



REPUBLIC OF ZAMBIA

REPORT

OF THE

**COMMITTEE ON CABINET AFFAIRS ON THE REVIEW OF THE OPERATIONS OF
THE FINANCIAL INTELLIGENCE CENTRE (FIC)**

FOR THE

FIFTH SESSION OF THE THIRTEENTH NATIONAL ASSEMBLY

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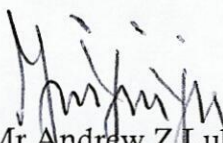
FOREWORD

Hon Madam Speaker, the Committee on Cabinet Affairs has the honour to present its Report for the Fifth Session of the Thirteenth National Assembly on the *Review of the Operations of the Financial Intelligence Centre (FIC)*. The Committee's functions are set out in Standing Orders 206(m) and 207 of the National Assembly of Zambia Standing Orders, 2024.

To acquaint itself with the operations of the Financial Intelligence Centre, the Committee held ten meetings during the period under review. To fully interrogate the topical issue, the Committee requested detailed memoranda from various stakeholders, who were later invited to speak to their written submissions and make clarifications on matters arising there from. The list of stakeholders who made submissions to the Committee is at Appendix II.

The Committee's Report is organised in two parts. Part I presents the findings from the Committee's deliberations on the topical issue and the Committee's observations and recommendations. Part II outlines the Committee's consideration of the Action-Taken Report on the Report of the Committee for the Fourth Session of the Thirteenth National Assembly.

The Committee is grateful to all stakeholders who tendered both written and oral submissions and further wishes to thank you, Madam Speaker, for affording it an opportunity to carry out its work. It also appreciates the services rendered by the Office of the Clerk of the National Assembly throughout its deliberations.


Mr Andrew Z Lubusha, MP
CHAIRPERSON

March, 2026
LUSAKA

LIST OF ACRONYMS AND ABBREVIATIONS

FIC	Financial Intelligence Centre
AML	Anti-Money Laundering
CTF	Counter Terrorist Financing
FATF	Financial Action Task Force
LEAs	Law Enforcement Agencies
STRs	Suspicious Transaction Reports
8NDP	Eighth National Development Plan
OPP	Office of the Public Protector

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1.0 MEMBERSHIP OF THE COMMITTEE

The Committee consisted of Mr Andrew Lubusha, MP, (Chairperson); Ms Sibeso K Sefulo, MP, (Vice Chairperson); Ms Chushi C Kasanda, MP; Rev Given K Mwelwa, MP; Mr Elias M Musonda, MP; Mr Peter Phiri, MP; Mr Cliff Mpundu, MP; Mr Kaliye Mandandi, MP; Dr Christopher Kalila, MP; Mr Newton Samakayi, MP.

PART I

2.0 CONSIDERATION OF THE TOPICAL ISSUE

2.1 REVIEW OF THE OPERATIONS OF THE FINANCIAL INTELLIGENCE CENTRE (FIC)

2.1.1 Background

The Financial Intelligence Centre (FIC) is Zambia's central agency for combating financial crimes, including money laundering, terrorist financing, and other illicit financial activities. Established under the *Financial Intelligence Centre Act No. 46 of 2010*, the FIC plays a pivotal role in safeguarding the integrity of Zambia's financial system.

In 2020, the Committee on Cabinet Affairs reviewed the operations of the FIC. However, the financial landscape has continued to evolve, with increasingly complex schemes being used to channel illicit funds. According to the FIC-2024 Trends Report, in 2024 alone, the Centre received about 700 reports of illicit financial flows, estimated at over USD3 billion. Many of these cases involved the use of shell companies and foreign nationals acting as proxies to conceal criminal activities.

Transparency International Zambia, in its 2024 Trends Report, warned that public sector corruption was not receiving sufficient attention. It urged the FIC to enhance its oversight of government-related financial crimes to ensure stronger accountability.

The effectiveness of the FIC also continued to face challenges, including inadequate resources, limited enforcement capacity, and the growing sophistication of financial crimes. While progress had been made in data collection and analysis, there were gaps in the Centre's legislative framework, inter-agency cooperation, and ability to respond to emerging threats.

Given the crucial role played by FIC in preserving financial integrity and Zambia's obligations under international anti-money laundering and counter-terrorist financing standards, the Committee resolved to undertake a follow-up review of the institution's operations. This was to help identify progress made since the last assessment, highlight persisting gaps, and recommend measures to enhance the Centre's effectiveness in combating financial crimes.

