



REPORT

OF THE

COMMITTEE ON AGRICULTURE, LANDS AND NATURAL RESOURCES

ON THE

REPORT OF THE AUDITOR GENERAL

ON

SUSTAINABLE FOREST MANAGEMENT

FOR THE SECOND SESSION OF THE TWELFTH NATIONAL ASSEMBLY
APPOINTED ON 20TH SEPTEMBER, 2017

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REPORT OF THE COMMITTEE ON AGRICULTURE, LANDS AND NATURAL RESOURCES ON THE REPORT OF THE AUDITOR GENERAL ON SUSTAINABLE FOREST MANAGEMENT FOR THE SECOND SESSION OF THE TWELFTH NATIONAL ASSEMBLY APPOINTED ON 20TH SEPTEMBER, 2017

Consisting of:

Mr M J B Ng'onga, MP, (Chairperson); Mrs M C Mazoka, MP (Vice Chairperson); Mr E Mulenga, MP; Mr S K Michelo, MP; Mr B Hamusonde, MP; Mr P C Mecha, MP; Mr D Mung'andu, MP; Mr N Mwene, MP; Dr M Imakando, MP; and Mrs R C Fundanga, MP.

The Honourable Mr Speaker
National Assembly
Parliament Buildings
LUSAKA

Sir

Your Committee has the honour to present its Report on the Report of the Auditor General on Sustainable Forest Management for the Second Session of the Twelfth National Assembly.

Functions of the Committee

2.0 Your Committee is mandated to carry out the functions set out below.

- i. study, report and make recommendations to the Government, through the House, on the mandate, management and operations of the Ministries of Agriculture, Lands and Natural Resources, and Fisheries and Livestock, departments and/or agencies under their portfolios;
- ii. carry out detailed scrutiny of certain activities being undertaken by the Ministries of Agriculture, Lands and Natural Resources and Fisheries and Livestock, departments and/or agencies under their portfolios and make appropriate recommendations to the House for ultimate consideration by the Government;
- iii. make, if deemed 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 autonomy and efficiency of Government ministries and departments and determine whether the affairs of the said bodies are being managed according to relevant Acts of Parliament, established regulations, rules and general orders;
- v. consider any Bills that may be referred to it by the House;

- vi. consider International Agreements and Treaties in accordance with Article 63 of the Constitution;
- vii. consider special audit reports referred to them by the Speaker or an order of the House;
- viii. where appropriate, hold public hearings on a matter under their consideration; and
- ix. consider any matter referred to them by the Speaker or an order of the House.

Meetings of the Committee

3.0 Your Committee held six meetings during the period under review to consider the Report of the Auditor General on Sustainable Forest Management.

Procedure adopted by the Committee

4.0 To help it appreciate the issues raised in the report, your Committee requested both written and oral submissions from the stakeholders listed below.

- i. Ministry of Mines and Minerals Development
- ii. Ministry of Chiefs and Traditional Affairs
- iii. Food and Agriculture Organisation (FAO)
- iv. World Wide Fund for Nature (WWF)
- v. House of Chiefs
- vi. Zambia Land Alliance
- vii. Transparency International Zambia (TIZ)
- viii. Zambia Forestry and Forest Industries Corporation Limited (ZAFFICO)
- ix. Timber Producers Association of Zambia (TPAZ)
- x. Ministry of Commerce, Trade and Industry
- xi. Ministry of Lands and Natural Resources.

AUDITOR GENERAL'S COMMENTS

5.0 The Auditor General reported that the Performance Audit Report on Sustainable Forest Management was conducted in accordance with the provisions of Article 250 (1) (c) of the Constitution of Zambia.

Background to the Audit

5.1 Forests are one of the most important natural resources of Zambia. According to the National Forest Policy of 2014, forests cover 66 per cent of the total land area of Zambia translating into approximately 49.97 million hectares of which 4.8 million hectares are gazetted forest reserves. Out of the total area classified as forest reserves, 44 per cent is set aside for production, 30 per cent

for both protection and production, and the remaining 26 per cent is for protection only. The whole estate occurs on state and customary lands.

