

**REPORT OF THE COMMITTEE ON ENERGY, ENVIRONMENT AND TOURISM  
FOR THE FIFTH SESSION OF THE TENTH NATIONAL ASSEMBLY APPOINTED  
ON 22<sup>ND</sup> SEPTEMBER 2010**

Consisting of:

Mr P P Chanda, MP (Chairperson); Mr G G Nkombo, MP; Mr A Simama, MP; Mrs J M Limata, MP; Dr S Musonda, MP; Mr J J Mwiimbu, MP; Mr J Shakafuswa, MP and Mr A M Nyirenda, MP.

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

Sir,

Your Committee has the honour to present its Report for the Fifth Session of the Tenth National Assembly.

**Functions of the Committee**

2. In addition to any other duties placed upon it by the Honourable Mr Speaker or any Standing Order or any other order of the Assembly, the duties of the Committee on Energy, Environment and Tourism are as follows:

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

**Meetings of the Committee**

3. During the year under review, your Committee held thirteen meetings.

**Procedure Adopted by the Committee**

4. During the course of their deliberations, your Committee considered and adopted the following programme of work:

- (i) consideration of submissions on the status of the Tourism Industry in Zambia
- (ii) tours;
- (iii) consideration of the Action-Taken Report on the Committee's Report for 2010; and
- (iv) consideration of draft report.

## **PART I**

### **CONSIDERATION OF TOPICAL ISSUES – THE STATUS OF THE TOURISM INDUSTRY IN ZAMBIA**

#### **SUBMISSION BY MINISTRY OF TOURISM, ENVIRONMENT AND NATURAL RESOURCES**

##### **Background**

5. Your Committee was informed that prior to 1991, Zambia's economy was state controlled with very little private sector participation in many sectors. The market economy re-emerged after 1991 and subsequently, tourism development was initiated by the privatization of most public tourism assets, followed by growing private sector investment, supported by relatively open foreign and domestic investment policies.

In the past few years, the Government has elevated the tourism sector to priority status. Thus, the sector was considered as one of four key contributors to the country's economy. The 2009, 2010 and 2011 national budgets indicated that tourism had been raised to a number three priority in the economy, after mining and agriculture, albeit budgetary allocation to the sector for the three years had not been matched with the expectations of stakeholders.

Your Committee learnt that the prioritisation of the tourism sector was based on an economic rationale after recognising the considerable value addition and multiplier effects of the benefits that the sector contributed and/or could contribute to the national economy. These benefits include the direct ones arising from generation of jobs and creation of economic stimulus in rural areas while indirect ones include contribution to foreign exchange earnings and motivation of tourism industry forward and backward linkages. The choice also was premised on the immense prospects that subsist in the industry for wealth creation. These prospects exist on account of, among others, the rich biodiversity, abundant water bodies, spectacular waterfalls and landscapes, pristine ecosystems and rich culture.

Although currently tourism is predominantly private sector-driven, Government's role remains fundamental in the quest to promote tourism industry development. Government's responsibility largely relates to:

- encouraging a competitive business environment through the establishment of standards and guidelines;
- creating supportive and efficient policy and regulatory frameworks;
- creating attractive and efficient domestic and foreign investment regimes,
- implementing a regionally competitive and effective fiscal structure; and
- investing in essential support infrastructure.

##### **Policy and Legislative Reforms**

Since the dawn of the private sector driven tourism industry, the Government commenced the process of revising/developing and enacting tourism policies and associated legislation as well as setting up regulatory structures. In this regard, the Government merged three pieces of legislation namely, the *Casinos Act*, the *Hotels Act* and the *Tourism Act into the Tourism and Hospitality Act of 2007*. In the same year, the *Zambia Tourism Board Act No. 24* was also enacted. The merging of the legislation was meant to streamline regulation of the tourism industry. Earlier in 1995, the Government had also formulated the National Policy on

Tourism. The Government was in the process of revising or formulating the following policies and pieces of legislation:

- i) the *Tourism and Hospitality Act*, No. 23 of 2007;
- ii) the National Policy on Tourism of 1995;
- iii) draft regulations for registration and certification of hotel managers and those for casinos;
- iv) the National Parks and Wildlife Policy of 1998 ;
- v) the *Zambia Wildlife Act* No. 12 of 1998;
- vi) the first National Heritage Policy;
- vii) the *National Heritage Act*; and
- viii) the *National Museums Act*.

The review and formulation of the policies and legislation had been necessitated by the need to address the key concerns regarding over-centralisation of decision-making and function, reduction of duplication in licensing requirements, streamlining regulatory responsibilities, incorporation of international and regional best practice, and offering of strategic and innovative support to the private sector, among other things, in order to promote the growth of the industry.

In relation to the creation of a conducive environment for sustainable tourism development, the Ministry facilitated the preparation of the Kasaba Bay Integrated Development Plan and the Livingstone Tourism Area Action Plan to guide construction of tourism resorts with the necessary amenities such as hotels, shopping malls, houses, airport and air strips, telecommunication, electricity and water.

## **INDUSTRY PERFORMANCE**

### **Industry Contribution to Gross Domestic Product**

It has generally been documented in several analytical works (by World Bank, Ministry of Tourism, Environment and Natural Resources and Ministry of Finance and National Planning that the tourism industry has experienced growth over the last ten years. During the period 2000 – 2010, the overall contribution of the tourism sector to Gross Domestic Product (GDP) of Zambia averaged 3% (MTENR, 2010), with the exception of the period of the global economic meltdown. On the other hand, the GDP contribution of the restaurant, bar and hotel sector rose by an average of 16.7% over the period from 1999 to 2008 (at constant 1994 prices). Over the same period, tourism industry employment grew by an average 15% between 1999 and 2006, providing a total of 21,204 jobs. Similarly over the same period, the average bed night occupancy rate grew by 7.5% and the number of tourist beds by an average of 2.6%. Recent data suggested that there had been an 8.4% per annum increase in bed provision over the period 1997 to 1999. As expected, the positive trends in these variables have led to an increase in income. For example, on average, direct tourism earnings increased from US\$174million in 2005 to US\$400 million per annum in 2009, (MTENR, 2009).

Records showed that during the period, Zambia's tourism sector growth was one of the highest in the region. This was with the exception of the latter years i.e. 2008 and 2009, when there was a decline due to the global financial crisis.

### **Accommodation Establishments**

Accommodation is essential to the tourism industry as it forms the biggest component in a holiday package for all types of tourists. Over the past years, the tourism industry in Zambia has experienced an increase in accommodation establishments from 500 in 2006 to 940 in the year 2009 (MTENR). Specifically, the Ministry noted a growth of 57% and 26% in

guesthouses and lodges from 2004 to 2005, respectively. Prior to the year 2006, there had been a two-fold increase in accommodation establishments.

Estimates from 2009, for tourism associations and MTENR sources suggested that there were currently around 500 accommodation establishments *in the main tourism zones*. Out of this number, 494 were registered of which 71 were hotels and motels, based mostly in Lusaka, Kitwe/Ndola, Siavonga and Livingstone. The 208 peri-urban lodges and guesthouses were located in the same areas while others are in provincial centres of Kasama, Mansa, Chipata, Solwezi and Mongu. Safari lodges and camps provided a further 135 entities, mostly situated in the Luangwa and Lower Zambezi valleys, but also Livingstone, the Kafue National Park and Western Province. Together the registered tourist accommodation entities were estimated to provide 11,000 beds and support 3.7 million bed nights (World Bank, 2009). Out of all the tourists that visited Zambia, nearly fifty percent stayed in lodges and guesthouses while only 19% stayed in hotels and 2% at camp sites.

### **Quality and Standards**

Over the period under consideration, Government has revised the regulations on standards in order to improve quality and value for money. There has been relative change in quality and standards, especially related to accommodation establishments and service provision. The 2006 World Bank Tourism Demand Survey noted that 90% of the sampled nature-based holidaymakers were 'satisfied', or 'very satisfied' with the destinations they visited and as a result 84% of them indicated that they would return. However, some facilities particularly in rural and peri-urban areas continue to be low quality and of poor standards and the Ministry had in 2011 again reviewed regulations on standards in order to strengthen them. Additionally, the Ministry developed the National Classification and Grading System, which was undergoing final consultations. It was also expected that with the revision of the *Tourism and Hospitality Act (THA)* and the Tourism Policy, enforcement mechanisms will be strengthened.

Considering the quality of the tourism product, the country has excellent natural tourism resource, good cultural tourism resources, very compelling market appeal for its nature-based products and solid appeal for its cultural and other products. These factors make the quality of the 'tourism experience' by the tourists very good.