2.1.2 Objectives of the Study

The objectives of the study were to:

- (i) appreciate the adequacy of the FIC's legal and policy framework in line with international anti-money laundering and counter-terrorist financing standards;
- (ii) assess the extent of inter-agency coordination and stakeholder collaboration with law enforcement, regulators, and financial institutions;

- (iii) ascertain the effectiveness of the FIC in detecting, analysing, and reporting financial crimes, including money laundering, terrorist financing, and illicit financial flows;
- (iv) identify challenges affecting the FIC's effectiveness, including resource constraints, institutional independence, and the sophistication of emerging financial crimes; and
- (v) make recommendations on the way forward.

2.2 SUMMARY OF SUBMISSIONS BY STAKEHOLDERS

2.2.1 Adequacy of the Financial Intelligence Centre's Legal and Policy Framework in line with International Anti-Money Laundering and Counter-Terrorist Financing Standards

The Committee was informed that Zambia's legal and policy framework governing the FIC was broadly aligned with international Anti-Money Laundering (AML) and Counter-Terrorist Financing (CTF) standards, particularly the Financial Action Task Force (FATF) Recommendations. The establishment of the FIC was through the *Financial Intelligence Centre Act No. 46 of 2010*. The enactment of supporting legislation demonstrated the Government's commitment in combating financial crimes and protecting the integrity of the financial system. Stakeholders intimated that the framework provided for key AML and CTF measures, including customer due diligence, Suspicious Transaction Reporting (STR), and information sharing.

Stakeholders stated that experience in carrying out activities from enforcement agencies revealed legal and structural constraints that had reduced the framework's effectiveness in practice. In particular, the predominantly sequential transmission of financial intelligence between the FIC, and investigative agencies has caused critical delays in concluding investigations. Stakeholders added that given the speed at which financial crimes were committed and concealed, such delays weakened the ability to preserve evidence and trace illicit funds.

The Committee was further informed that statutory limitations on account-freezing powers, which were restricted to short durations, constrain investigators' capacity to conduct comprehensive financial investigations before assets were dissipated. This challenge was more pronounced in complex cases involving layering techniques and cross-border transactions.

Additionally, stakeholders noted that the existing legal framework does not adequately address emerging risks associated with virtual assets, such as cryptocurrencies, and other non-bank financial channels used to circumvent traditional financial systems. The absence of explicit inclusion of virtual asset service providers within the definition of accountable institutions represents a growing regulatory gap.

Stakeholders also noted that while shell companies and opaque corporate vehicles were frequently identified during investigations, the legal framework lacked explicit provisions for the proactive detection and monitoring of virtual structures, particularly with respect to beneficial ownership transparency.

Despite the legal and policy framework being generally adequate, it required targeted reforms and regular updates to remain responsive to evolving risks, enforcement realities, and international best practices, including enhancing risk-based supervision, expanded asset-freezing powers, and stronger regulation of emerging financial technologies.

2.2.2 Extent of Inter-agency Coordination and Stakeholder Collaboration

The Committee was informed that the FIC operated within a broader financial accountability framework comprising law enforcement agencies, regulatory authorities, and financial institutions. The creation of the inter-agency coordination mechanism in Zambia, had enhanced asset recovery investigations and prosecutions. This coordination structure operated through a two-tier arrangement consisting of a Technical Committee and a Steering Committee, both chaired by the Director of Public Prosecutions.

Further, stakeholders reported that the FIC had established functional coordination mechanisms with several institutions, including the Bank of Zambia, the Zambia Revenue Authority, the Drug Enforcement Commission, the Anti-Corruption Commission, and other investigative agencies. These collaborative arrangements had enabled financial intelligence to initiate and support investigations, particularly in cases involving tax evasion, unexplained wealth, corruption, and illicit financial flows.

While stakeholders commended the existence of inter-agency coordination, they indicated that operational constraints continued to limit the full effectiveness of such collaboration. They noted that intelligence flows remained largely sequential rather than integrated, which resulted in delays between the reporting of suspicious transactions, conducting of financial analysis and subsequent investigative action. Accordingly, these delays significantly affected the timely securing of evidence for prosecution of ongoing criminal activities. This was also exacerbated by the absence of real-time intelligence-sharing platforms and structured feedback mechanisms leading to weakened case prioritisation, thereby, diminishing the evidentiary value of financial intelligence outputs.