The Government has an important role in ensuring sustainable management of forest resources which includes putting in place appropriate policies, legislation and regulations to govern forest management, investment, research and development, among others. During the period under review, the Forestry Department was regulated by the *Forest Act No. 39 of 1973* and the National Forestry Policy of 1998 which were later revised and replaced by the *Forest Act No. 4 of 2015* and the National Forestry Policy of 2014.

The Forestry Department which falls under the Ministry of Lands and Natural Resources (MLNR) is in charge of managing forests in Zambia. The mission of the Forestry Department is to ensure sustainable flow of wood and non-wood forest products and services while at the same time ensuring protection and maintenance of biodiversity for the benefit of the present and future generations through the active participation of all stakeholders.

The forestry sector as a whole contributes 5.2 to 7 percent of the Gross Domestic Product (GDP) in Zambia. This mainly comes from forest-based industries which account for at least 3.7 percent of the GDP while charcoal production and fuel wood collection account for 2.2 percent and 0.8 percent respectively. Commercial logging and non-timber forest products contribute about 0.3 and 0.1 percent to the GDP respectively.

Motivation for the Audit

5.2 The Government through the Forestry Department can put a number of measures in place in order to ensure sustainability of forest resources. These include planning, providing licences, monitoring and control as well as cooperation with stakeholders and involvement of local communities. The degree of deforestation and findings from the preliminary study carried out in June 2015 indicate that the Forestry Department had not effectively implemented these measures.

Consequently, forests face a number of risks which pose a threat to their sustainability. Deforestation and forest degradation are major problems and estimates by the *Zambian Integrated Land Use Assessment (ILUA) Report (2005-2008)* have shown that the rate of deforestation is 250,000 to 300,000 hectares per annum translating into approximately 5.7 percent of the gazetted forests.

This is attributed to a number of reasons which include, among others uncontrolled logging of timber, overharvesting of key species, illegal production of charcoal, infrastructure development, mining and exploration and the opening up of new land for agriculture and settlements.

There is also inadequate monitoring of harvesting activities mainly as a result of lack of forest guards and inadequate extension officers who are bestowed with the responsibility of monitoring and protecting the forests, lack of transport, inadequate and delayed funding. Concerns have also been raised on the illegal trading of endangered species such as Mukula and Mukwa trees in which 195 people were arrested between January and October 2014.

Audit Objective

5.3 The objective of the audit was to assess whether the Ministry of Lands and Natural Resources is effective in ensuring sustainable exploitation of forest resources and an effective forest management.

Audit Questions

5.4 Based on the audit objective, the audit was designed to answer the questions below.

- (i) To what extent has the Ministry put in place measures to promote sustainable forest management and exploitation of forest resources?
 - a. Does the Forestry Department have up to date management plans based on up to date forest inventory data to ensure sustainable management of forest resources?
 - b. Has the Ministry carried out monitoring and control to ensure that forests wood products are harvested in a sustainable manner in compliance with set regulations?
 - c. Are harvesting operations such as pre-harvest prescriptions, harvesting plans, concession holder detailed prescriptions on forest harvesting and post harvesting assessment executed in a sustainable manner?
 - d. Does the Ministry undertake supervision and monitoring activities to ensure that information about harvest operations and actual cut is accurate?
 - e. Has the Ministry carried out control activities to ensure that forests are protected from activities that are incompatible with sustainable management such as illegal harvesting?
 - f. Has the Forestry Department conducted regular Forest Boundary Maintenance to ensure that forest reserves are protected from illegal acts such as encroachment?
 - g. Has the Ministry, through the Forestry Department, invested in afforestation and reforestation through forest plantations?
- (ii) Has the Forestry Department coordinated with other stakeholders in the sustainable management of forest reserves?

- a. To what extent is the Forestry Department coordinating with other Government agencies in ensuring sustainable forest management?
- b. Has the Forestry Department involved the communities in the management of forest resources?

Audit Scope

The audit focused on the activities and programmes implemented by the Ministry of Lands and Natural Resources through the Forestry Department to promote sustainable exploitation and management of forest resources. The audit covered activities and programmes in gazetted forests in the ten provinces during the period from 2012 to 2015.