### **Tourist Arrivals**

One of the key indicators of performance in the tourism industry was the number of tourists visiting the country. This was because the number of tourists arriving annually in the country reflected how well the tourism products for the country were known regionally and internationally and most importantly the numbers translated into real income generation and contribution to foreign exchange earnings. According to a study conducted by the World Bank, the sub-set of nature-based, leisure tourists spent around US\$1,100 per trip in Zambia. This was excluding international airfares and other external costs. On the other hand, data collected directly from Southern African Development Community (SADC) states in 2006, by the Regional Tourism Organisation of Southern Africa showed that the regional average receipts per tourist is US\$381, while Zambia only received US\$ 234 per visitor's trip in the same year. In 1995, Zambia recorded 163,000 visitors and 12 years later in 2007, the number grew to 897,000 following increased private sector participation (MTENR). However, the years 2008 and 2009, saw a 12.5% reduction in numbers of arrivals. This was largely attributed to the global financial crisis.

Records from the Regional Tourism Organisation of Southern Africa indicate that visitor arrivals to Zambia averaged 22.6% per year between 2003 and 2006, which was second only to Madagascar (33.7%) in the Southern African Development Community (SADC) and

significantly higher than acknowledged local competitor countries (Botswana, Namibia and Tanzania). Projections of visitor arrivals based on current figures suggested that Zambia would receive around 1.4 million visitors in 2015, representing a 73% increase on current numbers. These projections were important in order for the country to address the questions of how additional arrivals would be accommodated and where development efforts in the next ten years should be focused.

With regard to tourist source markets, the Ministry considered South Africa, Zimbabwe, United Kingdom, United States of America, Germany and Australia as the main markets for Zambia. However, there were potential new markets from Italy, the rest of Europe, South America, India and Japan that needed to be exploited.

### **Competitiveness of Zambia's Tourism Product**

The competitiveness of Zambia's tourism industry was linked to the diversity, differentiation, quality and satisfaction derived from products being offered in the various market subdivisions. Based on the consideration of the key factors that affected competitiveness, namely, regulatory framework, business environment and infrastructure, and human, cultural and natural resources, it could be said that Zambia was well on its path to improved competitiveness going by the positive developments in these areas. Therefore, the Travel and Tourism Council listed Zambia as having improved to 100<sup>th</sup> out of 130 in 2009. However, Zambia still had a lot of work to undertake to improve its business environment and infrastructure, human and cultural resources in relation to her regional competitors such as Namibia, Botswana and Kenya. Other areas of improvement included transportation, tourism industry supporting manufacturing and service industries, packaging of products and marketing, which at the moment were posing challenges to the country's competitiveness.

### **Zambia's Tourism Products**

Zambia has registered many changes related to its tourism products. Over the years, the traditional emphasis on wildlife-based leisure tourism has slowly broadened with the country recording growth in business tourism due to the expansion of formal and informal trade. Thus meeting, incentive, conference, and exhibition tourism has become an important source of income for hotels and service providers in the tourism industry. Hence, with regard to accommodation, there has been a shift in recent years where wildlife lodges and camps have been replaced by hotels, motels and guesthouses in many tourist zones.

Although wildlife-based leisure tourism still remains Zambia's major tourist attraction, this particular segment has also experienced change as a result of the change regarding management objectives in protected areas. While in the past Government maintained a policy to protect national parks and game management areas from tourism property developments, recent years has seen a trend towards environmentally sustainable commercialization of the protected areas.

At the moment Zambia's tourism product was largely considered to be friendly and high quality nature based tourism. In addition, there were other 'smaller segments' comprising backpackers, birding, cultural, adventure/sport, mining and meeting, incentive, conference and exhibition tourism whose growth were rising. These products were supported by the country's spectacular landscapes, traditional ceremonies, wildlife, natural and cultural resources. Most of these products are mainly located in the tourist areas of Livingstone, Upper Zambezi, Kafue, Kariba, Lower Zambezi, Luangwa, Northern Circuit, North-western Circuit, Lusaka and the Copperbelt.

## **TRENDS IN INVESTMENT**

### **Government Investment**

As indicated earlier in the report, the Government has elevated tourism to priority status as one of four key contributors to the national economy. Therefore, it was expected that investment in the sector would proportionally grow in real terms compared to previous years.

In the last few years, the focus for Government investment programmes in the tourism sector has been infrastructure development in and around major tourist attractions in the country. The priority focus for the past years has been on the Northern Circuit, Kafue National Park, Livingstone, Lower Zambezi and South Luangwa areas. The main thrust of the programmes has been to open up the areas for private sector investments by providing access and internal roads, airports, telecommunication facilities, accommodation, investing in natural resource management, electricity and water.

So far, progress in these areas was as follows:

- (i) construction of Mbala Kasaba bay road and the bridge over Lufubu river had been commenced and the estimated cost was K58.74 billion;
- (ii) rehabilitation and extension of Kasaba Bay airport, with a view to landing bigger aircraft, had reached an advanced stage (60% of major earth works had been completed) and the cost was estimated at K80 billion;
- (iii) construction of a 66 kv power transmission line from Mbala to Kasaba Bay and related infrastructure had commenced (80% complete) at an estimated total cost of K80 billion;
- (iv) upgrading of the Lunzuwa Power Station from 0.75 megawatts to 15.34 megawatts (feasibility studies had been completed and resources for the works are being mobilised);
- (v) development of physical infrastructure at Chishimba falls (i.e. visitor information centre, ablution blocks, shelters, pedestals, trails and new barriers), Zambezi river source in North Western Province, Lumangwe/Kabwelume falls monument site (i.e. visitor information centre, ticket office, staff housing units, ablution blocks at camp sites, and big shelter at Kabwelume to be completed in the 1<sup>st</sup> quarter of 2011), Kifubwa rock engravings and at the railway museum in Livingstone;
- (vi) rehabilitation of the Kalomo to Dundumwezi and Tateyoyo to Lushimba roads and the fire breaks in some sites in the Kafue National park to enhance tourist movements;
- (vii) commencement of works on crossings and three air fields in the Kafue National Park and which are expected to be completed this year;
- (viii) completion of water reticulation improvement and construction of six bridges at Ngoma and Chunga Wildlife camps and rehabilitation of staff houses in the Kafue National Park;
- (ix) rehabilitation of roads and street lights within Livingstone city;
- (x) rehabilitation of the Mukuni Park and its facilities as well as rehabilitation of the city hall and construction of public toilets at city centre in Livingstone;
- (xi) procurement of graders, front end loader, trucks and tractors for use in the maintenance of roads and air strips in the Kafue National Park;

- (xii) completion of the geology permanent exhibition and upgrading of the permanent exhibition at the Copperbelt and Moto Moto museums, respectively;
- (xiii) commencement of developments at Kabwelume and Lumangwe waterfalls;
- (xiv) construction of housing units for wildlife police officers in Chivundu and West Luangwa National Park to enhance wildlife management had commenced; and
- (xv) rehabilitation of roads leading to and within South Luangwa, Luambe, Kafue and West Lunga National Parks.

It was expected that when support infrastructure in these and other areas was uplifted it would help in marketing Zambia as a prime tourist destination. The Government was also investing heavily in efforts to improve wildlife and other natural resources conservation and management in the protected areas.

### Foreign Direct Investment (FDI)

The interest for increased Foreign Direct Investment (FDI) commenced with the change in Government Policy in 1991. Although in the initial years actual percentage, of investments made following pledges low, over the years the industry has seen increased fulfilment of investment pledges making the trend in FDI extremely positive. Information from the Zambia Development Agency (ZDA) (Table 1) indicates that there has been a hundred percent increase in investment pledges in the tourism industry each year since 2004. Some of the notable investments in the sector include Protea hotels, Sun international Hotel and a few lodges in key tourist destination centres.

**Table 1: Tourism Investments (ZDA), 2009**

	2004	2005	2006	2007	2008	Total
<b>No. of investments</b>	16	27	15	10	21	89
<b>Total pledged capital (US\$)</b>	6,626,545	10,869,275	20,553,969	78,406,759	183,455,701	299,912,249
<b>Average size of investments (US\$)</b>	414,159	402,566	1,370,265	7,840,676	8,735,986	18,763,651
<b>Employment</b>	530	605	557	1,512	3,560	6,764
<b>Average number employed</b>	33	22	37	151	170	413
<b>Hotel</b>	0	2	1	3	4	10
<b>Guesthouse or similar</b>	6	11	4		3	24
<b>Safari lodge or camp</b>	8	11	5	4	12	40
<b>Other type</b>			2	3	2	7
<b>Aviation</b>			1			1
<b>Tourism activity provider</b>	2	3	2			7

In addition to the growth in the interest to invest in the industry, the positive changes in the financial sector, which was one of the key support sectors to tourism, would also work to stimulate further investments in the tourism industry in the long-term.

