However, Councils were also performing these roles through the elected representatives, faith based organisations and many other local institutions in districts where WDCs had not yet been operationalised. In this regard, the Government would endeavor to ensure that all Councils operationalised WDCs as these structures were more close to the members of the community and that there was already a Cabinet Circular directing Councils to establish the same.

### **Committee's Observations and recommendations**

Your Committee resolves to await a progress report on the matter.

**14.** Your previous Committee had recommended that the quantum of finances allocated to each constituency under the CDF should take into account the characteristics and unique circumstances of individual constituencies, such as the physical size and population density, among other characteristics. The CDF should not be based on a 'one size fits all' approach.

### **Executive's Response**

In response, the Government reported that, among the many purposes, CDF was established to serve as a vehicle to provide easy micro finance to facilitate equalising of development at all levels. In the same vein, the CDF assisted in cutting down on bureaucracy which tends to slow down development in the constituencies. However, that is not to say that consideration had not been made to ensure that the best possible means of allocating the CDF were adopted. The CDF broad cycle was still undergoing reforms and one of the issues under discussion was the mode of allocating the funds. This would address issues regarding unique situations characterising the

constituencies such as vastness, poverty, population, location and other factors necessary to ensure equity between urban and rural constituencies.

### **Committee's Observations and recommendations**

Your Committee resolves to await a progress report on the finalisation of the CDF Guidelines.

**15.** Your previous Committee had recommended that in order to guarantee regular and effective project monitoring, the administration fee should also take into consideration the size of the constituency, and whether the constituency was urban or rural.

### **Executive's Response**

In response, the Government reported that the allocation towards administration was also a matter that had received attention and discussions with the various stakeholders, including the civic leaders, were underway to establish the way forward. In this respect, in order to enhance effective administration and monitoring, among the proposals in the revised draft CDF Guidelines currently awaiting approval was a suggestion to consider scaling up the allocation on administration to 10% for rural and 5% for urban constituencies, bearing in mind unique characteristic affecting rural and urban constituencies. Notwithstanding the above, other suggestions were still welcome as it was the desire of the Government to improve management of CDF which had faced challenges in respect of monitoring due to inadequate allocation of resources to the administration component which had not been matched with the increase in the annual CDF allocations.

### **Committee's Observations and recommendations**

Your Committee resolves to await a progress report on the finalisation and adoption of CDF Guidelines.

**16.** Your previous Committee had recommended that the role of an MP should be clearly spelt out and explained to both the community members and the employees of the councils so that they should be able to appreciate this role and challenge any wrong doing.

### **Executive's Response**

In response, the Government reported that the role of the Members of Parliament would still remain that of lobbying for regular scaling up of CDF in the national budget. In addition, the MPs retained their membership in the Constituency Development Fund Committee (CDFC). They would have the same roles and authority as the other members of the Committee.

### **Committee's Observations and recommendations**

Your Committee reiterates your previous Committee's recommendation that the role of an MP should be clearly spelt out and explained to both community members and

council employee and resolves to await a progress report on the finalisation and adoption of CDF Guidelines.

17. Your previous Committee had recommended that the rules and regulations relating to expenditure and procurement be strictly adhered to. It had further been recommended that all the stakeholders in the management of CDF should be actively involved in the procurement process. This would enhance transparency and accountability in both expenditure and procurement processes under the CDF.

### **Executive's Response**

In response, the Government reported that accountability for CDF was purely a function of the members of staff of the councils. Therefore, members of staff of a particular council as custodians of the fund should also be responsible for procurements, accounting for expenditure and management of projects. This was in keeping with the Financial Regulations, CDF Guidelines and *Zambia Public Procurement Act No. 8 of 2008*, which outlined issues of accountability for public funds to officers serving in the institutions charged with the responsibility over the funds. In this regard, members of the community had participated in the CDF cycle by identifying projects, implementation of projects, monitoring and sustenance of projects.

### **Committee's Observations and Recommendations**

Your Committee reiterates your previous Committee's recommendation that rules and regulations relating to expenditure should be strictly adhered to and thus resolves to await a progress report on the finalisation and adoption of CDF Guidelines.

## **LOCAL TOUR OF THE FIRE TRAINING COLLEGE IN KABWE**

18. Your previous Committee had been extremely concerned over the poor conditions at the training school and had recommended that the Government should immediately provide funds for the building of an ultra-modern fire training college which should be well equipped with modern fire training equipment.

### **Executive's Response**

In response, the Government reported that the procurement process was underway and the advertisement for the expression of interest for the construction of an ultra-modern fire training college in Kabwe would be placed in the public media soon. In addition, under the established arrangements for the turnkey projects, the contractor would carry out the Engineering, Procurement and Construction (EPC), providing a fully equipped facility ready for operation.

### **Committee's Observations and Recommendations**

Your Committee notes the response and urges the Government to expedite the procurement process. Your Committee will await a progress report on the construction of the ultra-modern fire training college in Kabwe.

**CONSIDERATION OF THE ACTION-TAKEN REPORT ON THE REPORT OF COMMITTEE LOCAL GOVERNANCE, HOUSING AND CHIEFS' AFFAIRS FOR THE FOURTH SESSION OF THE ELEVENTH NATIONAL ASSEMBLY**

**STUDY ON SOLID WASTE MANAGEMENT IN ZAMBIA**

**The Management of Solid Waste**

19. Your previous Committee had requested an update on the amendment of the *Public Private Partnership Act, No 14 of 2009*.

In response, the Government reported that the said Act had not yet been amended as Government had a new policy direction on Public Private Partnerships. The PPP Unit had since been moved to State House as a semi-autonomous body to facilitate PPPs in the country. The *Public Private Partnerships Act* would be amended to also incorporate this institutional framework following which regulations would be formulated and promulgated.

**Committee's Observations and Recommendations**

Your Committee reiterates your previous Committee's recommendation on the matter and urges the Government to expedite the process of amending the *Public Private Partnership Act, No 14. of 2009*. Your Committee resolves to await a progress report on the matter.

20. Your previous Committee had requested an update on allocation of a specific trading area for street vendors.

**Executive's Response**

In response, the Government reported that discussions were still on-going to allocate specific trading areas for street vendors. The issue of street vendors cut across many ministries. Hence the Government, through the Ministry of Local Government and Housing, had initiated discussions with the concerned stakeholders to ensure that the decision to relocate the vendors was arrived at with consensus.

**Committee's Observations and recommendations**

Your Committee reiterates your previous Committee's recommendation that an update be submitted on the allocation of a specific trading area for street vendors and urges the Government to expedite the consultation process with stakeholders on the matter. Your Committee resolves to await a progress report on the matter.

**The Management of the House of Chiefs**

**21.** Your previous Committee had requested an update on the review of the House of Chiefs Regulations and on the appointment of a Sergeant at Arms for the House of Chiefs.

### **Executive's Response**

In response, the Government, through the Ministry of Chiefs and Traditional Affairs, stated that it had, commenced the review of the House of Chiefs Regulations, Statutory Instrument No.41 of 1998 and was in the process of consulting various stakeholders. The road map for the review of the regulations would involve tabling the regulations before the House of Chiefs and then submitting them to the Ministry of Justice.

During the review of the regulations, provisions would be proposed to expand the House of Chiefs' mandate with matching committees that would handle various tasks, taking into account additional responsibilities contained in the Constitution of Zambia (Amendment, 2016) under Articles 165 to 172. On the employment of the Sergeant-at-Arms, the Ministry would employ the Sergeant – at Arms once Treasury Authority was granted.

### **Committee's Observations and recommendations**

Your Committee reiterates your previous Committee's recommendation on the matter and urges the Government to expedite the consultative process and review of the *House of Chiefs Regulations, Statutory Instrument No. 41 of 1998*. Your Committee further requests an update on this matter and on the appointment of Sergeant-at-Arms for the House of Chiefs.