Methodology

The audit was conducted in accordance with the provisions of Article 121 of the Constitution of Zambia, the Public Audit Act No. 13 of 1994 and the Public Finance Act No. 15 of 2004 and the International Organization of Supreme Audit Institutions (INTOSAI) Standards and audit policies and procedures established by the OAG which conform to the requirements of International Standards on Auditing.

The audit inspections covered national forests and local forests in Copperbelt, Western, Central, Lusaka and North-Western Provinces which were inspected as shown in Appendix 3. The forests sampled were not selected to represent all national and local forest reserves in the country but rather used to check the activities of the FD in various provinces and districts. Documents such as annual reports were reviewed for the provinces not visited. The audit was designed to visit forests where harvesting was being carried out and concession areas were available in order to have a picture of the role played by the FD in ensuring forest sustainability.

The methods used to conduct the audit included:

i. Document Review

A review of documents was conducted to obtain an understanding of the mandate of the Forestry Department and how the Forestry Department was managing forests in Zambia. The *Forest Act No. 39 of 1973* and the National Forestry Policy of 1998 which provided guidance on forestry management were reviewed.

Other documents reviewed at headquarters, provincial and district offices included available annual reports and work plans for the Forestry Department, budgets for the Ministry of Lands and Natural Resources, the forest estate and guidelines on commercial timber harvesting for the period under review for the

Forestry Department. The new *Forest Act No. 4 of 2015* and the National Forestry Policy of 2014 were also reviewed to check whether the deficiencies if any in the old Act had been addressed and whether the Forestry Department had been implementing the changes.

ii. Interviews

Structured interviews were held with members of the Department at the Forestry Department Head quarters and five provincial offices in Western, North-Western, Central, Lusaka and Copperbelt and eleven district offices visited to gain understanding of the operations of the Forestry Department. This method of data collection was used to corroborate and explain information from the document review such as forest monitoring and protection, sustainable harvesting systems in place and key processes in the management of forests. Interviews were also carried out to obtain different perspectives from other stakeholders such as the Food and Agriculture Organisation (FAO) and the United Nations' programme on Reducing Emissions from Deforestation and Forest Degradation (UN-REDD). Minutes of the interviews were recorded and maintained.

iii. Physical Inspections

Physical inspections were carried out to corroborate evidence collected from document reviews and interviews. National and local forest reserves were visited in five provinces and pictures were captured to provide illustrations of general facts and as evidence. Further, forest reserves were visited to ascertain the state of the forests, levels of encroachment and whether concession holders were meeting the set criteria and standards

Audit Criteria

5.5 The performance of the Forestry Department was assessed against criteria drawn from the following sources:

- a. *The Forest Act No. 39 of 1973.*
- b. The National Forestry Policy of 1998.
- c. The African Timber Organisation and International Tropical Timber Organisation (ATO/ITTO) principles.
- d. FAO 2010 Guidelines on Sustainable Forest Management, Dry Land Forest Management and Silviculture.
- e. SADC Protocol on Forestry of 2002.

CONSIDERATION OF SUBMISSIONS ON AUDIT FINDINGS AND OBSERVATIONS

6.0 Your Committee received submissions from the identified stakeholders and the Controlling Officer of the Ministry of Lands and Natural Resources on the queries raised in the Report of the Auditor General and made observations and recommendations as outlined below.

a. Forest Management Plans Not in Place (page 11)

It was reported by the Auditor General that there were 483 forest reserves in Zambia which needed to have management plans. However, according to the Forestry Department annual report for 2012 to 2015, the Forestry Department did not prepare and implement Forest Management Plans in any of the 483 forest reserve areas. A verification of the responses from the Forestry Department was also conducted in 2016. As of July 2016, the Forestry Department had not yet implemented the Forest Management Plans.

The Forest Management Plans were not in place as the preparation of the management plans was, according to the Forestry Department, totally dependent on updated forest inventory both at national and local level. Without this knowledge, the Forestry Department was not able to come up with the management plans.

Interviews carried out with Forestry Department management revealed that the reason for not having Forest Management Plans was due to lack of basic information such as size of forest, harvestable stock and boundaries of forests. Interviews revealed that the national forest inventory had not been carried out neither at local nor national levels due to limited resources such as funds, human resource and equipment to conduct the exercise.