## Domestic Tourism

The importance of domestic tourism becomes even more when one considered the vulnerability of the industry to external shocks such as slumps in economic performance in regional and international tourist source markets. During such periods when numbers of regional and international arrivals decrease, the domestic tourist market worked to stifle the impact of reduction in the numbers of foreign tourists. In some cases domestic tourism became particularly important to the viability of city hotels, guesthouses and lodges and could represent quite a significant share of the occupancy.

In the Zambian situation, domestic tourism has not yet reached the desired levels for it to play the role of augmentation and gap filling. While the number of regional and international arrivals had been increasing, the domestic tourist percentage appears to have remained static since 2005. However, during the period of the global economic crisis when international arrivals decreased rapidly, domestic tourism's contribution to the industry increased in relative terms.

Recent trends also show that hotels and lodges in urban areas were increasingly being accessed by the domestic market for leisure purposes as well as for local business and conference tourism. However, there was still a lot of potential in domestic tourism which needed to be tapped, especially as it relates to domestic tourists visiting the country's prime tourist destinations indicated above. The fact that establishments have lower rates for locals was an incentive which needed to be utilised by the locals. Among the major factors that surrounded the low levels of local tourists visiting the prime areas, was the culture (way of life) and insufficient extra income for leisure activities.

## Marketing

Tourism marketing was one of the key pre-requisites for the country to achieve increased visitor arrivals. It was for this reason that the Zambia Tourism Board (ZTB) was established through an Act of Parliament Number 24 of 2007, with a mandate to promote and market Zambia as a tourist destination within and outside Zambia. However, despite the known potential of the tourist attractions in the country to satisfy visitor needs, marketing of these products had not been to expected levels on account of low budgetary allocation to the marketing function. Compared to its regional competitors, Zambia had been allocating relatively low budgets to the marketing function and had resulted into low visitor arrivals compared to its regional counterparts as shown in the table below (NRCF, 2007).

**Table 2: Country Budgetary Allocation to Tourism Marketing in 2005**

COUNTRY	MARKETING BUDGET (US\$)	VISITOR ARRIVAL NUMBERS
South Africa	180 million	6,815,000
Tanzania	18 million	566,000
Botswana	7 million	1,523,000
Namibia	6 million	700,000
Zambia	1.5 million	515,000

As could be seen from the table, Zambia allocated the least amount towards tourism marketing and the implication was that its products becomes less known compared to the countries that spent more. It was, therefore, crucial that Zambia adequately allocate resources for its tourist attractions and products to be known and demanded.

Realising the critical need that marketing played in attracting foreign and local tourists, the Government has made efforts to progressively increase budgetary allocation for marketing



since 2005. For example, under the 2010 budget, the allocation for tourism marketing was increased to K12,700,000,000 up from K3,000,000,000 in 2009.

The efforts by the Government would need to be complemented by private sector initiatives, particularly given the advantages that lie in the use of Information and Communication Technologies (ICT) that could be used at relatively low cost to reach multitudes of potential clients globally. Accessing the international tourist source markets largely depended on general sales agents and foreign tour operators and this represents a 'leakage' of revenue from the industry. There was need for enhanced capability of the local agents and operators so that they could benefit more than they were currently doing.

### **Challenges**

While some of the challenges that the tourism industry in Zambia was experiencing could be regional and/or international, many could be considered to be peculiar to the Zambian situation. The major challenges that the industry faced are the following:

- (i) the tourism industry was very vulnerable to external economic shocks, exchange rate fluctuations, inflation, climatic conditions, health risks, political climate and other social changes. All these factors impacted on the demand and supply side of the industry equation and hence countries such as Zambia needed to constantly work to ensure that measures were put in place to mitigate against these risks;
- (ii) the need to package attractions in tourism circuits that incorporated many different areas of interest, would motivate tourists to plan longer stays and thereby increasing tourism earnings;
- (iii) largely under-developed infrastructure to support comfortable access and stay in tourist areas/zones, which makes transportation difficult and costly and was as a result of inadequate investment in tourism related infrastructure;
- (iv) low levels of and poor tourism marketing which made the country as a tourist destination less known;
- (v) the high cost of international access due to the many interconnections before arriving in Zambia;
- (vi) high cost of accommodation and inputs to produce services;
- (vii) low levels of diversification in order to offer a broad range of tourism products; and
- (viii) shortage of skills in the sector and the scarcity of good training facilities.

Your Committee was informed that Zambia's tourism industry has been and continues to improve in many aspects as shown above. However, it was also true that the country was still relatively unknown as top tourist destination and, therefore, was below the ranking of regional neighbours. This and the challenges highlighted in this report suggest that the country needs to put in place deliberate and practical measures to address the challenges as a way forward for the industry. Some of these measures could include, but not limited to, the following:

- (i) construction and rehabilitation of priority transport infrastructure into and within Zambia;

- (ii) improvement and/or investment in telephone and internet facilities to improve these services;
- (iii) improvement of labour productivity through better skills transfer and training capacity, especially in rural areas;
- (iv) reduction of input costs by identifying major cost points and their causes by examining taxes and the creation of a strong local supply capacity in at least selected import substitution areas;
- (v) diversification and creation of exciting and marketable brands;
- (vi) increased commitment from the Government through increased funding for marketing and infrastructure development;
- (vii) increase the level of marketing initiatives and improve the quality of marketing materials especially in regional and international source markets; and
- (viii) reduction of interconnections from tourist source markets into the country.

#### **SUBMISSION BY STAKEHOLDERS**

6. The following stakeholders submitted before your Committee:

- (i) Tourism Council of Zambia;
- (ii) Institute of Hospitality;
- (iii) Livingstone Tourism Association;
- (iv) Zambians Safari Company;
- (v) Zambia Wildlife Authority;
- (vi) National Heritage Conservation Commission;
- (vii) Zambia Tourism Board;
- (viii) Ministry of Tourism, Environments and Natural Resources;
- (ix) Mr E Chiganda(Member of the public); and
- (x) Quartz Limited.

The views of stakeholders are listed below.

The *Tourism and Hospitality Act* had taken too long to implement its functions of regulating the industry and in carrying out planning functions due to the structure which was onerous, and not in line with international best practice. It was not investor friendly and did not provide for synergies with other Acts and policies of Government such as the business licensing reform programme under the Public Sector Development Plan (PSDP).

A review of the tourism laws of successful countries in this sector had revealed that in Zambia's *Tourism and Hospitality Act* of 2007 was significantly out of line with international tourism law and practice. In each of these countries the promotion, marketing and operation of the tourism sector was substantially, if not wholly, in the hands of the private sector.

There was no clear policy on investment for local investor incentives on recapitalisation and this proved difficult as costs have been rising and fluctuating, especially on:

- (i) imported items making it difficult to keep the business with rising costs;
- (ii) high bank loan rates; there was no cheap money, banks had reviewed their lending loan policy, which was not affordable as a start-up capital. This had lowered the value of Kwacha. Macroeconomics environmental factors impacted high on operating costs

- and recapitalisation had risen, thereby making it uneasy to borrow from lending institutions for refurbishment or upgrading;
- (iii) high costs of fuel to maintain motor vehicles for most operators, who operate far from cities;
  - (iv) power generators, due to the electricity power load shading affecting the sector;
  - (v) too many operating licenses (minimum 15 per operator) which require payments; and
  - (vi) costly marketing and communication facilities, such as modern technology to other parts of the world to sell Zambia's products.

The stakeholders also lamented the following:

- (i) inadequate road and air infrastructure;
- (ii) inadequate public services, such as in Livingstone town;
- (iii) inadequate infrastructure and tourist facilities of the Victoria Falls World Heritage Site;
- (iv) cumbersome and time-consuming border procedures;
- (v) inadequate capacity and unreliability of key utilities like water and electricity;
- (vi) high regulatory charges (such as operator fees at the Victoria Falls World Heritage Site);
- (vii) V.A.T, if the zero-rating on accommodation is not continued after 31<sup>st</sup> December, 2010;
- (viii) complex licensing and administrative requirements;
- (ix) high import tariffs and requirements; and
- (x) complex Visa application procedures and high fees.

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

7. Your Committee learnt that the tourism industry is less competitive compared to regional competitors because Zambia was still largely an unknown destination. The industry continues to face constraints such as insufficient and uncoordinated marketing, absence of a national brand and insufficient budget for national marketing and promotions. Zambia's marketing budget has been on average one tenth of regional average.