**22.** Your previous Committee had requested an update on the efforts by the Ministry of Chiefs and Traditional Affairs to enhance the autonomy of the House of Chiefs, and to increase funding, staffing levels and creation of an independent accounting and administration unit.

### **Executive's Response**

In response, the Government, through the Ministry of Chiefs and Traditional Affairs, informed your Committee that it was in the process of restructuring the House of Chiefs so as to increase staffing levels and, among other things, accommodate an Accounting Unit at the House of Chiefs. Further, the Ministry of Finance had been engaged in the quest for increased funding to the House of Chiefs.

### **Committee's Observations and Recommendations**

Your Committee reiterates your previous Committee's recommendation on the matter and urges the Government to expedite the process of restructuring the House of Chiefs. Your Committee resolves to await a progress report on the matter.

**23.** Your previous Committee had requested an update on the review of the House of

Chiefs Regulations and, specifically, the process of ensuring that ministers respond to summons to appear before the House of Chiefs.

### **Executive's Response**

In response, the Government informed your Committee that during the review of the House of Chiefs Regulations, deliberate clauses would be included that would compel ministers to respond to summons when called upon to appear before the House of Chiefs.

### **Committee's Observations and Recommendations**

Your Committee urges the Government to ensure that the process of revising the House of Chiefs Regulations is expedited so that ministers are compelled to respond to summons to appear before the House of Chiefs. Your Committee resolves to await a progress report on the matter.

**24.** Your previous Committee had requested an update on efforts to ensure the resumption of the fourteen days sitting sessions and on the establishment of standing committees to deal with specific issues such as succession and boundary disputes, and monitoring of chieftom development programmes.

### **Executive's Response**

In response, the Government informed your Committee that the revised House of Chiefs Regulations would address the establishment of additional committees to deal with specific issues such as succession and boundary disputes and monitoring of chieftom development programmes. Further, the Ministry had engaged the Ministry of Finance to increase funding to meet additional costs of resumption of fourteen-day sittings as opposed to the current five-day sittings.

### **Committee's Observations and Recommendations**

Your Committee urges the Government to ensure that the process of revising the House of Chiefs Regulations is expedited to resolve most of the outstanding issues on the operations of the House of Chiefs. Your Committee resolves to await a progress report on the matter.

**25.** Your previous Committee had requested for an update on the construction of a well-equipped modern structure to accommodate the House of Chiefs.

### **Executive's Response**

In response, the Government informed your Committee that the construction of the well-equipped modern building to accommodate the House of Chiefs was a long term



project that the Ministry was considering subject to Cabinet's approval and availability of funds. The Ministry was in the process of engaging the Ministry of Works and Supply for building plans. The Constitution of Zambia, as amended in, 2016, provided for an increased number of Members of the House of Chiefs from thirty to fifty. This implied that the current Chamber of the House was inadequate to accommodate fifty members. At the moment, the House of Chiefs would be renting conference facilities at Government Complex (Ministry of Works and Supply) until such a time when the House would have its own building.

### **Committee's Observations and Recommendations**

In noting the submission, your Committee urges the Government to ensure that the process of constructing a modern building to accommodate the members of the House of Chiefs is expedited to improve the current status. Your Committee resolves to await a progress report on the matter.

## **STATUTORY AUDIT AND AUDIT INSPECTION REPORT ON THE CONSTITUENCY DEVELOPMENT FUND (CDF) FOR THE PERIOD 1<sup>ST</sup> JANUARY TO 31<sup>ST</sup> DECEMBER 2010**

### **KITWE CITY COUNCIL**

#### **Outstanding Statutory Creditors – K37, 594,197**

26. Your previous Committee had requested a progress report on the full liquidation of the outstanding debts owed to the three statutory bodies (ZRA, NAPSA and LASF).

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

In response, the Government reported that the Council had not yet liquidated its indebtedness to statutory bodies. This was due to declined revenues in the coffers arising from economic challenges affecting the mining firms which contributed to the budget of the Council through payment of property rates and other levies. To this end, the Council was negotiating for an extension of the grace period. The matter had yet not been resolved.

### **Committee's Observations and Recommendations**

In noting the submission, your Committee expresses concern over the poor financial performance of the Council as can be observed from its failure to meet statutory obligations. Your Committee strongly urges the Government to ensure that the Council urgently liquidates the outstanding statutory obligations using all available options, including debt swaps, to improve the prevailing situation. Your Committee resolves to await a progress report on the matter.

## **KALULUSHI MUNICIPAL COUNCIL**

### **Outstanding Statutory Creditors – K6,806, 537.41**

27. Your previous Committee had requested a progress report on the full liquidation of the outstanding debts owed to ZRA.

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

In response, the Government informed your Committee that Kalulushi Municipal Council had not yet liquidated its indebtedness to the statutory bodies. This was due to declined revenues arising from economic challenges affecting the mining sector. The Council was negotiating for an extension of the grace period for payment of the outstanding statutory payments.

#### **Committee's Observations and Recommendations**

Your Committee strongly urges the Government to ensure that the Council urgently liquidates the outstanding statutory obligations using all available options, including debt swaps, to improve the prevailing situation. Your Committee resolves to await a progress report on the matter.

## **CHILILABOMBWE MUNICIPAL COUNCIL**

### **Assets (Buildings) without Documents of Ownership**

28. Your previous Committee had requested for an update on the Acquisition of title deeds.

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

In response, the Government informed your Committee that it would, through the Ministry of Lands, Natural Resources and Environmental Protection, ensure that it expedited the processing and issuance of Certificates of Title as and when local authorities submitted all the relevant documentation such as the meetings Minutes of Council Meetings.

#### **Committee's Observations and Recommendations**

Your Committee is concerned over the failure by the supervising Ministry to ensure that all documentation relating to acquisition of title deeds are availed to the relevant ministry for issuance of title deeds. The Ministry of Local Government is strongly urged to ensure that documents are availed to the Ministry of Lands, Natural Resources and Environmental Protection and that title deeds are issued without any further delay. Your Committee awaits a progress report on the matter.

## **LIVINGSTONE CITY COUNCIL**

### **Outstanding Creditors/Accrual: K 24, 551.33**

29. Your previous Committee had requested an update on the liquidation of the debt.

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

In response, the Government informed your Committee that the Council had not liquidated the debt of K3,316,730 due to low revenue inflows in the coffers.

#### **Committee's Observations and Recommendations**

In noting the submission, your Committee expresses concern over the poor financial performance of the Council as can be observed from its failure to meet statutory obligations. Your Committee strongly urges the Government to ensure that the council urgently liquidates the outstanding statutory obligations using all available options, including debt swaps, to improve the prevailing situation. Your Committee resolves to await a progress report on the matter.

## **CHIPATA MUNICIPAL COUNCIL**

### **Non-Acquisition of Certificates of Title for Council Properties**

30. Your previous Committee had requested an update on the acquisition of the title deeds.

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

In response, the Government informed your Committee that through the Ministry of Lands, Natural Resources and Environmental Protection, it would ensure that it expedited the processing and issuance of Certificates of Title for all Council properties as and when the Councils submitted all the relevant documentation. The delay in processing Certificates of Title for Council properties had been mostly as a result of the Council submitting incomplete documents. However, it was important to understand that the process of issuing Certificates of Title for any piece of land, including Council properties, began with the planning authorities. Councils submitted requests to planning authorities to prepare layout or sketch plans of an area which the Council wished to open up and/or survey. The approved layout or sketch plans would then be submitted to the Ministry of Lands, Natural Resources and Environmental Protection for numbering. The numbered layout plans are then submitted to the Council and the Planning Authority. The Council, using the numbered layout plan, could then engage the services of surveyors either private or Government.

It was important to note that the processing of Certificates of Title was client driven.

The Council in this case had to ensure that the surveys for an area for which it wished to obtain Certificates of Title were undertaken and subsequently, the survey diagrams submitted to the Ministry of Lands, Natural Resources and Environmental Protection for issuance of the Certificate of Title. In this vein, it was reported that the Government was very keen to ensure that all pieces of land were held on title to guarantee security of tenure to Council land.