A review of the Forestry Department's Annual Reports (2012-2015) showed that the Forestry Department lacked forestry inventory equipment such as measuring tapes, suunto clinometers for tree height measurement, caliper diameter tape for diameter measurement, Global Positioning System (GPS) for measuring geographical co-ordinates, bush nail for distance measurements, Geographical Information System (GIS) facilities for image analysis and change detection.

Stakeholders' Submission

Stakeholders were of the view that chiefs' involvement in the management of forests should be clearly defined and the benefits that would accrue to the communities be specified.

Controlling Officer's Response

The Controlling Officer submitted that the Forestry Department had just completed its national forest assessment exercise under the Integrated Land Use Assessment Project (ILUA) Phase II that had taken stock of the forest resources of the country. The Department was in the process of finalising draft provincial management books as an intermediate measure based on the national inventory results for purposes of prioritisation of forest management objectives for each province. These would guide the preparation of Forest Management Plans for all the 483 forest reserves in the country.

Committee's Observations and Recommendations

Your Committee notes with great concern that the Forestry Department does not have Forest Management Plans and lacks an inventory to coordinate the forest management activities. In light of this, your Committee strongly recommends that the Forestry Department should, as a matter of urgency, develop the Forest Management Plans to ensure sustainable management of the forests.

b. Lack of Monitoring of Harvesting Operations (page 12-13)

It was reported by the Auditor General that forest harvesting begins with an application for a licence. In addition to licence fees and various legal documents, the licensee should provide a plan of operation and maps of the proposed concession area and forest regeneration management and restoration plan. A review of all the concession holders' files showed that all the above required documents were submitted.

Once the concession is granted, it is the responsibility of the Forestry Department to regulate and monitor the harvesting of forest wood resources in the concession areas. However, the Forestry Department was not carrying out its responsibilities as shown below:

i. Lack of Pre-harvest and Post-harvest Assessment Reports

The file review showed that the documents that the concessionaire delivered during the licencing process include the information relevant for a pre-harvest report. However, the Forestry Department did not have any mechanism in place to follow up on the accuracy of the documentation provided by the concessionaires. The document review showed that the Forestry Department had not developed post-harvest assessment reports. They could neither determine any damage and changes caused by harvesting nor could they check whether the concessionaire had adhered to the quotas set in the contract.

According to the Forestry Department, they lacked the capacity in terms of staff and logistics to carry out post-harvest inventory, assessment of logging damages and success of reforestation.

ii. The Forestry Department Lacked Routines to Follow up Monthly Reporting from Concession Holders

To keep track of harvesting operations, the concessionaires should, according to the Forestry Department guidelines on forest harvesting, submit monthly returns to show the tree species harvested, the number of trees cut and the number of logs by tree species. The review of the files for the period from 2012 to 2015 showed that none of the concession holders in Solwezi, Kabwe and Mongu provincial offices had submitted monthly returns. Furthermore, the review of the files for large scale concessionaires at Forestry Department Headquarters revealed that they also had not submitted the monthly returns.

The Forestry Department informed in an interview that no sanctions against the concessionaires were in place for failure to submit monthly returns and that they have not established any routines to follow up monthly reporting but that they were in the process of developing guidelines for this.

iii. Lack of Supervision of Forest Harvesting Activities by Forestry Department

Interviews conducted in the District Offices revealed that the Forestry Department did not supervise and monitor the harvesting operations carried out by the concessionaires regularly during the period under review, thus failing to ensure that information about harvest operations and actual cut was accurate in the harvesting compartments and whether other harvesting conditions were adhered to by the concession holders. According to the Forestry Department, lack of human resources and transportation were the main reason for lack of monitoring during harvesting. The Forestry Department relied on transport provided by the concession holders after harvesting was completed to check, measure, verify and hammer stamp the harvested forest wood products.

As a result of the weaknesses mentioned above, the Forestry Department stated in an interview that it was not able to determine whether harvesting in the concession areas was conducted according to set regulations and whether it was done in a sustainable manner to provide conditions for successful regeneration. Consequently, the Forestry Department was not able to verify the information about harvest operations, actual cut and harvesting returns provided by the concessionaires.

c. Control and Patrol Activities (page 13-17)

Failure by the Forestry Department to carry out monitoring and control has led to illegal activities by concessionaires resulting in loss of revenue for the Government and the destruction of the forests due to the use of unsustainable harvesting practices.