The Committee also heard that these shortcomings had undermined private sector confidence in the reporting framework, as reporting institutions received limited feedback regarding the utility and outcomes of the reports they submitted. Consequently, this has reduced the impact and value of proactive compliance efforts.

2.3 Effectiveness of the Financial Intelligence Centre in Detecting, Analysing, and Reporting Financial Crimes

The Committee was informed that the FIC conducted strategic analysis and, during the course of its operations, had produced a series of strategic analytical reports. The reports highlighted various criminal activities, including money laundering, terrorism financing, and illicit financial flows. The reports are compiled into an Annual National Trends and Typologies Report at the end of each calendar year.

The Committee was further informed that the findings in the reports were disseminated to Law Enforcement Agencies (LEAs) to support further investigations. LEAs, particularly those under the Ministry of Home Affairs and Internal Security, reportedly found the information valuable in advancing their investigative work. The findings in the reports provided by the FIC have led to arrests, prosecutions, and eventual convictions.

Furthermore, the Committee heard that the FIC had demonstrated progressive strengthening of institutional capacity in the receipt, analysis and dissemination of financial intelligence. However, they emphasised that experience had consistently shown that the operational value of financial intelligence was highly time-sensitive. In several instances, intelligence had been disseminated to investigative agencies after critical delays. Those delays resulted in non-convictions as the suspects would have relocated, assets may have been dissipated and transaction trails expunged, which significantly diminished the prospects of asset restraint, preservation of evidence and successful prosecution.

In addition, the Committee heard that the FIC had invested in electronic systems designed to detect and report STRs submitted by banks and other financial service providers. Through these efforts, the FIC remained dependent on banks and other financial service providers for the submission of STRs for analysis. They explained that when compliance officers within financial institutions were ineffective or compromised, suspicious transactions were not reported to the FIC. In such circumstances, the FIC was be unable to generate and disseminate financial intelligence to the relevant LEAs for investigation.

Therefore, the compliance function within banks and other financial service providers was critical and required constant vigilance to ensure timely detection and reporting of suspicious transactions to the FIC for analysis and subsequent dissemination to the appropriate investigative agencies.

2.4 Challenges Affecting the Effectiveness of the Financial Intelligence Centre

The Committee was informed that the FIC faced several challenges as outlined below:

(i) Institutional and Resource Capacity Constraints

The FIC operates as a relatively lean institution despite its expanding statutory mandate and the growing volume and complexity of financial intelligence reports. The limited human, financial and analytical resources have constrained the Centre’s capacity to process intelligence in a timely manner, undertake comprehensive analysis and implement proactive strategic interventions. This is further highlighted in Table 1 below.

Table 1: Comparison of Financial Intelligence Units’ Funding and Staffing Levels

No.	Country	Population estimate	FIU staff	Annual budget USD	GDP USD
1	Zambia	20 million	35	3.5 million*	29 billion
2	Democratic Republic of Congo	113 million	120	11 million	82 billion
3	Zimbabwe	17.3 million	49	10.2 million	53 billion
4	Namibia	3 million	46	7.7 million	13 billion
5	Kenya	58 million	80	7.4 million	136 billion

Over 70 per cent of the budget is for ICT.

As depicted in Table 1 above, the FIC in Zambia had been operating with a staff complement of thirty-five (35) out of the approved structure of sixty-six (66).

(ii) Lack of adequate office space

The FIC was operating from a former residential property located in Kabulonga, where the available office space was limited. This arrangement had contributed to elevated operational costs. In addition to funding constraints, the limited office space restricted the FIC’s ability to recruit additional staff to meet its expanding operational demands.

(iii) Technology and Systems Gaps

The fragmented reporting systems in the FIC have continued to undermine the speed, efficiency, and operational impact of financial intelligence. Stakeholders intimated that in a financial ecosystem characterised by near-instant transactions, the absence of fully integrated, real-time digital platforms delay actionable intelligence and weaken investigative outcomes.

(iv) *Evolving Financial Crime Typologies and Sophisticated Schemes*

Stakeholders informed the Committee that criminal networks were increasingly exploiting virtual assets, digital payment platforms, informal value transfer systems and non-bank financial channels that were not fully regulated. These schemes were becoming progressively more complex.

Therefore, this evolving landscape requires the FIC to continuously enhance its analytical methodologies, tools, and technical expertise in order to effectively detect, investigate and prevent sophisticated financial crimes.