Further, Zambia's uncompetitiveness is worsened by the fact that it is relatively an expensive destination. This is because some of the key markets for Zambia's tourism do not have direct flights into Zambia making the cost of travel generally high. Additionally, domestic flights within Zambia are very expensive. Furthermore, there are no other means of getting to most locations within Zambia due to the general poor state of roads inspite of tourism having been raised to number three priority in the economy, after mining and agriculture, as indicated in the 2009, 2010 and 2011 budgets.

Your Committee also observed that accommodation establishments are more expensive compared to the regional average and standards are low as there is no proper grading system in place. Your Committee heard that this is mainly as a consequence of the non-operationalisation of the *2007 Tourism and Hospitality Act*.

Your Committee concur that there is need for well skilled employees to provide quality service in the tourism sector, which will influence the success of the business. However, the Government's only tourism and hospitality school is not well funded for it to prepare the students to a full capacity. Some privately owned training institutions are running courses below standards as they lack capacity in provision of practical aspects of the training programme.

Arising from the above, your Committee recommends as set out below.

- (i) The Government should increase funding to the Zambia Tourist Board so that there can be meaningful marketing of Zambia as a tourist destination. It is your Committee's view that this will ultimately resolve issues of marketing and branding of Zambia's tourism product.
- (ii) The issue of expensive air fares within Zambia should be resolved as a matter of urgency in order to make Zambia an attractive destination. In this regard, the Government needs to put measures in place that will assist the aviation industry to provide cheaper services. Additionally, road networks leading to tourist destinations need to be worked on so as to make travel within the country cheaper.
- (iii) The Government should expedite the operationalisation of the *Tourism and Hospitality Act of 2007*, so that players in the industry can be regulated. This will resolve the issue of standard and grading of accommodation establishment. In addition, there is need for proper training institutions in the hospitality industry. The *Tourism and Hospitality Act of 2007* should address the licensing factors that had been affecting renewal and acquisition of operating permits. The process has to be redesigned and aligned with current needs and demands of a one stop-shop.

## **PART II**

### **TOUR REPORT**

#### **LOCAL TOUR REPORT OF THE COMMITTEE ON ENERGY, ENVIRONMENT AND TOURISM 10<sup>TH</sup> TO 14<sup>TH</sup> APRIL, 2011**

8. Your Committee visited the Northern Circuit and specifically toured Kasama Airport, Mpulungu Harbour, Lake Chila and Nsumbu National Park.

#### **KASAMA AIRPORT**

Although the terminal building was complete, it was not completely furnished due to lack of adequate funding. Further, the building did not have adequate office accommodation and subsequently the VIP lounge was being used for administrative purposes because the proposal for a two storey building was rejected due to security concerns. In terms of departure fees, these were at K2, 000 and submissions for the institution to review these fees had not been taken.

The airport was almost completely engulfed in tall grass, which the airport management was unable to cut due to lack of equipment and funds. The width of the runway has been reduced as it had been reclaimed by grass by five metres on each side. The tractor that was purchased to deal with the grass was of poor quality and broke down within a short time. The airport received K8 million per month out of the needed K14 million. This had to cover fuel, electricity, water, telephone and payment of casual workers.

Kasama Airport was generally understaffed with fourteen out of an establishment of forty being employed. The biggest challenge is lack of adequate controllers as it had only three controllers including the Chief Executive. Your Committee learnt that the reason why the institution was unable to employ more controllers was that there was no training taking place at the Zambia Service Training Institute (ZASTI).

The fire fighting station is understaffed with only five out of the needed fourteen fire-fighters. Further the fire fighters are unable to see the end of the runway from their location. In this regard, request for suitable location for the fire-fighters was made.

The runway, which is 1.8 km, needs to be extended to 3 km and this would render the current control tower redundant. This control tower was last painted during the Second World War.

The airport management informed your Committee that it had a dispute with the Senior Chief in the area who is encroaching on airport land. The Chief allocated some of the airport land to some individuals with one individual having built a house which was in the direct path of the runway.

### **Committee's Recommendations**

Arising from the above, your Committee makes the recommendations set out below.

- (i) On the issue of the land dispute, the Ministry of Communications and Transport should liaise with Kasama Municipal Council and the Ministry of Lands to resolve this matter. In this regard, surveyors should go on site to re-establish Kasama Airport boundaries. As for the envisioned expansion of the runway, your Committee recommended that this be done eastwards and not westwards.
- (ii) The Kasama Airport management, with the help of the parent Ministry should source for the Rural Roads Unit equipment to assist in managing the grass around the Airport. Additionally or in the alternative other stakeholders such as the Zambia Air Force should be available to assist in this regard.
- (iii) There should be a fuel facility for aircrafts that land or fly over Kasama Airport. In this regard, the Government should either provide these facilities or should issue a licence to individuals who have capacity to provide fuel as long as such individuals meet the necessary requirements.
- (iv) The K2,000 departure fee is totally unacceptable and should be reviewed to realistic levels of at least K50,000 as this would go a long way in assisting the airport in managing some of its affairs such as grass cutting.
- (v) The Government should revitalize the Zambia Air Services Training Institute and make it more functional so that it can cope with the demands of qualified staff in various airports.
- (vi) There is need for the Government to install modern fire fighting equipment and to employ adequate well trained fire fighting staff.

### **KASABA BAY AIRPORT**

The Resident Engineer explained that although progress had been made, there were cash flow problems resulting in the project not having been completed in December, 2010 as scheduled. He explained that the completion date had been pushed forward to 31 July, 2011. The project was, in this regard, still behind schedule as funding had not improved.

Your Committee was informed that the project was nearly at a standstill as there was no diesel and some casual workers had been laid off due to lack of funding. Your Committee also heard that four pieces of machinery from the Rural Roads Unit had been withdrawn and had to be outsourced from another global company. Additionally, it was not possible to repair equipment which broke down due to funding constraints.

It was explained that the initial budget for Kasaba Bay had been approximately K160 billion, but this had significantly reduced to K88 billion as the client had used the equipment from the Rural Roads Unit and only employed personnel. With regard to the Rural Roads Unit sourced

equipment, your Committee learnt that although the rest of the equipment was working, the graders had worked for a very short time before breaking down.

The Government has, thus far released K49 billion out of a total cost of K98 billion. The cost has gone up due to the redesigning of the culverts to accommodate cables. Your Committee learnt that Kasaba Bay Airport was being designed based on specification up to the weight of the 737-800 model aircraft. They further learnt that the stone crushing equipment was not working due to lack of diesel and drilling ports.

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

- (i) Your Committee is concerned that the noise pollution and restriction of animal movement as a consequence of this international airport will defeat the purpose of bringing international travellers for wildlife tourism. In this regard, your Committee wants to know the Government rationale for this project. It is your Committee's considered view that Kasaba Bay Airport can be maintained as a military airport and that Mbala Airport be converted for commercial purposes.
- (ii) Your Committee is uncomfortable that the Airport design is limited to the strength of the 737 – 800 model aircraft. It is of the view that this will limit the usefulness of the airport in the near future.
- (iii) Your Committee implore the Government to release funding for the completion of the project.

### **NSUMBU NATIONAL PARK**

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

Your Committee toured the park and make the observations set out below.

- (i) There is no proper cost effective way to get to the National Park. The alternatives are from Kasama via Mporokoso on a bad road which takes six or more hours or by boat on Lake using a minimum of 200 litres of fuel or flying in at an average cost of US\$ 3,000 by a small six seater chartered aircraft. This has an impact on the price of services and accommodation in the area.
- (ii) The animal stock is generally scanty as it has been depleted by rampant poaching in the Park. This will have a negative impact on tourism in the area as it is mainly wildlife based.
- (iii) The expansion of Kasaba Bay Airport into an international airport will have an effect on the animals as this will result in the fencing off of this area. Animals such as elephants have historical routes, which, if inaccessible to them, may lead to disorientation and rogue or problematic behaviour.
- (iv) Your Committee heard that there is a road, which is being constructed to Kasaba Bay from Mpulungu which should make the trip shorter. However, your Committee is uncertain of the status of this road and when it is scheduled for completion.
- (v) With the closure of Kasaba Bay Lodge, there are only two lodges operating in Nsumbu National Park and this does not help with the competitiveness of the pricing of the tourism product.

Arising from the above, your Committee makes recommendations as set out below.