### **Committee's Observations and Recommendations**

Your Committee expresses concern at the failure by the Ministry of Local Government to ensure that all documentation relating to acquisition of title deeds is availed to the relevant ministry for issuance of the title deeds. Your Committee in this vein, urges the Ministry of Local Government to ensure that documents are availed to the Ministry of Lands, Natural Resources and Environmental Protection to facilitate issuance of the title deeds without any further delay. Your Committee awaits a progress report on the matter.

## **ISOKA DISTRICT COUNCIL**

### **Council Properties not Insured**

31. Your previous Committee had requested for an update on the insurance of the Council's properties.

### **Executive's Response**

In response, the Government informed your Committee that the Council had not yet insured the property as it was still negotiating with the Zambia State Insurance Corporation for flexible payment terms. However, due to the new law regarding insurance of motor vehicles, the Council had since insured all its motor vehicles. The matter had not been resolved in respect of insurance for buildings.

### **Committee's Observations and Recommendations**

In noting the efforts made by the Council on the insurance of motor vehicles your Committee observes with concern that the Government could lose property in case of an accident or other unforeseen event. Your Committee awaits a progress report on the insurance of the buildings.

### **Title Deeds for Council Properties not Available**

32. Your previous Committee had requested for an update on the issuance of title deeds for Council Properties.

### **Executive's Response**

In response, the Government informed your Committee that, through the Ministry of

Lands, Natural Resources and Environmental Protection, it would ensure that it expedited the processing and issuance of Certificates of Title for all Council properties as and when the Councils submitted all the relevant documentation.

The Government was very keen to ensure that all pieces of land were held on title to guarantee security of tenure to Council land.

### **Committee's Observations and Recommendations**

Your Committee expresses concern at the failure by the Ministry of Local Government to ensure that all documentation relating to acquisition of title deeds is availed to the relevant ministry for issuance of title deeds. Your Committee in this vein urges Ministry of Local Government to ensure that documents are availed to the Ministry of Lands, Natural Resources and Environmental Protection to facilitate issuance of title deeds without any further delay. Your Committee awaits a progress report on the matter.

## **STATUTORY AUDIT ON COUNCIL ACCOUNTS FOR THE PERIOD 1<sup>ST</sup> JANUARY TO 31<sup>ST</sup> DECEMBER 2011**

### **MBALA MUNICIPAL COUNCIL**

#### **Outstanding Statutory Creditors – K1, 255,126.78**

**33.** Your previous Committee had requested for an update on the liquidation of the debt.

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

In response, the Government informed your Committee that the Council had not liquidated the debt. However, the Council had committed to use part of the Local Government Equalisation Fund and the grant in lieu of rates to commence liquidation of the debt at the end of June 2016.

### **Committee's Observations and Recommendations**

In noting the submission, your Committee expresses concern over the poor financial performance of the Council as can be observed from its failure to meet statutory obligations. Your Committee strongly urges the Government to ensure that the council urgently liquidates the outstanding statutory obligations using all available options, including debt swaps, to improve the prevailing situation. Your Committee resolves to await a progress report on the matter.

### **LUWINGU DISTRICT COUNCIL**

#### **No Certificates of Title for Properties**

**34.** Your previous Committee had been concerned that the issuance of title deeds

had taken inordinately long. In this vein, your previous Committee implored the Ministry of Lands, Natural Resources and Environmental Protection to expeditiously finalise the issuance of the title deeds. Your Committee had requested an update on the matter.

### **Executive's Response**

In response, the Government informed your Committee that through the Ministry of Lands, Natural Resources and Environmental Protection, it would ensure that it expedited the processing and issuance of Certificates of Title for all Council properties as and when the Councils submitted all the relevant documentation.

In this vein, it was reported that the Government was very keen to ensure that all pieces of land were held on title to guarantee security of tenure to Council land.

### **Committee's Observations and Recommendations**

Your Committee expresses concern at the failure by the Ministry of Local Government to ensure that all documentation relating to acquisition of title deeds is availed to the relevant ministry for issuance of title deeds. Your Committee, in this vein, urges the Ministry of Local Government to ensure that documents are availed to the Ministry of Lands, Natural Resources and Environmental Protection to facilitate issuance of title deeds without any further delay. Your Committee awaits a progress report on the matter.

## **STATUTORY AUDIT ON CONSTITUENCY DEVELOPMENT FUND, FIXED ASSETS AND COUNCIL INDEBTEDNESS FOR THE PERIOD 1ST JANUARY 2007 TO 31ST DECEMBER 2011**

### **CHAMA DISTRICT COUNCIL**

#### **Constituency Development Fund (CDF)**

#### **Maintenance of a Fixed Assets Register**

**35.** Your previous Committee had requested an update on the valuation of the Council's assets.

### **Executive's Response**

In response, the Government informed your Committee that the Council had not yet commissioned the valuation of assets. This was because the Government Valuation Department had not indicated to the Council when it would commence the valuation exercise. The matter had not been resolved.

### **Committee's Observations and Recommendations**

Your Committee resolves to await a progress report on the valuation of the council is assets.

### **Uninsured Assets**

**36.** Your previous Committee requested an update on the valuation of the council is assets.

### **Executive's Response**

In response, the Government informed your Committee that the Council had not insured the properties because it was still negotiating for favourable terms with various insurance firms. In the same vein, the Council had managed to insure its motor vehicles in line with the new laws.

### **Committee's Observations and Recommendations**

Your Committee urges the Controlling Officer to ensure that the process is expedited and that the matter is resolved without delay. It resolves to await a progress report.

### **No Certificates of Title for Properties**

**37.** Your previous Committee had wondered why the title deeds had still not been issued despite the submission of all relevant documentation by the Council. Your Committee had requested the Ministry of Lands, Natural Resources and Environmental Protection to finalise and issue the title deeds. Your Committee requested for an update on the matter.

### **Executive's Response**

In response, the Government informed your Committee that through the Ministry of Lands, Natural Resources and Environmental Protection, it would ensure that it expedited the processing and issuance of certificates of title for all Council properties as and when the Councils submitted all the relevant documentation.

In this vein, it was reported that the Government was very keen to ensure that all pieces of land were held on title to guarantee security of tenure to Council land.

### **Committee's Observations and Recommendations**

Your Committee expresses concern at the failure by the Ministry of Local Government to ensure that all documentation relating to acquisition of title deeds is availed to the relevant ministry for issuance of title deeds. Your Committee in this vein urges the Ministry of Local Government to ensure that documents are availed to the Ministry of Lands, Natural Resources and Environmental Protection to facilitate issuance of title deeds without any further delay. Your Committee awaits a progress report on the matter.

## **KAPUTA DISTRICT COUNCIL**

### **Lack of an Updated Valuation Roll**

**38.** Your previous Committee had expressed serious concern over the failure by the Council to update the valuation roll and had requested a progress report on the matter.

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

In response, the Government informed your Committee that the Council had not engaged the Government Valuation Department (GVD) for consideration on the priority list in view of the budgetary allocation provided to the Department to conduct valuation assignments to selected Councils. In addition, the Council was provided with the grant in lieu of rates to enable it commission the valuation of its properties on its own but with authority of GVD.

#### **Committee's Observations and Recommendations**

Your Committee urges the Controlling Officer to ensure that the process is expedited and that the matter is resolved without undue delay. It resolves to await a progress report on the matter.

### **Review of Asset Management (No Certificates of Title for some properties)**

**39.** Your previous Committee had urged the Ministry of Lands, Natural Resources and Environmental Protection to expedite the issuance of the title deeds and requested an update on the conclusion of the process of issuance of title deeds.

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

In response, the Government informed your Committee that, through the Ministry of Lands, Natural Resources and Environmental Protection, it would ensure that it expedited the processing and issuance of Certificates of Title for all Council properties as and when the Councils submitted all the relevant documentation.