Stakeholders' Submission

Stakeholders submitted that, in order to manage the problems of harvesting Mukula, Mukwa and Rosewood, there was need to create industries which should produce finished products instead of exporting raw timber.

Controlling Officer's Response

The Controlling Officer submitted that the observation in the Auditor General's Report that the Ministry found challenges in effective monitoring of timber harvesting in concession areas due to inadequate staffing and financial resources was correct. To address this challenge, the Ministry had obtained Treasury authority and employed twenty-three Forest Range Guards in 2016. In the 2018 budget, K1, 330,958.00 had been allocated for personal emoluments under the Forestry Department for recruitment of additional Forest Range Guards.

The Controlling Officer further stated that the Government had earmarked to employ 245 Forest Range Guards over a period of five years. Further, the Ministry was engaging Cabinet Office to unfreeze the frozen positions within the Forestry Department organisational structure to improve on staffing levels.

To supplement these efforts, the Ministry was also in the process of appointing honorary forest officers to beef up human resource for effective forest policing.

Committee's Observations and Recommendations

Your Committee observes that failure by the Forestry Department to carry out monitoring and control has led to illegal activities by concessionaires such as unlicensed cutting of trees, over-harvesting and other malpractices. It is concerned that this has resulted in huge losses of Government revenue and the destruction of the forests due to the use of unsustainable harvesting practices.

In this regard, your Committee strongly urges the Ministry of Lands and Natural Resources to expedite the appointment of honorary forest officers and engage and incentivise community forest groups to beef up the staffing levels. Your Committee further urges the Executive through Cabinet Office to expeditiously unfreeze the frozen positions within the Forestry Department.

Your Committee further notes with concern that the responsibility to man checkpoints for Mukula and other tree species has been taken over by the Defence and Security Forces. Your Committee is of the view that this responsibility should be left to the forest officers who are mandated to carry out this function by the *Forest Act* while the Defence Forces must only render added security.

d. Lack of Maintenance of Forest Reserves Boundaries (page 17-18)

It was reported by the Auditor General that the Forestry Department had not adequately carried out boundary maintenance in Zambia. Interviews with officers at district offices revealed that most forest boundaries in the country had not been maintained due to inadequate funding. The officers also pointed out that the lack of boundary maintenance was one important reason why there was rampant encroachment in some forest reserve and contributed to the spread of forest fires.

Submission by the Stakeholders

Stakeholders submitted that lack of maintenance of forest boundaries left the forest reserves insecure and had exposed forests to encroachments and fires. They proposed that the Forestry Department should work with communities living around the national forests to implement boundary maintenance.

Controlling Officer's Response

The Controlling Officer submitted that the Ministry's strategic focus under the Forestry Department was forest protection and management. In this vein, the Ministry would embark on forest boundary identification, clearing and placing of signage in all forest protection areas. As an example, in Eastern Province, a total of 108 km boundary out of a total of 1240 km had been cleared. This was achieved with the assistance of USAID.

The Controlling Officer stated that in order to strengthen forest protection and management, the Minister had issued a directive to the Department to issue eviction notices to people who had encroached on forest reserves around the country.

This process would be extended to include all illegal mining activities that were rampant, particularly sand mining in forest reserves. The Department would collaborate with the Ministry of Mines and Minerals Development to curb illegal extraction of gravel in forest reserves.

Committee's Observations and Recommendations

Your Committee observes that failure to maintain boundaries continues to be a major contributing factor to the encroachment of forest reserves. Your Committee, therefore, recommends that the Forestry Department should be

provided with both human and financial resources to carry out boundary maintenance without delay. Your Committee further urges the Ministry of Lands and Natural Resources to carry out sensitisation of the traditional leaders and the local communities on the forest boundaries.

e. Investment in Forest Plantations (page 18-19)

It was reported by the Auditor General that in order to ensure that forests resources were not depleted, the Forestry Department should promote the establishment of plantations.

The National Tree Planting Programme which was launched in 2013/2014 planting season established eleven large scale provincial and research nurseries. However, there had been mixed successes in the implementation of this programme. Progress has been hampered by lack of funding leaving a lot of provinces scaling down on activities. Funds were only provided for establishing nurseries, but subsequent funding to plant the trees was delayed or not released.