- (i) The Government should expedite the construction of the Mbala-Kasaba Bay Road to lessen the cost of transport to the area and to encourage tourists. In this regard, your Committee wants to know the status of this road project, when it will be completed, and how much of the K58.74 billion has been released so far.
- (ii) The Government should encourage investment into lodges in Nsumbu National Park as well as the provision of related tourist activities such as a large tour boat that can operate on the Lake and also serve as a cheaper mode of transportation.
- (iii) There is need for a comprehensive report on the impact that the expansion of Kasaba Bay Airport will have on wildlife movement and patterns.

### **MOTTO MOTTO MUSEUM, MBALA**

Your Committee interacted with the Director of the museum and her staff.

Your Committee learnt the biggest challenge was that the Museum received low grants. In this regard, the museum only had resources to pay net salaries and consequently owed the National Pensions Fund Scheme Authority, the Compensation Fund as well as staff. Out of the monthly grant of approximately K159.3 million, only K70 million was given. Consequently, services such as telephone and internet had been disconnected due to non payment by the museum. The institution was unable to conduct meaningful research due to lack of resources. The situation was worsened by the bad road leading to the museum which discouraged potential tourists. The museum was understaffed with only twenty-one out of an establishment of thirty-four being employed. Further, the Museum security is inadequate as there were only two guards guarding the Museum twenty-four hours per day every day of the year. The situation was worsened by the fact that the electronic surveillance that was once installed had long ceased to function.

Your Committee observes that Mbala Museum was not part of the marketing of the Northern Circuit despite being the second largest museum and having the largest Ethnological collection and books.

It observed further that the issue of unstable power supply to the museum with constant outages has serious consequences as the museum handled artefacts that needed to be preserved and these were sometimes lost as they could not be refrigerated due to lack of power. Further, the power outages caused problems in that the museum cannot be toured at these times. This was also a security risk as some tourists and unscrupulous people could take advantage and steal priceless artefacts.

Your Committee also learnt that the museum did not have a storeroom as it was being used as an exhibition room where temperature could not be controlled in order to lengthen the lifespan of artefacts, thus reducing the lifespan.

### **Committee's Recommendations**

Your Committee makes the recommendations set out below:

- (i) The Government should adequately fund Motto Motto Museum in order to resolve the outstanding issues of pensions, transport, power, filling in the establishment and advertising for the museum. In this regard, it is primarily important that pensioners from the institution be paid off immediately so that they can vacate institutional houses in order for these have to be allocated to serving employees as well as to cut the cost being paid on rentals.

- (ii) The issue of security for the Museum needs to be addressed by the Government, as a matter of urgency.
- (iii) The Government should include this important tourist attraction in its marketing of the Northern Circuit. Your Committee is of the view that the Museum should be central to this package as it is an already established tourism product unlike most others which are potential tourist products.
- (iv) It is vitally important that the road leading to the Museum should be graded and tarred if the Museum is to be sold as a tourist product.

### **PART III**

#### **CONSIDERATION OF THE ACTION-TAKEN REPORT ON THE SECOND REPORT OF THE COMMITTEE ON ENERGY, ENVIRONMENT AND TOURISM FOR THE FOURTH SESSION OF THE TENTH NATIONAL ASSEMBLY**

##### **9. CONSIDERATION OF THE REPORT OF THE AUDITOR-GENERAL ON PROVISION OF WATER IN ZAMBIA**

###### **(i) Dismantling of huge debt owed to water utilities by Government Departments**

The Government in its response stated, inter alia, it had been implementing an arrears-clearance programme, under which all debt accrued by the Government ministries and departments for water and sanitation, electricity and telephone services received prior to 2002, are settled centrally by the Ministry of Finance and National Planning. Under this programme, all the Government ministries and departments have been directed to include in their annual budgets a programme under which payment for water and sanitation, electricity and telephone services would be.

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

Your Committee requests for a progress report on the dismantling of the debt i.e. how much has been paid and how much remains to be paid for all individual ministries and on the success of the programme of having all services paid for centrally by the Ministry of Finance and National Planning.

###### **(ii) Sensitisation of citizens on need to pay water bills and enforcement of debt management system by water utilities**

In response, your Committee was informed, inter alia, that through water-watch groups, radio and television programmes, and publications, North-West Water Supply Company (NWASCO) and commercial utilities had been sensitising consumers on the need to pay for water.

The tariff model was based on Government's National Water Policy Principle for full-cost recovery in the long-run. Therefore, the tariff model employed the cost-plus method which aims to cover all operational and maintenance costs at 85 percent of the billing and ensured extra revenue for collections made above 85 per cent.

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

Your Committee resolved to close the matter, subject to an explanation on the 85% of billing vis-à-vis unaccounted for water. Your Committee requests further for an



explanation on how costs for unaccounted for water are recovered as it consider that this and other inefficiencies are passed on to the consumer.

(iii) **Reduction of the levels of unaccounted for water to the acceptable sector benchmark of less than 25 percent.**

The Government responded that NWASCO and water utility companies had devised mechanisms for reducing the levels of unaccounted for water to the benchmark of 25 percent. NWASCO deliberately set the reduction of unaccounted for water by water utilities as a tariff condition for subsequent adjustments.

Other efforts aimed at reducing unaccounted for water include metering of customers and resolution of customer complaints, particularly through reducing the time taken for commercial utilities to respond to consumer complaints. As a consequence, in 2009, some commercial utilities such as North Western Water Supply Company (NWASCO) managed to reduce unaccounted for water to 31 percent from 33 percent.

To further enhance the curbing of water losses, NWASCO was in the process of developing a non-revenue water guideline, which placed greater focus on the areas to reduce wastage.

**Committee's Observations and Recommendations**

Your Committee will await a progress report on the matter.

(iv) **Metering of all water consumers**

The Chief Executive of NWASCO responded that water utilities had an on-going metering programme. On its part, the Government had been mobilising resources from the Treasury and the donor community for purposes of rehabilitating the run-down water supply infrastructure and extending services to new areas. This mobilisation of resources would continue until the entire country was covered and 100 percent metering of customers was achieved.

**Committee's Observations and Recommendations**

Your Committee will await a progress report on the rehabilitation and metering process.

Arising from deliberations on the Report of the Auditor-General on the Provision of Water in Zambia, the your Committee undertook tours to Mopani Copper Mines (MCM) and Mulonga Water and Sewerage Company (MWSC) in Mufulira to, among other things, gain insight into the supply of raw water from MCM to MWSC.

(v) **Raw water supply project at Mopani**

The Government explained that it was of the view that the proposed raw water supply project at MCM would compliment the efforts of MWASCO of increasing supply coverage and ultimately benefit the community. The proposed project would not result in any loss of revenue for MWASCO.

**Committee's Observations and Recommendations**

Your Committee will await a progress report on the development of the project.

## **CONSIDERATION OF THE REPORT OF THE AUDITOR-GENERAL ON SOLID WASTE MANAGEMENT IN ZAMBIA**

### **LUSAKA CITY COUNCIL**

#### **(i) Public education on waste collection and proper waste management**

The Government responded that it had, through the Ministry of Local Government and Housing, developed and disseminated Guidelines for Private Sector Participation in Solid Waste Management and this would continue to be used for training of the local authorities. One of the guiding principles was that local authorities should establish waste management units to specifically deal with environmental issues and co-ordinate effectively the activities aimed at keeping the district clean.

Additionally the Ministry of Local Government and Housing was developing a generic Statutory Instrument to facilitate the franchising of service provision and private-sector participation in solid waste management in cities and municipalities.

The Government further reported that the Lusaka City Council had started producing and distributing brochures in both English and all major local languages aimed at sensitising residents on the benefits of waste collection and proper waste management.

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

Your Committee wishes to be availed a progress report on the matter.

#### **(ii) Proper display of safety signs at the engineered landfill at Chunga**

The Government responded that the Council had made improvements to the perimeter wall from revenue raised at the Chunga Landfill. The Chunga Landfill operated a single cell that accepted commingled municipal waste as opposed to an integrated site that received all types of waste including hazardous waste. It was for this reason that some employees were specifically employed to direct traffic and ensure order at the landfill. However, the Government had taken note of the committee's recommendation that safety signs are correctly displayed.

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

Your Committee wishes to be availed a progress report on the matter.

#### **(iii) Integration of waste pickers into waste management system**

The Government responded that at the inception of the Landfill, Lusaka City Council had developed guidelines for waste pickers whose implementation was unsuccessful. The Council was, therefore, reviewing the guidelines to suit the current situation. It was of the view, however, that waste pickers made important contributions to environmental sustainability by reducing the amount of waste that goes to landfills and providing inputs for recycling.