#### **Committee's Observations and Recommendations**

Your Committee expresses concern at the failure by the Ministry of Local Government to ensure that all documentation relating to acquisition of title deeds is availed to the relevant ministry for issuance of title deeds. Your Committee, in this vein, urges, the Ministry of Local Government to ensure that documents are availed to the Ministry of Lands, Natural Resources and Environmental Protection to facilitate issuance of title deeds without any further delay. Your Committee awaits a progress report on the matter.



**STATUTORY AUDIT OF DISTRICT FUND ACCOUNT AND CONSTITUENCY DEVELOPMENT FUND ACCOUNT FOR THE PERIOD 1<sup>ST</sup> JANUARY TO 31<sup>ST</sup> DECEMBER 2011**

**LUKULU DISTRICT COUNCIL**

**Valuation of Council Assets**

**40.** Your previous Committee had requested for an update on the valuation of the Council assets.

**Executive's Response**

In response, the Government informed your Committee that the Council had engaged Zambia State Insurance Corporation to assist with the valuation. The process was expected to commence in the course of the month of June 2016.

**Committee's Observations and Recommendations**

Your Committee urges the Controlling Officer to ensure that the process of valuation of assets is expedited and that the matter is resolved without undue delay. Your Committee resolves to await a progress report on the matter.

**Non Acquisition of Certificate of Title for Council Assets**

**41.** Your previous Committee had requested for an update on the acquisition of certificates of title for the council assets.

**Executive's Response**

In response your Committee was informed that the Council had since reserved funds to surveyors as this was the initial process before it approached the Ministry of Lands, Natural Resources and Environmental Protection for consideration of issuance of the certificates of Title for its properties. This survey process was expected to be commissioned by the Council within the third quarter of 2016.

**Committee's Observations and Recommendations**

Your Committee expresses concern at the failure by the Ministry of Local Government to ensure that all documentation relating to acquisition of title deeds is availed to the relevant ministry for issuance of title deeds. Your Committee in this vein urges the Ministry of Local Government to ensure that documents are availed to the Ministry of Lands, Natural Resources and Environmental Protection to facilitate issuance title deeds without any further delay. Your Committee awaits a progress report on the matter.

## **Ineffective Collection of Revenue - K 1,691**

**42.** Your previous Committee had requested for an update on the collection of revenue by the Barotse Royal Establishment (BRE).

### **Executive's Response**

In response, the Government informed your Committee that it had directed the Provincial Local Government Office, Western Province, to convene a meeting between the Council and the Barotse Royal Establishment the (BRE) to resolve the impasse. In addition, the Council had indicated that BRE had continued to collect the revenue. To this end, the issue of the market was in court awaiting determination as to which entity was entitled to collect revenues between the Council and BRE.

### **Committee's Observations and Recommendations**

Your Committee urges the Controlling Officer to follow up this matter to its logical conclusion and submit regular progress reports to your Committee.

## **GWEMBE DISTRICT COUNCIL**

### **Non-Acquisition of Certificates of Title for Council Properties**

**43.** Your previous Committee had urged the Ministry of Lands Natural Resources and Environmental Protection to expedite the issuance of the title deeds and requested an update on the conclusion of the process.

### **Executive's Response**

In response, the Government informed your Committee that through the Ministry of Lands, Natural Resources and Environmental Protection would ensure that it expedited the processing and issuance of Certificates of Title for all Council properties as and when the Council submit all the relevant documentation. The delay in processing Certificates of Title for Council properties had been mostly as a result of the Council submitting incomplete documents.

### **Committee's Observations and Recommendations**

Your Committee expresses concern at the failure by the Ministry of Local Government to ensure that all documentation relating to acquisition of title deeds is availed to the relevant ministry for issuance of title deeds. Your Committee in this vein urges the Ministry of Local Government to ensure that documents are availed to the Ministry of Lands, Natural Resources and Environmental Protection to facilitate issuance of title

deeds without any further delay. Your Committee awaits a progress report on the matter.

### **Three Council Properties not on Title**

**44.** Your previous Committee had been concerned over the inordinate delays in the issuance of certificates of title. It, therefore, urged the Ministry of Lands, Natural Resources and Environmental Protection to expedite the issuance of the certificates of title and requested a progress report on the matter.

### **Executive's Response**

In response, the Government informed your Committee that, through the Ministry of Lands, Natural Resources and Environmental Protection, it would ensure that it expedited the processing and issuance of Certificates of Title for all Council properties as and when the Councils submitted all the relevant documentation. The delay in processing Certificates of Title for Council properties had been mostly as a result of the Council submitting incomplete documents.

### **Committee's Observations and Recommendations**

Your Committee expresses concern at the failure by the Ministry of Local Government to ensure that all documentation relating to acquisition of title deeds is availed to the relevant ministry for issuance of title deeds. Your Committee in this vein urges the Ministry of Local Government to ensure that documents are availed to the Ministry of Lands, Natural Resources and Environmental Protection to facilitate issuance of title deeds without any further delay. Your Committee awaits a progress report on the matter.

## **STATUTORY AUDIT FOR THE PERIOD 1<sup>ST</sup> JANUARY TO 31<sup>ST</sup> DECEMBER 2011 CHONGWE DISTRICT COUNCIL**

### **Outstanding Debtors: K1, 401,885**

**45.** Your previous Committee requested a progress report on the liquidation of the outstanding debt.

### **Executive's Response**

In response, the Government reported to your Committee that the Council was still pursuing its debtors. To encourage settlement of debts, the Council had devised a rebate system in which all debtors would benefit from a discount and other incentives for settlement of their debts. However, there had not been any response from the affected residents. Similarly, the Council had not initiated warrants of distress because the affected property owners were mostly retirees.

### **Committee's Observations and Recommendations**

Your Committee urges the Controlling Officer to ensure that the outstanding funds are collected in an expeditious manner. Your Committee resolves to await a progress report on the matter.

### **Outstanding Creditors: K5, 982,782**

46. Your previous Committee had requested a progress report on the full liquidation of the debt.

### **Executive's Response**

In response, the Government reported to your Committee that the Council had cleared the indebtedness and was current in payment of all the obligations. Your Committee was also informed that Chongwe District Council was one of the few Councils with a sound financial base which had even managed to reduce indebtedness in respect of payment of terminal benefits.

### **Committee's Observations and Recommendations**

Your Committee urges the Controlling Officer to ensure that the outstanding amounts are collected and that the matter is resolved expeditiously. Your Committee to resolves to await a progress report.

## **STATUTORY AUDIT AND AUDIT INSPECTION REPORT ON THE UTILISATION OF CONSTITUENCY DEVELOPMENT FUNDS (CDF) FOR THE PERIOD 1<sup>ST</sup> JANUARY 2007 TO 31<sup>ST</sup> DECEMBER 2011**

### **CHILUBI DISTRICT COUNCIL**

### **Irregular Procurement of Building Materials Using Imprest: K102,800**

47. Your previous Committee had requested a progress report on the court case.

### **Executive's Response**

In response, the Government reported to your Committee that the case had not yet been disposed in the courts of law.

### **Committee's Observations and Recommendations**

Your Committee resolves to await a progress report on the matter.

### **Unaccounted for Funds – K52, 435**

48. Your previous Committee had requested a progress report on the court case.

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

In response, the Government reported to your Committee that the case had not yet been disposed of by the courts of law.

#### **Committee's Observations and Recommendations**

Your Committee resolves to await a progress report on the matter.

#### **Review of Assets Management – No Title Deeds**

49. Your previous Committee had expressed concern over the delay by the Commissioner of Lands in responding to this matter. Your Committee implored him to respond without undue delay, and requested for a progress report on the issuance of title deeds.

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

In response, the Government informed your Committee that through the Ministry of Lands, Natural Resources and Environmental Protection, it would ensure that it expedited the processing and issuance of Certificates of Title for all Council properties as and when the Councils submitted all the relevant documentation. The delay in processing Certificates of Title for Council properties had been mostly as a result of the Council submitting incomplete documents.