Consequently, most of the seedlings died out in the green houses as tree planting has a specific time frame in which it has to be implemented and failure to do so affects the entire tree growing and management cycle.

Lack of funding was one of the challenges faced in managing the forest. Due to delayed funding, important activities such as planting and weeding were done at the wrong time or not done at all.

Stakeholders' Submission

Stakeholders were of the view that the Forestry Department must focus more on policy control, regulation and creation of a good environment for the private sector to establish investment in forest plantations.

Controlling Officer's Response

The Controlling Officer submitted that the Ministry of Lands and Natural Resources took cognisance of the Auditor General's observation that there was inadequate investment in forest plantation establishment due to inadequate and erratic funding to silviculture operations. To overcome this challenge, the Government was in the process of establishing the Forest Development Fund which, once established, would contribute to making funds available for the seasonal silviculture operations.

The Controlling officer further added that plantation establishment had been identified as one of the priority activities in the Seventh National Development Plan (7NDP) and K1, 608,000.00 had been set aside in the 2018 budget.

Committee's Observations and Recommendations

Your Committee expresses concern that the Ministry has not prioritised investment in plantation establishment in the past. In light of this, your Committee strongly urges the Ministry to consider public-private partnerships in the establishment of forest plantations. Your Committee, further, recommends that the Forestry Department should not seek to run forestry plantations but rather concentrate on their core mandate of managing, regulating and monitoring of forest resources in Zambia.

f. Lack of co-ordination with various stakeholders (page 19-24)

It was reported by the Auditor General that the strategies for the Forestry Policy of 1998 encouraged partnership between state agencies, local communities and individuals in order to resolve conflicts of interests through dialogue among key stakeholders and to enhance the sense of ownership of the forests by the local communities. In order to ensure sustainability of forest reserves, there was need to coordinate forest management activities with the key stakeholders such as the Ministry of Lands and Natural Resources, traditional leaders, local communities and other relevant stakeholders. The following were observed:

(i) Encroachment problems in forest reserves

The lack of coordination with various stakeholders had increased encroachments in forest reserves causing deforestation and depletion of forest resources. As a result of the encroachments, the status of the forests was categorised as heavily encroached, encroached, degazetted, depleted or available. Due to the encroachment, the Forestry Department had since degazetted and excised some forest reserves. Interviews also revealed that the Forestry Department did not have a plan or policy in place for degazettement, excision and gazettement of forests.

(ii) Settlements in forest reserves

The *Forest Act* stipulates that a person shall not enter a forest reserve without a licence or permit. However, despite the legislation being in place people had settled in the forest reserves.

(iii) Settlements in Forest Reserves under Customary Land

There was lack of co-ordination between the Forestry Department and traditional leaders. Traditional leaders had been issuing land to people in the gazetted forest reserves resulting in illegal settlements in the forest reserves.

(iv) Mining Activities in Forest Reserves

There was also coordination failure between the Forestry Department and the Ministry of Mines and Minerals Development. In this regard, mining activities were being conducted in some forest reserves.

Stakeholders' Submission

Stakeholders were of the view that there was need to recognise the forestry sector as a priority sector and scale up incentives to the local communities and the traditional leadership in order for them to appreciate the value derived from the forests as this would encourage them to protect the forests and forest reserves.

They further submitted that foreigners should not be given mining licences and forestry licences; instead they should partner with Zambian companies and individuals who should be given these licences.

Controlling Officer's Response

The Controlling Officer submitted that the Ministry of Lands and Natural Resources, through the Forestry Department, had been actively engaging traditional leaders on various aspects of forest management such as the issuance of forest concession licences, and forest management and protection activities, particularly the production of charcoal in all the ten provinces. It was mandatory for the charcoal producers and concession licence holders to obtain express consent from the Chief before such a licence could be issued. The *Forest Concession Licence Regulations Statutory Instrument No. 50 of 2016* provided that an applicant needed to obtain the consent from the traditional leaders before such an applicant could be issued with a concession licence.

However, traditional leaders had in some instances granted consent for mining operations in forest reserves. He added that the Ministry had engaged some traditional leaders and sensitised them to desist from this practice.