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

Your Committee does not agree that waste pickers make an important contribution to environmental sustainability by reducing the amount of waste that goes to landfills and provide inputs for recycling. In this regard, it wishes to be availed a progress report on the use of trained and well equipped personnel.

## **NDOLA CITY COUNCIL**

### **(iv) Development on engineered landfill by Ndola City Council**

The Government in its response stated that the Ndola City Council would endeavour to expedite the process of developing an engineered landfill. Since a site had already been identified, preliminary designs of the landfill were being awaited. The project was amongst Ndola City Council's submissions towards the Sixth National Development Plan (SNDP).

The Government stated further that it was its desire to have engineered landfills in all the cities and municipalities. However, establishment of engineered land-fills was a capital intensive undertaking and as such Government would continue to seek donor support to finance the investments. Wherever possible, the establishment of regional or shared land-fills would be encouraged between districts.

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

Your Committee is of the view that the Government is non committal on this matter and, therefore, requests a progress report on development of a landfill in Ndola. In this regard, it also wishes to know what has been done so far on Government's commitment other than what is in the Sixth National Development Plan (SDNP).

### **(v) Uncovered waste transported through Ndola City**

The Government responded that the Ndola City Council was implementing a strategy on transportation of waste by ensuring that tents for the tipper trucks had been procured and garbage was transported whilst it was covered. Furthermore, the Council, in a meeting held on Monday 28th December, 2009, had made resolutions to that effect.

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

Your Committee requests a progress report on the matter.

## **KITWE CITY COUNCIL**

### **(vi) Non adherence to rules and regulations governing waste management**

The Government, in its response stated that the Kitwe City Council was charged with the responsibility of providing services such as solid waste management to the residents of Kitwe. In order to adhere to the rules and regulations that govern waste management, the Council has put necessary measures in place.

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

Your Committee requests a progress report and a time frame on the matter.

### **(vii) Workable strategies to improve COP-WASTE operations**

In response, Government stated that COP-WASTE was formed to provide solid waste management in the Copperbelt, including the City of Kitwe. However, the Company was unable to collect waste from all areas of the city due to capacity constraints. To this effect, all the Councils had been directed to establish Solid Waste Management Units which would specifically have the responsibility of solid waste management and monitoring operations of COP- WASTE and other private contractors. This was provided for in the *Guidelines for Municipal Solid Waste Management* developed by the Ministry of Local Government and Housing.

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

Your Committee requests a progress report on the setting up of Solid Waste Management Units.

#### **(viii) Local authorities to take charge of waste management services**

In response, the Government explained that COP-WASTE mainly carried out activities in the former mining townships and low density areas such as Parklands and Riverside. This was historical and also a result of capacity. It was in this vein that Kitwe City Council has procured two tipper trucks and a front-end loader to ensure that waste was collected from high density areas as well.

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

Your Committee wishes to find out if this equipment is adequate to cover areas that were previously not receiving these services.

#### **(ix) Councils to source funds for capitalising waste management**

The Government reported that the Kitwe City Council, on behalf of COP-WASTE, had secured some funding through Nkana Water and Sewerage Company for carrying out improvements to the dumpsite. COP-WASTE had procured fifty-nine skip bins of which a good number would be strategically placed in different locations of the city for waste storage and a bulldozer to be used at the dumpsite, which was awaiting clearance in Lusaka. In addition, the Kitwe City Council had identified three possible areas for a dumpsite of which one of them would be selected, upon approval by the Environmental Council of Zambia (ECZ). The long term plan was that the said dumpsite would be an engineered sanitary landfill.

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

Your Committee requests a progress report on the matter.

#### **(x) Collection of waste charges by COP-WASTE through all water bills when not providing services in certain areas**

The Government responded that the Kitwe City Council had since engaged the management of COP-WASTE with a view to finding a lasting solution to the problem of billing and your Committee would be ably informed in due course. The Company would soon broaden its base to cover all the areas where utility Companies were providing water.

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

Your Committee requests a progress report on the matter on all Copperbelt towns where COP-WASTE operates from.

#### **(xi) Accountability for fees collected at dumpsites**

The Government responded that the Kitwe City Council was working towards implementing a system under which the costs would be itemised under main categories such as refuse removal, street cleaning and the administrative overheads. Further, organisations that brought waste to the disposal site would be required to pay a fee for using the site. In addition, the Council would regularly use a wheeled shovel- loader to improve operations.

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

Your Committee requests a progress report on the matter.

### **KABWE MUNICIPAL COUNCIL**

#### **(xii) Need to develop engineered landfill for Kabwe**

The Government responded that plans were underway to have an improved dumpsite with the construction of a shelter and appropriate fencing. This would enable the personnel to manage the dumpsite, especially during the rainy season. In the past, it was difficult to manage the site due to illegal dumping of waste making the roads in and out of the dumpsite impassable. Furthermore, the dumpsite would be zoned to separate the various waste types, e.g. bio-degradable from non bio-degradable.

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

Your Committee requests a progress report on the matter.

#### **(xiii) Commendation on Kabwe Municipal Council's efforts on Solid Waste Management**

The Government responded that it was grateful for your Committee's commendation. It explained that although it was quite costly to manage a landfill, Kabwe Municipal Council was in the process of identifying land for a landfill whose management would be done through a public private partnership. This intervention would endeavour to create an environmentally and user friendly dumpsite.

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

Your Committee requests a progress report on the development of a landfill.

### **SOLWEZI MUNICIPAL COUNCIL**

#### **(xiv) Capacity building in waste management for the Environmental Council of Zambia and local authorities**

The Government responded that it was aware of the need to build the capacity of the Environmental Council of Zambia (ECZ) and local authorities to enable them improve their operations. However, the Government was constrained as it did not have adequate financial resources to strengthen these institutions to the level where they ought to be. As the Government's financial capacity improved, your Committee was being assured, that these institutions would be given due attention.

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

Your Committee urges Government to prioritise the enhancement of the ECZ and local authorities due to the importance of environmental matters.

#### **(xiv) ECZ enforcement of licences for waste management**

The Government responded that, through the ECZ, it had embarked on a vigorous licensing campaign to ensure that all Councils and other waste management operators obtained licenses for the operation of dumpsites and transportation of solid waste. As at 31 August, 2010, more than twenty-five Councils had been licensed by ECZ, to operate waste disposal sites and

transportation of waste. The campaign would go on until all the Councils and waste management operators were licensed.

#### **Committee's Observation and Recommendations**

Your Committee requests a progress report on the matter.

##### **(xvi) Sensitisation of citizens on proper waste management practices**

The Government responded that the Government, through the ECZ, it had initiated sensitisation programmes on community radio stations in all the provinces to ensure that citizens practiced environmentally friendly waste separation, management and disposal. In addition, a committee had been constituted among manufacturers and producers of packaging materials, to examine the viability of setting up a producer responsibility organisation. It was envisioned that the mandate of this organisation would be to collect all used packaging materials and conduct awareness programmes on behalf of the industry in close liaison with ECZ.

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

Your Committee requests a progress report on manufacturers and producers.

##### **(xvii) Development of material recovery facilities by local authorities**

The Government responded that it was pleased to report that, measures aimed at ensuring safe disposal of hazardous materials were currently being put in place. In order to effectively deal with electrical and electronic waste, a Working Group consisting of different stakeholders had been constituted with the view to ensure that material being disposed were safe to the environment and the public.

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

Your Committee requests a progress report on the matter.

##### **(xviii) Monitoring of manufacturers of packaging materials and retail outlets by the ECZ**

In its response, the Government stated that, through the ECZ, it had been monitoring manufacturers of packaging materials and retail outlets with a view of regulating them as they contributed significantly to the solid waste situation around the country. Weekly patrols were carried in conjunction with the Lusaka City Council and the Zambia Police in areas where illegal and indiscriminate waste disposal had been rampant. However, coverage was still limited considering the huge number of manufacturers.

In addition, the ECZ had drafted the Extended Product Responsibility (EPR) Regulations which were now at the Ministry of Justice awaiting clearance. The EPR, Regulations would seek, among other things, to compel manufacturers of packaging materials to be actively involved in the management of the resultant solid waste.

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

Your Committee is of the view that the issue of monitoring manufacturers and producers has not been adequately addressed. In this vein, it requests for a progress report on the matter.

**(xix) Development of proper engineered landfills in all councils in the country**

The Government responded that it was pleased to note that your Committee's recommendation was in line with the provisions in the Solid Waste Management Strategy of 2004. However, the local authorities would need capitalisation if the idea of engineered landfills had to be realised because one engineered landfill required several million US dollars to construct. The Government would continue to work towards building capacity in the local authorities and the development of engineered landfills.