#### **Committee's Observations and Recommendations**

Your Committee expresses concern at the failure by the Ministry of Local Government to ensure that all documentation relating to acquisition of title deeds is availed to the relevant ministry for issuance of title deeds. Your Committee in this vein urges Ministry of Local Government to ensure that documents are availed to the Ministry of Lands, Natural Resources and Environmental Protection to facilitate issuance of title deeds without any further delay. Your Committee awaits a progress report on the matter.

#### **STATUTORY AUDIT REPORT AND AUDIT INSPECTION REPORT ON CDF FOR THE PERIOD 1<sup>ST</sup> JANUARY TO 31<sup>ST</sup> DECEMBER 2010**

#### **LUNDAZI DISTRICT COUNCIL**

#### **Non-Acquisition of Title Deeds for Council Properties**

50. Your previous Committee had expressed concern over the delay by the Commissioner of Lands in responding to this matter. Your had Committee implored the Commissioner of Lands to respond without undue delay, and requests a progress on the issuance of title deeds.

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

In response, the Government informed your Committee that, through the Ministry of Lands, Natural Resources and Environmental Protection, it would ensure that it expedited the processing and issuance of certificates of title for all council properties as and when the councils submitted all the relevant documentation. The delay in processing certificates of title for Council properties had been mostly as a result of the council submitting incomplete documents.

### **Committee's Observations and Recommendations**

Your Committee expresses concern at the failure by the Ministry of Local Government to ensure that all documentation relating to acquisition of title deeds is availed to the relevant ministry for issuance of title deeds. Your Committee in this vein urges the Ministry of Local Government to ensure that documents are availed to the Ministry of Lands, Natural Resources and Environmental Protection to facilitate issuance of title deeds without any further delay. Your Committee awaits a progress report on the matter.

## **AUDIT REPORT ON THE CONSTITUENCY DEVELOPMENT FUNDS (CDF), ASSETS MANAGEMENT AND COUNCIL'S INDEBTEDNESS FOR THE PERIOD 1<sup>ST</sup> JANUARY 2007 TO 31<sup>ST</sup> DECEMBER 2011**

### **MPULUNGU DISTRICT COUNCIL**

#### **Irregular Payment of Imprest: Funds for the procurement of Walamo Radio Station materials provided to Council Chairperson K 28,195**

51 Your previous Committee had requested for a progress report on the court case.

### **Executive's Response**

In response, the Government informed your Committee that the matter was still in the courts of awaiting a decision.

### **Committee's Observations and Recommendations**

Your Committee resolves to await a progress report on the matter.

### **Review of Assets Management – No Title Deeds for Properties Owned**

52 Your previous Committee had expressed concern over the delay by the Commissioner of Lands in responding to this matter. Your previous Committee had implored the Commissioner of Lands to respond without undue delay, and requested a progress report on the issuance of title deeds.

### **Executive's Response**

In response, the Government informed your Committee that, through the Ministry of Lands, Natural Resources and Environmental Protection, it would ensure that it expedited the processing and issuance of Certificates of Title for all Council properties as and when the Councils submitted all the relevant documentation. The delay in processing Certificates of Title for Council properties had been mostly as a result of the Council submitting incomplete documents.

### **Committee's Observations and Recommendations**

Your Committee expresses concern at the failure by the Ministry of Local Government to ensure that all documentation relating to acquisition of title deeds is availed to the relevant ministry for issuance of title deeds. Your Committee in this vein urges the Ministry of Local Government to ensure that documents are availed to the Ministry of Lands, Natural Resources and Environmental Protection to facilitate issuance that title deeds without any further delay. Your Committee awaits a progress report on the matter.

### **Motor vehicles disposed and sold off by Provincial Board of Survey (BOS) without Ministerial Approval**

53. Your previous Committee had requested for a progress report on the matter.

### **Executive's Response**

In response, the Government informed your Committee that the matter had not yet been resolved. The Council had since indicated that it would refer the matter to the Full Council for its decisions in view of the fruitless trips to and from Kasama.

### **Committee's Observations and Recommendations**

Your Committee expresses concern over the failure by the Controlling Officer to ensure that the matter is resolved. Your Committee directs the Controlling Officer to follow up and ensure that the matter is resolved and also that disciplinary action is taken against erring officers. Your Committee will await a progress report on the matter.

## **STATUTORY AUDIT REPORT FOR THE PERIOD 1<sup>ST</sup> JANUARY TO 31<sup>ST</sup> DECEMBER 2011**

### **Payment of Subsistence Allowance and Missing Lunch Allowance Simultaneously – K2, 165**

54. Your previous Committee had expressed serious concern with regard the inordinate delays in taking action against the erring officers. Your previous Committee had, therefore, called for appropriate disciplinary action to be taken by the Local Government Service Commission without delay. It had also requested for an update on the disciplinary measures instituted against the erring officers.

### **Executive's Response**

In response, the Government informed your Committee that the Local Government Service Commission charged and reprimanded the officers concerned. However, the officers had not yet refunded the sums of money they claimed over and above their entitlements.

### **Committee's Observations and Recommendations**

Your Committee directs the Controlling Officer to ensure that refunds are made by way of deductions from the affected officers' salaries and your Committee resolves to await a progress report on the matter.

## **AUDIT INSPECTION REPORT ON THE ACCOUNTS FOR CHISAMBA, KATUBA AND KEEMBE CONSTITUENCIES FOR PERIODS COVERING 1<sup>ST</sup> JANUARY 2008 TO 31 OCTOBER 2011**

### **CHIBOMBO DISTRICT COUNCIL**

#### **Unaccounted for Funds: K80, 000 paid to Musamba Women's Club**

55. Your previous Committee had requested for an update on the court case.

### **Executive's Response**

In response, the Government informed your Committee that the matter was still in the courts of law awaiting a decision.

### **Committee's Observations and Recommendations**

Your Committee resolves to await a progress report on the matter.

#### **Irregular and Fraudulent Utilisation of Constituency Development Fund: Fraudulent purchase of Chisamba CDF vehicle No. ABV 1000: K 75,000**

56. Your previous Committee had requested for an update on the court case.

### **Executive's Response**

Your Committee was informed by the Government that the matter was still in the courts of law awaiting judgment.

### **Committee's Observations and Recommendations**

Your Committee resolves to await a progress report on the matter.



## **STATUTORY AUDIT AND AUDIT INSPECTION ON CONSTITUENCY DEVELOPMENT FUND FOR THE PERIOD 1<sup>ST</sup> JANUARY TO 31<sup>ST</sup> DECEMBER 2010**

### **KALULUSHI MUNICIPAL COUNCIL**

#### **Title Deeds not obtained**

57. Your previous Committee had requested for an update on acquisition of the title deeds.

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

Your Committee was informed that the survey had been done and that the Commissioner of Lands had also been written to and requested to consider issuing the Council with title deeds.

#### **Committee's Observations and Recommendations**

Your Committee urges the Controlling Officer to liaise with his counterpart in the Ministry of Lands, Natural Resources and Environmental Protection so that the title deeds can be issued without undue delay. Your Committee awaits a progress report on the matter.

### **ITEZHI-TEZHI DISTRICT COUNCIL**

#### **Property without Certificates of Title**

58. Your previous Committee has implored the Commissioner of Lands to respond without undue delay, and had requested a progress report on the acquisition of title deeds.

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

In response, the Government informed your Committee that through the Ministry of Lands, Natural Resources and Environmental Protection, it would ensure that it expedited the processing and issuance of certificates of title for all council properties as and when the Councils submitted all the relevant documentation. The delay in processing Certificates of Title for Council properties had been mostly as a result of the Council submitting incomplete documents.

#### **Committee's Observations and Recommendations**

Your Committee expresses concern at the failure by the Ministry of Local Government to ensure that all documentation relating to acquisition of title deeds is availed to the relevant ministry for issuance of title deeds. Your Committee in this vein urges the Ministry of Local Government to ensure that documents are availed to the Ministry of Lands, Natural Resources and Environmental Protection to facilitate issuance of the title deeds without any further delay. Your Committee awaits a progress report on the matter.