Your Committee was informed that mining companies which encroached on forest reserves in North-Western Province were cautioned for proceeding with their mining operation before the excision processes were completed.

Committee's Observations and Recommendations

Your Committee is concerned that there is generally lack of coordination among the various stakeholders involved in alienation of land and issuance of licences to people in the gazetted forest reserves. Your Committee recommends that in order to ensure sustainability of forest reserves, the Government must put measures in place to enhance coordination in forest management activities

with the key stakeholders such as the Ministry of Lands and Natural Resources, traditional leaders, local communities and other relevant stakeholders.

g. Lack of Community Involvement in Sustainable Forest Management at Local Community Level (page 24-25)

It was reported in the Auditor General's Report that the review of the Forestry Department annual reports for the period from 2012 to 2015 showed that there was a lack of community involvement in forest management at local community level resulting in poor management of forests due to inadequate sense of ownership by local communities. Most of the open forests in the provinces were viewed as a source of fuel wood, caterpillars, mushrooms and everyone had equal rights of access which had led to deforestation and land degradation.

h. Inadequate Resources (page 25-27)

The Forestry Department did not have adequate resources to manage the forests effectively. Poor funding, under staffing and lack of transport were some of the factors that were impeding the Department's ability to manage the forests. Consequently, management plans were not developed for all the forest reserves and boundary maintenance was not carried out adequately among others. In particular, the following were observed:

(i) Inadequate Funding

During the period under review, the Forestry Department was not fully funded according to the approved budgets for the period under review.

(ii) Understaffing

A review of the Staff Establishment revealed that the Forestry Department had an approved staff establishment of 962 out of which 655 were filled and 307 were vacant. An analysis of the establishment revealed that 425 positions representing forty-four percent of the establishment were directly involved in managing the forests countrywide. However, out of 425 positions, 311 were filled leaving 114 positions vacant.

The Forestry Department had in the past employed forest guards who were responsible for boundary maintenance and supervision of harvesting activities and enforcement of the law with regard to illegal activities. The forest guards were based in the forests but in 1997, the positions were abolished and were replaced with extension officers. The extension officers were not as effective as forest guards because they were not based in the forest reserves but mainly

took on an administrative role and only visited the forest periodically when transport and funds were available.

Consequently, in 2014, the Ministry applied to the Public Service Management Division to recruit forest guards and was granted authority to include 375 positions of forest guards in its staff establishment.

As of 2016, the Ministry of Finance had granted Treasury authority to employ twenty-three guards but these positions had not yet been filled as of September 2016.

(iii) Lack of Logistics and Other Tools

The Department had constraints in terms of transport as its fleet of vehicles was old and unreliable. Consequently, monitoring had not been effective because they could not conduct frequent forest and blitz patrols.

Stakeholders' Submission

Stakeholders were of the view that the forest sector was currently undervalued and if properly managed, it could contribute more to the country's Gross Domestic Product (GDP).

Controlling Officer's Response

The Controlling Officer submitted that the observation in the Auditor General's Report that the Forestry Department in its current status failed to effectively monitor and control forest activities due to inadequate funding, staffing levels and lack of transport was correct.

In order to address the issue of recapitalisation, the Controlling Officer stated that the Ministry would in 2018 operationalise the Forest Development Fund. To this effect K50, 000.00 had been provided in the 2018 budget and major stakeholders in the sector would be approached to contribute to the Fund and other sources of funds would be explored. The Forest Development Fund would improve funding levels in the Forestry Department.

Committee's Observations and Recommendations

Your Committee expresses concern that funding to the forestry sector has been very poor, which has led to failure by the Department to effectively monitor and control forest activities. In this regard, your Committee recommends that the Department be hived off from the Ministry of Lands and Natural Resources and a stand-alone Ministry of Forestry and Natural Resources be established so that it can have its own dedicated budgetary allocation.

Further, your Committee while noting the need to enhance funding to the sector, does not agree with the proposal to establish a Forestry Development Fund in the current weak state of the Forestry Department. Your Committee is of the view that a resource mobilisation strategy be put in place before the creation of the Fund as provided for in the *Forest Act No. 4 of 2015*.