**Committee's Observations and Recommendations**

Your Committee requests a progress report on the matter.

**CLIMATE CHANGE ADAPTATION AND MITIGATION IN ZAMBIA**

**(i) Zambia balancing its developmental needs with reduction in green house gases**

In its response, the Government stated that it was finalising the preparation of the Second National Communication strategy which would give a clear picture of the current position on the green house gas emissions. It was true that climate change was already having a negative impact on important sectors in Zambia.

The Government agreed with your Committee's view that everyone needed to play a part in ensuring that the country balanced its developmental needs with reduction in green house gases emission on the global scale was critical. In view of this, the Government, through the Ministry of Tourism, Environment and Natural Resources was working with other stakeholders to create sufficient awareness among the public.

The Government, through the Ministry of Information and Broadcasting Services, was also creating awareness on climate change issues by working closely with all media institutions in the country.

**Committee's Observations and Recommendations**

Your Committee observes that not enough is being done in the area of sensitisation of the public. It, therefore, urges the Government to do more.

**(ii) Low emission economic growth path**

The Government responded that, through the National Energy Policy of 2008, it ensured that energy sources were produced, transported and utilised in an environmentally friendly manner. The policy measures were aimed to address issues that included reduced consumption of wood fuel, increasing utilisation of renewable energy sources and reduction of green house gas emissions from the energy sector as well as the promotion of energy management.

Amongst the measures being implemented, the Government was promoting the use of modern energy sources. These included the promotion of energy sources such as solar energy, the phasing out of leaded fuel and the promotion of use of liquefied petroleum gas and gel as a substitute for wood fuel.

In addition, under a United Nations supported programme on Reducing Emissions from Deforestation and Forest Degradation (UNREDD), Zambia had received US\$4.49 million, which would go towards ensuring that the wanton cutting of trees was reduced through the provision of incentives to forest dependent communities who were looking after their forest estate properly.

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

Your Committee wishes to be informed on the benefits accrued from the US\$ 4.49 million. Further, it recommends that Government should find ways and means of ensuring that other energy sources were used.

#### **(iii) Community based climate change adaptive strategies**

In response, the Government stated that, through the Ministry of Tourism, Environment and Natural Resources, with support from the UNDP and Norwegian Government, it had already commenced the process of developing a comprehensive National Climate Change Response Strategy (NCCRS). The NCCRS would address adaptation, mitigation, technology and financing. The NCCRS was also expected to make recommendations on policy and legal frameworks including the most effective institutional framework that would be required to implement climate change programmes. The Ministry of Tourism, Environment and Natural Resources was engaged in stakeholder consultations on the NCCRS and expectation was that a draft NCCRS would be in place by the end of 2010.

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

Your Committee requests a progress report on the development of the NCCRS.

#### **(iv) Creating climate change awareness at all levels**

The Government responded that it was taking steps to scale up public awareness campaigns on climate change at all levels, from national to local. For example, ministries had visited a number of provinces in the year 2010, with specific programmes to create awareness.

With regard to the role of the media, the Government, through the Ministry of Tourism, Environment and Natural Resources, had been organising media training workshops for journalists to equip them with climate change information for dissemination. The objective was to equip the media with useful information, which they were expected to disseminate to the public.

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

Your Committee is dissatisfied with the coverage on climate change issues and in this regard recommends that environmental experts should be trained as journalists.

#### **(v) Caution on carbon sinking vis-à-vis loss of valuable forests**

The Government responded that it had taken note of the caution by your Committee regarding carbon sinking and its potential negative effects on Zambia's valuable forests. The Government informed your Committee that it placed the interests of communities at the forefront whenever dealing with forest resources.

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

Your Committee being dissatisfied with the response would like to know when the amendments to the *Forestry Act* would be brought before Parliament so that these issues are addressed. It also wishes to know when the Forestry Policy of 1998 would be reviewed as well as when the *Forest Act No. 7 of 1999* would be operationalised.



## **FORESTRY DEPARTMENT — CENTRAL PROVINCE**

### **(vi) Attachment of greater value to Forestry Department**

The Government responded that it attached great value to the operations of the Forestry Department. It assured your Committee that the Government was taking steps aimed at enhancing the operations of the Forestry Department. These steps included reviewing the National Forestry Policy of 1998 with a view to capture the challenges in the forestry sector and operationalize the *Forest Act No. 7* of 1999. Once the Act was operational, the Forestry Department would receive increased financial, material and human resources, needed for effective protection and management of forests.

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

Your Committee requests a progress report on the matter.

### **(vii) Operationalization of the *Forestry Act*, Chapter 199 of Laws of Zambia**

The Government responded that the *Forest Act No. 7* of 1999 had not been operationalized due to financial constraints. To operationalize the Act entailed creation of a semi-autonomous institution, retiring serving civil servants and then re-engaging them. The cost implications in terminal benefits were too high for Government to bear.

In view of this impediment, the Government was reviewing the National Forestry Policy of 1998, with a view to capturing the challenges in the forestry sector and operationalise the *Forest Act No. 7* of 1999. Once the Act was operationalised, sections that demanded creation of a semi-autonomous institution would be amended with the view of strengthening the Forestry Department structure at district and camp level for effective management of forest resources.

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

Your Committee requests a progress report on the matter.

### **(viii) Legality of the mining activities in North Swaka Forest**

The Government responded that it took note of your Committee's recommendations and wished to state that the Ministry of Tourism, Environment and Natural Resources held consultations with Ministry of Mines and Mineral Development to ascertain the legality of the mining operations in North Swaka Forest Reserve. Through these consultations, the following was established:

- i) the mining activities in North Swaka Forest Reserve involved illegal extraction of Gold and Ministry of Mines and Minerals Development was not aware of any license being issued to allow the said activities. However, from the discussions it was established that the Ministry of Mines and Minerals Development office in Mkushi had since been temporarily closed in an effort to correct operations such as the one in question;
- ii) consultations with the Forestry Department, Central Province office revealed that the activities in question had since been stopped in North Swaka Forest, however, the mining had continued on traditional land; and
- iii) regarding consultations on the mining operations, Ministry of Tourism

Environment and Natural Resources and Ministry of Mines and Minerals Development would continue to hold talks in the hope of finding a long lasting solution to similar problems.

**Committee's Observations and Recommendations**

Your Committee wishes to be availed a comprehensive report on the matter.

**ZAMBIA FOREST AND FORESTRY INDUSTRY CORPORATION**

**(ix) ZAFFICO Limited to increase efforts in increasing replanting of harvested stands and plantation areas**

In response, the Executive stated that Zambia Forestry and Forest Industries Corporation Limited was facing operational and financial challenges. One of these challenges was the IDA loan that the Government on-lent to Zambia Forest and Forestry Industry Corporation. ZAFFICO in its current financial position was unable to service the IDA loan. ZAFFICO in its current form was, therefore, unable to increase replanting of harvested stands and also increase its plantation areas.

**Committee's Observations and Recommendations**

Your Committee requests a more concrete answer regarding how the Corporation will service the loan.

**(x) Development of mechanisms for encouraging private sector participation in growing of new forest plantations**

The Executive responded that your Committee's recommendation that the Government develop mechanisms for encouraging private sector participation in growing new forest plantations was noted and would be subjected to stakeholder consultation.

**Committee's Observations and Recommendations**

Your Committee requests a progress report on the matter.

**(xi) Recapitalisation of ZAFFICO Limited**

The Government responded that it was aware of the operational and financial challenges that Zambia Forestry and Forest Industries Corporation Limited was facing. One of these challenges was the IDA loan that the Government borrowed on behalf of ZAFFICO. ZAFFICO, in its current financial position, is unable to service the IDA loan.

In the interest of keeping the company afloat, the Government, through the Ministry of Finance and National Planning, was discussing the conversion of the IDA loan into equity in the company. Meanwhile, the Ministry was awaiting financial statements from ZAFFICO in order to conclude the discussions. Further, discussions were underway to recapitalise the company in form of either sale or leasing of 1,500 hectares of forestry plantation or bringing in an equity partner to effectively manage the company.

**Committee's Observations and Recommendations**

Your Committee requests a progress report on the matter.

## **LUMWANA COPPER MINES**

### **(xii) Monitoring of Uranium by the Environmental Council of Zambia, Ministry of Mines and Minerals Development**

In response, the Executive informed your Committee that, exploration and mining of uranium was not new to Zambia. It started way back in the 1950s, at Mindolo underground mine of Nkana in Kitwe. A total of 120 metric tonnes of uranium was mined during the period 1957 to 1959. In the 1970s and 1980s, considerable exploration activities were undertaken under the *Prescribed Minerals and Materials Commission and the Mines and Minerals Act of 1974*.