(v) *Under-reporting*

The smaller institutions lacked the capacity to consistently identify and report suspicious activity. Further, the *FIC Act No. 46 of 2010* obligated only the designated reporting entities to file reports. This restricts individual members of the public and entities that were not captured as reporting entities to file reports with the FIC. In this regard, the filing of suspicious transactions or currency reports is a responsibility of only a few entities that were designated by law as reporting entities.

(vi) *Lack of Awareness, Supervision, and Compliance Deficiencies*

There was limited awareness of AML and CTF obligations among small and medium-sized enterprises, designated non-financial businesses and professions, as well as the general public. This low level of awareness has increased systemic vulnerability to financial crimes. Further, the weak supervisory coverage has continued to compound the risk, thereby increasing the likelihood of inadvertent facilitation of illicit financial activities.

(vii) *Weak Prosecutorial Uptake and Enforcement Capacity*

The weak prosecutorial uptake of financial intelligence had reduced deterrence, limited asset recovery, and undermined public confidence in the AML and CTF. Stakeholders stated that academic research had confirmed that where the dissemination of intelligence was not matched by adequate investigative and prosecutorial capacity, Financial Intelligence units risked operating merely as information processors rather than drivers of effective enforcement action.

(viii) *Political Economy Risks*

The political economy risks posed a significant structural challenge. Findings from a number of international literatures revealed that high-level corruption, political exposure and elite influence could hinder the investigation and prosecution of complex financial crimes, even where legal frameworks were formally adequate. These dynamics could manifest through selective enforcement, investigative delays, or reluctance to pursue politically sensitive cases, thereby undermining the credibility and perceived independence of AML and CTF institutions.

(ix) *Weak Feedback Mechanisms*

The *FIC Act No. 46 of 2010* required LEAs to provide feedback to the FIC on the action taken in respect of intelligence disseminated to them. However, the Act does not prescribe specific timelines or sanctions for failure to submit such feedback. As a result, the FIC was unable to effectively track the utilisation of disseminated intelligence or maintain a comprehensive and reliable database of individuals linked to illicit financial activities.

Therefore, feedback on disseminated intelligence was critical to strengthening collaboration and building confidence in information-sharing arrangements. The structured feedback was particularly important as it would enable the FIC to assess the reliability and practical utility of the intelligence provided, whilst identifying areas requiring improvement to enhance investigative outcomes.

2.5 COMMITTEE'S OBSERVATIONS AND RECOMMENDATIONS

Having reviewed the submissions from the various stakeholders, the Committee makes the observations and recommendations as set out below:

2.5.1 Enhance and Modernise the Legal Framework

The Committee observes that the current FIC Act does not fully address emerging financial crime risks, particularly those associated with virtual assets, opaque corporate structures, and complex asset concealment mechanisms. This gap limits the effectiveness of investigations and prosecutions, as authorities lack explicit legal provisions to trace, freeze, or recover illicit assets in modern financial environments.

In this regard, the Committee recommends that the *FIC Act No. 46 of 2010* be amended to explicitly incorporate provisions on virtual assets, shell companies, beneficial ownership transparency, and expanded asset-freezing authorities. This will strengthen the legal framework and enhance the investigative and prosecutorial capacity of the FIC.

2.5.2 Strengthening Inter-Agency Coordination for Prosecutions

The Committee observes that the poor conversion of financial intelligence into successful money laundering prosecutions is often due to weak follow-up mechanisms and limited inter-agency coordination.

The Committee, therefore, recommends the establishment of joint review teams to strengthen follow-up and prosecution of money laundering cases. These teams should comprise representatives from the Anti-Corruption Commission, Drug Enforcement Commission, Zambia Police Service, the National Prosecution Authority and Bank of Zambia.

2.5.3 Adequate Funding for Operational and Infrastructural Capacity

The Committee observes that the FIC faces significant operational and infrastructural constraints due to inadequate funding. Insufficient resources limit the Centre's ability to recruit and retain skilled staff, and to construct adequate office facilities. These limitations hamper the FIC's capacity to effectively process financial intelligence and perform its statutory functions.

In this regard, the Committee recommends that the FIC should be provided with adequate funds to:

- (i) support operational needs, including competitive staff remuneration;
- (ii) provide capital expenditure for the construction of adequate office building, procurement of systems, analytical tools, data storage, and alternative power sources; and
- (iii) fill all sixty- six positions within the organisational structure as approved by the Cabinet Office as a matter of extreme urgency.