## **STATUTORY AUDIT AND AUDIT INSPECTION ON THE CONSTITUENCY DEVELOPMENT FUND FOR THE PERIOD 1<sup>ST</sup> JANUARY TO 31<sup>ST</sup> DECEMBER 2010**

### **LUNDAZI DISTRICT COUNCIL**

#### **Non-Acquisition of Title Deeds for Council Properties**

59. Your Committee had expressed serious concern over the inordinate delay by the Commissioner of Lands in responding to the application for the title deeds by the Council. It requested that the process be finalised without undue delay, and that a progress report be submitted to it on the matter.

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

In response, the Government informed your Committee that through the Ministry of Lands, Natural Resources and Environmental Protection, it would ensure that it expedited the processing and issuance of certificates of title for all council properties as and when the councils submitted all the relevant documentation. The delay in processing certificates of title for council properties had been mostly as a result of the council submitting incomplete documents.

#### **Committee's Observations and Recommendations**

Your Committee expresses concern at the failure by the Ministry of Local Government to ensure that all documentation relating to acquisition of title deeds is availed to the relevant ministry for issuance of title deeds. Your Committee in this vein urges the Ministry of Local Government to ensure that documents are availed to the Ministry of Lands, Natural Resources and Environmental Protection to facilitate issuance of the title deeds without any further delay. Your Committee awaits a progress report on the matter.

### **NYIMBA DISTRICT COUNCIL**

#### **Non-Acquisition of Certificates of Title for Council Property**

60. Your Committee had requested for an update on the acquisition of title deeds.

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

In response, the Government informed your Committee that through the Ministry of Lands, Natural Resources and Environmental Protection, it would ensure that it expedited the processing and issuance of certificates of title for all council properties as and when the councils submitted all the relevant documentation. The delay in processing certificates of title for council properties had been mostly as a result of the council submitting incomplete documents.

#### **Committee's Observations and Recommendations**

Your Committee expresses concern at the failure by the Ministry of Local Government to ensure that all documentation relating to acquisition of title deeds is availed to the relevant ministry for issuance of title deeds. Your Committee in this vein urges the Ministry of Local Government to ensure that documents are availed to the Ministry of Lands, Natural Resources and Environmental Protection to facilitate issuance that title deeds without any further delay. Your Committee awaits a progress report on the matter.

## **SINAZONGWE DISTRICT COUNCIL**

### **Construction of Infrastructure Facilities**

61. Your Committee had requested for an update on the construction of infrastructure facilities.

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

In response your Committee was informed that the Council had committed part of the Local Government Equalisation Fund and local revenues towards construction of all pending infrastructure. The release towards the infrastructure would commence during the course of 2016 when the Council hoped to raise adequate resources.

#### **Committee's Observations and Recommendations**

Your Committee urges the Controlling Officer to ensure that the Council expedites the process and thus requests for a progress report on the construction of infrastructure facilities in Sinazongwe.

## **LIVINGSTONE CITY COUNCIL**

### **Construction of Modern Market**

62. Your previous Committee had requested an update on the construction of a modern market in Livingstone.

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

In response, your Committee was informed that due to variation of works on the construction of a modern Market in Livingstone, the revised completion was at 55% paid for. The project required additional funding amounting to K27,762,956.32 to complete the remaining works on the market. In addition, the consultant had requested for K10,727,963.58 in respect of outstanding payments for addition works done.

#### **Committee's Observations and Recommendations**

Your Committee expresses serious concern over the delays associated with the construction of an ultra modern market, in Livingstone. Your Committee finds it unacceptable that this market which was built as one of the interventions to prepare for

hosting the UNWTO, is still undergoing construction to date. Your Committee strongly urges the Controlling Officer to liaise with the Secretary to the Treasury to release funding to ensure that the market is completed without any further delay. Your Committee resolves to await a progress report on the matter.

## **STATUTORY AUDIT REPORT FOR THE PERIOD 1<sup>ST</sup> JANUARY TO 31<sup>ST</sup> DECEMBER 2009**

### **MONZE DISTRICT COUNCIL**

#### **Non-acquisition of Title Deeds for Council Properties**

63. Your previous Committee had been dismayed over the inordinate delay in obtaining title deeds. In this regard, your Committee had implored the Commissioner of Lands to expedite the matter, and requested for an update on the acquisition of the Title Deeds.

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

In response, the Government informed your Committee that through the Ministry of Lands, Natural Resources and Environmental Protection, it would ensure that it expedited the processing and issuance of certificates of title for all council properties as and when the councils submitted all the relevant documentation. The delay in processing certificates of title for council properties had been mostly as a result of the Council submitting incomplete documents.

#### **Committee's Observations and Recommendations**

Your Committee expresses concern at the failure by the Ministry of Local Government to ensure that all documentation relating to acquisition of title deeds is availed to the relevant ministry for issuance of title deeds. Your Committee, in this vein, urges the Ministry of Local Government to ensure that documents are availed to the Ministry of Lands, Natural Resources and Environmental Protection to facilitate issuance of the title deeds without any further delay. Your Committee awaits a progress report on the matter.

### **SOLWEZI MUNICIPAL COUNCIL**

#### **Non-acquisition of Title Deeds for Council Buildings**

64. The previous Committee had urged the Ministry of Lands, Natural Resources and Environmental Protection to expedite the issuance of the Title Deeds and requests an update on the matter.

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

In response, your Committee was informed that arising from the survey, the Ministry of Lands had since issued offer letters to the Council. Currently, the Council awaited issuance of the title deeds.

### **Committee's Observations and Recommendations**

Your Committee notes the efforts made by the Council and urges the Council to follow up the matter with the Ministry of Lands, Natural Resources and Environmental Protection in order to ensure that the title deeds are issued without further delay. Your Committee resolves to await a progress report on the matter

## **STATUTORY AUDIT AND AUDIT INSPECTION REPORT ON THE UTILISATION OF CONTITUENCY DEVELOPMENT FUND (CDF) FOR THE PERIOD 1<sup>ST</sup> JANUARY TO 31<sup>ST</sup> DECEMBER 2009**

### **CHAMA DISTRICT COUNCIL**

#### **Continued Failure to Prepare Financial Statements**

65. Your previous Committee had urged the Ministry of Lands, Natural Resources and Environmental Protection to expedite the issuance of the title deeds, and requested for an update on the matter.

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

In response, the Government informed your Committee that whilst the Council had managed to prepare the financial reports, title deeds had not yet been issued.

#### **Committee's Observations and Recommendations**

Your Committee resolves to await a progress report on the acquisition of title deeds to facilitate preparation of financial statements.

## **STATUTORY AUDIT AND AUDIT INSPECTION REPORT ON THE UTILISATION OF CONSTITUENCY DEVELOPMENT FUND (CDF) FOR THE PERIOD 1<sup>ST</sup> JANUARY TO 31<sup>ST</sup> DECEMBER 2008**

### **ISOKA DISTRICT COUNCIL**

#### **Non-production of Financial Statements**

66. Your previous Committee had requested for an update on the preparation of financial statements.

### **Executive's Response**

In response, the Government informed your Committee that Isoka District Council was in the process of acquiring an accounting package in 2016 which would enable it prepare the Financial Statements.

### **Committee's Observations and Recommendations**

Your Committee directs the Controlling Officer to ensure that financial statements are prepared and availed for audit certification without any further delay. Your Committee resolves to await a progress report on the matter.

## **STATUTORY AUDIT AND AUDIT INSPECTION REPORT ON THE UTILISATION OF CONTITUENCY DEVELOPMENT FUND (CDF) FOR THE PERIOD 1<sup>ST</sup> JANUARY TO 31<sup>ST</sup> DECEMBER 2009**

### **MILENGE DISTRICT COUNCIL**

#### **Unprofitable Lease of Council Tractor to Masesa Mine-K5, 800**

67. Your previous Committee had requested for an update on the court case.

### **Executive's Response**

In response, your Committee was informed that the Council was still awaiting the outcome of the court case.