Prior to sanctioning any of the recent uranium exploration and mining activities, Zambia developed international standards for the exploitation of uranium, which were contained in the Mines and Minerals Development (Prospecting, Mining and Milling of Uranium Ores and Other Radioactive Minerals) Regulations of 2008. The regulations were developed under the guidance of the International Atomic Energy Agency and passed through Statutory Instrument No. 85 on 12th September, 2008.

The Regulations covered exploration, mining, milling, storage, transportation, export, marketing, safety, health and environmental protection standards. The Regulations were complimented by:

- i) the Mines and Minerals (Environmental) Regulations of 1997;
- ii) *Radiation Protection Act* of 2005 under the Ministry of Health; and
- iii) the *Environmental Protection and Pollution Control Act* of 1990 under the Ministry of Tourism, Environment and Natural Resources.

The Executive added that, the Ministry of Mines and Minerals Development had been building capacity to regulate uranium exploration and mining activities. The Mines Safety Department under the Ministry had acquired radiation testing equipment and emergency suits for use in monitoring uranium exploration and mining activities. The Department was also conducting training workshops in radiation safety for inspectors under the Mines Safety Department.

The Mines Safety Department had included monitoring of uranium exploration and mining activities as one of the priority programmes. This was to ensure that all activities were carried out in accordance with approved programmes and procedures.

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

Your Committee requests a progress report on the matter.

## **ITEZHI TEZHI TOUR REPORT**

### **(xiii) Delayed commencement of the Project**

In response, the Executive stated that a special purpose vehicle company (Itezhi-Tezhi Power Company) comprising ZESCO Limited and Tata had been formed and implementation of the project had started. An Engineering Procurement Contract was signed in 2009. To show commitment to develop the project, the Zambian Government had acquired a loan of US \$50 million from the Indian Government for on-lending to ZESCO Limited as equity. It was expected that the civil works will commence in October, 2010.

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

Your Committee wishes to be availed a progress report on the matter.

#### **(xiv) Repair of road to Itezhi-Tezhi**

In response, the Government agreed with your Committee that repairing the road leading to Itezhi Tezhi may boost the tourism potential of the district. In this regard, the Ministry of Energy and Water Development would liaise with the Ministry of Works of Supply so that the repair of the road was included in the Roads Development Agency Budget for 2011.

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

Your Committee requests a progress report on the matter and wishes to find out if this has been budgeted for.

## **CONSIDERATION OF ACTION-TAKEN REPORT ON THE FIRST REPORT OF THE COMMITTEE FOR THE FOURTH SESSION OF THE TENTH NATIONAL ASSEMBLY**

### **RURAL ELECTRIFICATION**

#### **(i) Study on rural electrification**

The Government responded that the Government through the Ministry of Energy and Water Development, it was yet to conduct the study to determine what percentages of rural areas have been electrified.

The Ministry of Energy and Water Development was carrying out consultations on how best to design and conduct the study. The study would among other things survey and determine the actual rates of electricity access in the rural areas.

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

Your Committee requests a progress report on the matter.

### **TOURISM AND HOSPITALITY TRAINING**

#### **(ii) Progress on monitoring and evaluation of tourism and hospitality training institutions**

In response, the Government confirmed that sufficient consultations took place between the Ministry of Tourism, Environment and Natural Resources and the Technical Education, Vocational and Entrepreneurship Training Authority when developing syllabi for institutions that provided training programmes in the Tourism Industry. However, Government recognised the need to strengthen the capacity of the Technical, Educational, Vocational and Entrepreneurship Training Authority in developing and monitoring standards, infrastructure, premises, and qualifications of lecturers and accreditation of colleges providing tourism training. In this regard, the Government through the Ministry of Tourism, Environment and Natural Resources was reviewing Section (1) in the *Tourism and Hospitality Act* No. 23 of 2007. The review would necessitate the Ministry of Tourism, Environment and Natural Resources and Technical Education, Vocational and Entrepreneurship Training Authority working in collaboration with each other when setting up standards. By so doing, it was envisaged that with this higher level of interaction, more synergies would be created in the development and monitoring of tourism training standards.

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

Your Committee requests a progress report on the matter.

#### **(iii) Progress on Livingstone University**

The Government responded that it had, through the Hotel and Tourism Training Institute Trust (HTTI), identified and was given traditional land for the construction of a university in Livingstone. Land survey had been done and diagrams submitted to the Ministry of Lands for issuance of an offer letter to facilitate the issuance of a title on the land. The offer letter was being awaited from the Ministry of Lands.

Further, HTTI had drawn architectural plans for the university and a business plan, together with a budget, had been developed to guide investments into the project.

At present, HTTI was looking at options of raising finances to fund the project considering that Government resources were not adequate to meet the required funding. It was estimated that construction of the building, roads to and within the campus and provision of utilities to the project site (hard infrastructure) would cost in excess of US\$35 million.

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

Your Committee requests a progress report on the matter.

## **GRADING AND CLASSIFICATION OF HOSPITALITY ESTABLISHMENTS**

#### **(iv) Progress on grading and classification of hospitality establishments**

The Government submitted that the Statutory Instrument for licensing of tourist enterprises was issued in December 2009 under S I No. 109. However, before classification and grading of hotel establishments could take place, the establishment and its manager needed to be licensed.

In view of this, in operationalising the new *Tourism and Hospitality Act No. 23 of 2007*, the Government submitted draft Statutory Instruments to effect tourism enterprise licensing and the licensing of hotel managers. However, the Ministry of Justice was still finalising the S I on the Hotel Managers Registration Council which would provide for the licensing of hotel managers.

The Government through a stakeholder-consultative process, had developed classification and grading systems which are going through internal scrutiny before a draft S I could be sent to the Ministry of Justice for issuance and for the Ministry to implement the classification and grading systems. It was envisaged that the two SIs would be issued before the close of the year 2010, so that classification and grading of hotel establishments could start at the beginning of 2011.

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

Your Committee requests a progress report on the matter.

## **GAME MANAGEMENT PLANS**

#### **(v) Progress on the Legal status of Game Management Plans**

The Government responded that in 1998, Parliament enacted the *Zambia Wildlife Act*

*No. 12 of 1998* which repealed the *National Parks and Wildlife Act of 1991 Cap 201*. Therefore the conservation and management of wildlife and its habitat is guided by the *Zambia Wildlife Act No. 12 of 1998* and there was no other Act that provided for the execution of the above functions.

The Government submitted that the Ministry of Tourism, Environment and Natural Resources, through a consultative process, was reviewing the *Zambia Wildlife Act No. 12 of 1998*. According to the Ministry's roadmap, the review process was expected to be finalised by the end of 2010.

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

Your Committee requests a progress report on the matter.

#### **ZAMBIA WILDLIFE AUTHORITY**

##### **(vi) Progress on ZAWA funding challenges**

The Government responded that it was pleased to report that considerable progress regarding the development of Lusaka National Park has been made. With regard to infrastructure development, the access road had partially been done. The remainder of the stretch of roads would be recommended to the 2011 Work Plan of the Road Development Agency (RDA). Fencing of the Park was on-going and was expected to be completed by December, 2010

Your Committee was further informed that, restocking of animals had commenced with about 207 animals having been introduced into the park but due to security concerns, this exercise had been halted until the fence has been completed. This exercise would therefore, continue the following year as animal capture was done only in the cold months of the year in order to minimize on stress on the animals.

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

Your Committee requests a progress report on the matter.

#### **KAPISYA GEOTHERMAL PLANT**

##### **(vii) Progress on revival of Kapisya Geothermal Plant**

The Government responded that in 2009, it engaged a consultant, KENGEN, to review the feasibility study for the project. The study report recommended that the project could be upgraded from the current 250 kilowatts to 2000 kilowatts (2 Megawatts) at an approximated cost of US \$12.5 million. Therefore, the Government was still looking for funding to implement the project.

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

Your Committee requests a progress report on the matter.

## **CONCLUSION**

10. In conclusion, your Committee wishes to express its gratitude to you, Mr Speaker, and to the Clerk of the National Assembly for the support rendered to it during the year. Your Committee is also indebted to all the witnesses who appeared before it for their co-operation in providing the necessary memoranda and briefs.

Your Committee is hopeful that the observations and recommendations contained in this report will go a long way in improving the energy, environment and tourism sectors in Zambia.

**P P CHANDA, MP**  
**CHAIRPERSON**

April 2011  
**LUSAKA**