CONCLUSION

7.0 Your Committee is grateful to you, Mr Speaker, and to the Clerk of the National Assembly for the support rendered to it during the consideration of the Report of the Auditor-General on Sustainable Forest Management. Your Committee is also indebted to all the witnesses who appeared before it for their cooperation in providing the necessary memoranda and briefs.

Mr M J B Ng'onga, MP
CHAIRPERSON

February 2018
LUSAKA

APPENDIX I

LIST OF OFFICIALS

National Assembly

Ms C Musonda, Principal Clerk of Committees
Mr F Nabulyato, Deputy Principal Clerk of Committees (SC)
Mr S Chiwota, Acting Senior Committee Clerk (SC)
Mrs M K Siwo, Committee Clerk
Ms L Chilala, Typist
Mr M Phiri, Intern
Mr M Chikome, Committee Assistant
Mr D Lupiya, Parliamentary Messenger

APPENDIX II

LIST OF WITNESSES

Office of the Auditor General (Permanent Witness)

Mr R Mwambwa, Auditor General
Ms M Munkanta, Assistant Director
Mr B Muyoba, Senior Auditor
Ms C Chituta, Senior Auditor
Mr R Nkausu, Senior Auditor
Ms C Musonda, Principal Auditor
Ms E Chikale, Public Relations Officer

Ministry of Mines and Minerals Development

Mr P Chanda, Permanent Secretary
Mr M Lubamba, Director - Mines
Mr M Chibonga, Director – Mining Cadastre Department
Ms B Mwakacheya, Director - Planning

Ministry of Chiefs and Traditional Affairs

Mr M Pwete, Permanent Secretary
Ms M B Mbuta, Director – Planning
Mr E Kasanga, Parliamentary Liaison Officer
Mr E Kabita, Auditor
Mr E Daka, Senior Procurement Officer
Mr L Sakwiba, Director – Human Resource and Administration
Mr J Chileshe, Assistant Director – Chiefs’ Affairs

Food and Agriculture Organisation (FAO)

Mr G Okech, Country Representative
Ms P N Chitembwe, Communications and Gender Officer

World Wide Fund for Nature (WWF)

Ms N Nkombo, Director
Mr B Kabanda, Policy Coordinator
Mr E Phiri, Communications Coordinator
Mr S Makumba, Photographer

House of Chiefs

His Royal Highness Chief Ngabwe, Chairperson
His Royal Highness Chief Kaputa, Member
His Royal Highness Senior Chief Ishindi, Member
His Royal Highness Chief Chipeco, Member
Mr C Chikobo, Committee Clerk
Ms A Chabala, Senior Traditional Affairs Officer

Zambia Land Alliance

Mr E Mutamba, Chairperson
Mr R Chimambo, Board Member
Mr M Chewe, Lusaka District Coordinator
Ms D Mbewe, Programme Assistant

Transparency International Zambia (TIZ)

Mr W Chibambo, Executive Director
Ms S Lusambo, Programme Officer

Zambia Forestry and Forest Industries Corporation Limited (ZAFFICO)

Mr F Sichone, Managing Director
Dr C Nshingo, Director - Plantation
Mr M Sindano, Business Development Manager

Timber Producers Association of Zambia (TPAZ)

Mr C Masange, President
Dr A Botha, Trustee
Mr S Sichita, Member

Ministry of Commerce, Trade and Industry

Ms K Siame, Permanent Secretary
Mr S Mungalaba, Director – Cooperatives
Mr B Kunda, Chief Economist
Mr J Phiri, Principal Economist
Mr I M Kasonde, Economist
Ms M M Daka, Chief Planner

Ministry of Lands and Natural Resources

Mr T Kaunda, Permanent Secretary
Mr W Muma, Commissioner of Lands

Mr J Minango, Surveyor General
Mr I Makumba, Director
Mr E M Shitima, Chief Natural Resources Management Officer
Mr O Mugara, Chief Accountant
Mr C Silwimba, Chief Lands Officer
Ms A N Banda, Acting Chief Registrar
Mr G Sindila, Chief Lands Officer
Ms A Mporokoso, Chief Planner
Ms N P Chellah, Planner
Ms S M Chanda, Principal Legal Officer
Mr N Chikuba, Senior Internal Auditor