### **Committee's Observations and Recommendations**

Your Committee resolves to await a progress report on the matter.

### **CHAVUMA DISTRICT COUNCIL**

#### **Valuation of Assets not maintained**

68. Your previous Committee had requested for an update on the valuation of the council is assets.

### **Executive's Response**

In response, your Committee was informed that the Council had not yet undertaken the valuation of its assets as it had not yet approached the Government Valuation Department to be considered on the valuation priority list.

### **Committee's Observations and Recommendations**

Your Committee urges the Controlling Officer to ensure that all available options are explored to ensure that the valuation of assets is undertaken without any further delay. Your Committee resolves to await a progress report on the matter.

### **Non-disposal of Obsolete Assets**

69. Your previous Committee had requested for an update on the disposal of obsolete assets.

### **Executive's Response**

In response, your Committee was informed that the Council had not yet disposed of redundant and obsolete properties as it had not yet submitted the requested documents for authority to dispose of the properties to the Ministry. Meanwhile, the Ministry had advised the Council to submit the request for consideration.

### **Committee's Observations and Recommendations**

Your Committee urges the Controlling Officer to ensure that the matter is given the urgent attention it deserves. Your Committee will await progress report on this matter.

## **KAWAMBWA DISTRICT COUNCIL**

### **Fire Tenders**

70. Your previous Committee requested for an update on the procurement of fire tenders.

### **Executive's Response**

In response, your Committee was informed that the procurement of fire tenders had commenced and as at now awaited delivery by the supplier who was selected in the competitive tender process.

### **Committee's Observations and Recommendations**

In noting the response, your Committee resolves to await a progress report on the matter.

**STATUTORY AUDIT REPORT AND AUDIT INSPECTION REPORT ON THE  
CONSTITUENCY DEVELOPMENT FUND (CDF) FOR THE PERIOD 1ST JANUARY TO  
31ST DECEMBER 2008**

**MPONGWE DISTRICT COUNCIL**

71. Your previous Committee requested for an update on the insurance of fixed assets and vehicles.

**Executive's Response**

In response, your Committee was informed that following the new law that required that motor vehicles be insured, the Council had complied with the new regulation which was being enforced by Road Transport and Safety Agency (RTSA). However, the Government Valuation Department had not yet valued the assets.

**Committee's Observations and Recommendations**

Your Committee urges the Controlling officer to ensure that all assets are valued by use of all available options, including outsourcing the services from other Government departments. Your committee resolves to await a progress report on the matter.

**STATUTORY AUDIT REPORT AND AUDIT INSPECTIONREPORT ON THE  
CONSTITUENCY DEVELOPMENT FUND (CDF) FOR THE PERIOD1ST JANUARY TO 31ST  
DECEMBER, 2007**

**MKUSHI DISTRICT COUNCIL**

**Certificates of Title not available**

72. Your previous Committee had requested for an update on the acquisition of title deeds.

**Executive's Response**

In response, the Government informed your Committee that through the Ministry of Lands, Natural Resources and Environmental Protection, it would ensure that it expedited the processing and issuance of certificates of title for all council properties as and when the councils submitted all the relevant documentation. The delay in processing certificates of title for council properties had been mostly as a result of the Council submitting incomplete documents.

**Committee's Observations and Recommendations**

Your Committee expresses concern at the failure by the Ministry of Local Government to ensure that all documentation relating to acquisition of title deeds is availed to the relevant ministry for issuance of title deeds. Your Committee, in this vein urges, the Ministry of Local Government to ensure that documents are availed to the Ministry of



Lands, Natural Resources and Environmental Protection to facilitate issuance of the title deeds without any further delay. Your Committee awaits a progress report on the matter.

## **STATUTORY AUDIT REPORT AND AUDIT INSPECTION REPORT ON THE CONSTITUENCY DEVELOPMENT FUNDS (CDF) FOR THE PERIOD 1<sup>ST</sup> JANUARY TO 31<sup>ST</sup> DECEMBER 2007**

### **KAPUTA DISTRICT COUNCIL**

#### **Progress on the Stalled Market Project at Nsumbu**

73. Your previous Committee had requested for an update on the court case.

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

In response, the Government informed your Committee that Nsumbu Market was under Nsama District Council. The new Council had not yet submitted its annual infrastructure action plan for consideration, neither had it requested the Ministry for support to complete the project. However, in view of the Local Government Equalisation Fund, which was a capital component, the Ministry had advised the Council to consider using part of the grant to complete the stalled market at Nsumbu.

#### **Committee's Observations and Recommendations**

Your Committee observes with concern the failure by the Council to complete the project promptly, thus delaying service delivery to the community. Your Committee directs the Controlling Officer to follow up this matter and ensure that the project is completed without any further delay. Your Committee resolves to await a progress report on the matter.

## **STATUTORY AUDIT REPORT AND AUDIT INSPECTION REPORT ON THE CONSTITUENCY DEVELOPMENT FUNDS (CDF) FOR THE PERIOD 1<sup>ST</sup> JANUARY TO 31<sup>ST</sup> DECEMBER 2008**

### **MUMBWA DISTRICT COUNCIL**

#### **Non availability of Certificate of Title**

74. Your previous Committee had urged the Commissioner of Lands to expedite the issuance of the title deeds, and requested for an update on the matter.

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

In response the Government informed your Committee that the Council had not yet obtained a replacement for the lost title deeds. However, the Council had made a commitment to make a follow up by writing to the Commissioner of Lands regarding the

lost title deed within the year 2016.

### **Committee's Observations and Recommendation**

Your Committee urges the Controlling Officer to intervene by and assist the Council to acquire a Certificate of Title for its properties.

## **STATUTORY AUDIT REPORT AND AUDIT INSPECTION REPORT ON THE CONSTITUENCY DEVELOPMENT FUND (CDF) FOR THE PERIOD 1<sup>ST</sup> JANUARY TO 31<sup>ST</sup> DECEMBER, 2007**

### **SHANG'OMBO DISTRICT COUNCIL**

75. Your previous Committee had urged the Commissioner of Lands to expedite the issuance of the title deeds, and had requested for an update on the matter.

### **Executive's Response**

In response, the Government informed your Committee that the Council had not yet obtained title deeds. The Council had commenced the process. However following staff changes, the new officers were yet to follow up the matter.

### **Committee's Observations and Recommendations**

Your Committee urges the Controlling Officer to follow up the matter with the Ministry of Lands, Natural Resources and Environmental Protection so that the title deeds are issued without any further delay. Your Committee awaits a progress report on the matter.

## **STATUTORY AUDIT REPORT AND AUDIT INSPECTION REPORT ON THE CONSTITUENCY DEVELOPMENT FUND (CDF) FOR THE PERIOD 1<sup>ST</sup> JANUARY 2008 TO 31<sup>ST</sup> DECEMBER, 2009**

### **CHILUBI DISTRICT COUNCIL**

### **Council Properties without Title**

76. Your previous Committee had urged the Commissioner of Lands to expedite the issuance of the title deeds, and requested for an update on the matter.

### **Executive's Response**

In response, the Government informed your Committee that the Council had not yet obtained the title deeds. However, the Council had made a commitment to start the process with the Ministry of Lands, Natural Resources and Environmental Protection.

### **Committee's Observations and Recommendations**

Your Committee strongly urges the Controlling Officer to ensure that the matter is followed up with the Ministry of Lands, Natural Resources and Environmental Protection so that the title deeds can be issued without any undue delay. Your Committee will await a progress report on the matter

### **CHIBOMBO DISTRICT COUNCIL**

#### **Huge Statutory Debt - K201, 938.97**

77. Your previous Committee had requested for an update on the liquidation of the huge statutory debt.

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

In response, the Government informed your Committee that, as at 30<sup>th</sup> May 2016, the debt outstanding was K25,905 following monthly repayments. Meanwhile, the Council had entered into an agreement with the Local Authorities Superannuation Fund to continue servicing the remaining debt on a monthly basis.

### **Committee's Observations and Recommendations**

Your Committee notes the efforts made by the Council but urges the Council to enhance these efforts by ensuring that it remains committed towards dismantling the outstanding amounts. Your Committee also directs the Controlling Officer to ensure that the matter is resolved expeditiously and that more viable sources of revenue are explored to improve the current financial situation. Your Committee awaits a progress report on the matter.

### **KABWE MUNICIPAL COUNCIL**

#### **Huge Statutory Debt - K3, 333,834.28**

78. Your previous Committee had requested for an update on the liquidation of the huge statutory debt.

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

In response, the Government informed your Committee that the Council had been unable to dismantle the indebtedness due to low revenue inflows arising from poor compliance from the clients. Meanwhile, the Council was in the process of acquiring a loan from commercial banks which it intended to allocate on, among other issues, investment and recapitalisation of commercial ventures and part of it to servicing the outstanding debts. The loan would be serviced in part through the Local Government

Equalisation Fund and revenues from the commercial ventures once they were revitalised. The Council had made a commitment to prioritise debt servicing so that its balance sheet was free of debts other than the loan.

### **Committee's Observations and Recommendations**

Your Committee observes with concern the failure by the Council to prioritise the payment of statutory obligations. Your Committee reiterates that this is a violation of the law and directs the Ministry to ensure that it intervenes by way of suggesting debt swap options and other available options to promptly dismantle the outstanding statutory obligations. Your Committee resolves to await a progress report on the matter.

### **Poor and inadequate market facilities**

79. Your previous Committee requested for an update on the construction of new market facilities.

### **Executive's Response**

In response, the Government informed your Committee that the Council would use part of the loan to modernise to the market which currently was in a deplorable state. The Council was in the process of concluding securing the loan.

### **Committee's Observations and Recommendations**

Your Committee observes with concern that the matter has been outstanding for too long. Your Committee directs the Ministry to ensure that the project materialises without undue delay, expeditiously, and that more viable sources of revenue are explored to improve the current financial situation of the Council. Your Committee awaits a progress report on the matter.

## **NDOLA CITY COUNCIL**

### **Huge Statutory Debt – K15, 099,328. 98**

80. Your previous Committee requested for an update on the balance K5, 509, 785 of the outstanding statutory debt.

### **Executive's Response**

In response, the Government informed your Committee that the Council had not dismantled the indebtedness due to low revenue inflows. In the same vein the economic challenges arising from low copper prices had affected the business environment on the Copperbelt Province depended on mining activities for revenues. However, the

Council had made a commitment to begin the clear indebtedness when the business environment improved.

### **Committee's Observations and Recommendations**

Your Committee observes with concern the inordinately long period the matter has been outstanding. Your Committee directs the Controlling Officer to ensure that the matter is resolved expeditiously, and that more viable sources of revenue are explored to improve the current financial situation of the Council. Your Committee awaits a progress report on the matter.

## **KITWE CITY COUNCIL**

### **Huge Statutory Debt - K45, 712,940**

81. Your previous Committee had requested for an update on the liquidation of the outstanding statutory debt.

### **Executive's Response**

In response, the Government informed your Committee that the Council had not dismantled the indebtedness. This was due to the economic challenges arising from low copper prices which had affected the business environment on the Copperbelt Province which depended on the mining activities for revenues. However, the Council had made a commitment to ensure that when the business environment improved they would begin to clear the indebtedness.

### **Committee's Observations and Recommendations**

Your Committee observes with concern the inordinately long period the matter has been outstanding. Your Committee directs the Controlling Officer to ensure that the matter is resolved expeditiously, and that more viable sources of revenue are explored to improve the current financial situation of the Council. Your Committee awaits a progress report on the matter.

## **STATUTORY AUDIT REPORT OF THE COUNCIL'S FINANCIAL ACCOUNTS AND AUDIT INSPECTION REPORT OF THE CONSTITUENCY DEVELOPMENT FUND FOR THE PERIOD 1ST JANUARY TO 31ST DECEMBER 2006**

## **KAWAMBWA DISTRICT COUNCIL**

### **Fraudulent Disposal of Injector Pump - K19, 912.38**

82. Your previous Committee had requested for an update on the matter.

### **Executive's Response**

In response, the Government informed your Committee that the officers who were involved in the fraud had since been dismissed. Meanwhile the Court case concerning the dismissed officers was still in court pending appeal. Your Committee would be informed on the decision of the court once the matter was disposed of.

### **Committee's Observations and Recommendations**

Your Committee resolves to await a progress report on the matter.

## **KAOMA DISTRICT COUNCIL**

### **Irregular Tender Procedures and Non-Completion of Grader Repairs – K67, 701.90**

83. Your previous Committee had requested for an update on the matter. Further, your previous Committee had wished to be informed as to what disciplinary measures had been meted out against the erring officers.

### **Executive's Response**

In response, the Government informed your Committee that the erring officers were no longer employed in the Local Government Service. Arising from this, the Council had resolved to report the matter to the full Council for its final decision.

### **Committee's Observations and Recommendations**

Your Committee urges the Controlling Officer to follow up the matter and ensure that it is resolved without any further delay. Your Committee awaits a progress report on the matter.

### **CONCLUSION**

84. Your Committee wishes to pay tribute to all the stakeholders who were visited during the local tour and those who appeared before it and made both oral and written submissions. It also wishes to thank you, Mr Speaker for your invaluable guidance throughout the Session. Your Committee also appreciates the services rendered to it by the Office of the Clerk of the National Assembly and her staff. Your Committee is confident that the observations and recommendations contained in this report will be favourably considered and fully implemented by the Executive in the interest of the Zambian public.

**Appendix I**

**List of Witnesses**

- i. Ministry of Local Government
- ii. Ministry of Finance
- iii. Ministry of National Development Planning
- iv. Ministry of Defence
- v. Ministry of Home Affairs
- vi. Ministry of Housing and Infrastructure Development
- vii. National Housing Authority
- viii. Habitat for Humanity Zambia
- ix. Lusaka City Council
- x. Chinsali Municipal Council
- xi. National Construction Council (Zambia Green Jobs Project)
- xii. Zambia National Building Society
- xiii. Bankers Association of Zambia
- xiv. Zambia Institute of Architects
- xv. Workers' Compensation Fund Control Board
- xvi. Local Authorities Superannuation Fund (LASF)

- xvii. National Pension Scheme Authority and
- xviii. Nkwashi Property Developers
- xix. Nyumba Yanga Housing Project
- xx. Silverest Gardens Chongwe Project
- xxi. North Gate Gardens
- xxii. Meanwood Ibex Hill
- xxiii. Foxdale Housing Project.
- xxiv. Kawama Police Housing Project
- xxv. Chingola Housing Project
- xxvi. Masaiti Police Housing Project
- xxvii. Mokambo Police Housing Project
- xxviii. Kalulushi NAPSA Houses
- xxix. Mufurila Housing Project
- xxx. Kabitaka Mine Housing Project
- xxxi. Golf View Houses (Kansanshi mine)
- xxxii. Kalumbila Mine Housing Project
- xxxiii. Lumwana Mine Housing Project
- xxxiv. Ikelengi Housing Project

## **Appendix II**

### **List of Officials**

#### **National Assembly**

Mr S Kawimbe, Principal Clerk of Committee  
Ms M K Sampa, Deputy Principal Clerk of Committee  
Ms C Musonda, Senior Committee Clerk (FC)  
Mr A Chilambwe, Committee Clerk  
Mrs B M J Mwandemena, Personal Secretary II  
Mr Elijah Chilimboi, Intern  
Mr C Bulaya, Committee Assistant  
Mr D Lupiya, Parliamentary Messenger