2.5.4 Development of a Secure, Centralised Intelligence-Sharing Platform

The Committee observes that intelligence-sharing among the FIC, LEAs, regulatory bodies and other relevant Government institutions remains fragmented and, in some

instances, sequential rather than integrated. The Committee notes that the absence of a secure, real-time digital platform limits timely access to information, delays coordinated action, and reduces the overall effectiveness of financial crime investigations and asset recovery efforts.

The Committee strongly recommends the development and deployment of a secure, centralised digital intelligence-sharing platform linking the FIC, LEAs, regulatory bodies and other relevant Government institutions. Such a platform will facilitate real-time information exchange, enhance inter-agency coordination, improve case prioritisation and strengthen enforcement outcomes.

2.5.5 Strengthening Statutory Feedback

The Committee observes that the *FIC Act No. 46 of 2010* does not prescribe clear timelines within which LEAs or other institutions receiving disseminated intelligence must report back to the FIC on the utilisation and outcomes of such information. The Committee notes that the absence of mandatory reporting timelines and enforceable sanctions weakens accountability, and undermines the integrity of the financial intelligence framework.

In this regard, the Committee recommends the following:

- (i) The FIC Act be amended to prescribe specific timelines within which LEAs and any institution receiving disseminated intelligence must submit periodic reports, in a prescribed format, detailing the action taken and the outcomes of investigations or processes initiated based on the information provided.
- (ii) The Committee further recommends that the Act should provide for appropriate sanctions against controlling officers of institutions who fail to submit such reports, in order to strengthen accountability and ensure effective utilisation of financial intelligence.

2.5.6 Investment in Advanced Technology

The Committee observes that existing technological systems within the AML and CTF framework are not sufficiently advanced to effectively address increasingly complex and technology-driven financial crimes. The absence of sophisticated analytical tools limits the capacity to detect emerging patterns, identify high-risk transactions and proactively disrupt illicit financial networks.

In view of this, the Committee recommends that the Government prioritise investment in modern AML and CTF technologies, including advanced data analytics and artificial intelligence. Such investment will enhance transaction monitoring and increase the overall effectiveness of financial crime prevention and enforcement efforts.

2.5.7 Public Awareness of Anti-Money Laundering and Counter Terrorist Financing Obligations

The Committee observes that there is low awareness of AML and CTF obligations among small and medium-sized enterprises, designated non-financial businesses and professions, and members of the public. Many stakeholders do not fully understand their responsibilities under the law. This increases the risk of financial crimes and may lead to unintentional non-compliance. The Committee further observes that weak supervision makes the situation worse, as there is limited monitoring and guidance to ensure that obligations are properly followed.

In view of the foregoing, the Committee recommends that the relevant authorities increase awareness and provide more education on AML and CTF obligations, especially to small businesses, designated non-financial businesses and professions. This can be done through outreach programmes, simplified guidelines, and practical training. The Committee further recommends strengthening supervision through more regular monitoring and inspections, and by building institutional capacity to ensure better compliance and enforcement.

PART II

3.0 CONSIDERATION OF THE ACTION-TAKEN REPORT ON THE REPORT OF THE COMMITTEE ON CABINET AFFAIRS FOR THE FOURTH SESSION OF THE THIRTEENTH NATIONAL ASSEMBLY

3.1 REVIEW OF THE MANAGEMENT AND OPERATIONS OF THE OFFICE OF THE PUBLIC PROTECTOR

3.1.1 Limited Awareness of the Office of the Public Protector

The Committee recommended that:

- (i) the OPP should initiate comprehensive public awareness campaigns to inform citizens about its role;
 - (ii) the operations of the OPP must be incorporated into the school curriculum to ensure that the younger generation was made aware of its functions;
 - (iii) a representative from the OPP should regularly visit public institutions to engage directly with citizens and address challenges encountered in accessing public services;
 - (iv) the OPP's reports should be widely disseminated through national television and social media platforms; and
 - (v) the OPP must establish a toll-free number, which should be well-publicised to enable citizens to report cases and track progress.
- (i) In the Action-Taken Report, the Executive responded that the OPP was engaging traditional leaders, local authorities and Civil Society Organisations to conduct community engagement sessions across the country. They stated that grassroots interactions were already underway and had proven instrumental in helping citizens understand their entitlement to social and administrative justice.

They added that in 2025, the OPP had signed three Memoranda of Understanding with Kitwe District Land Alliance, Peoples Action for Accountability and Good Governance Zambia, and Active Green Plus Institute to strengthen public engagements.

In addition to this, when funds were available, the OPP intended to roll out a comprehensive nationwide sensitisation campaign aimed at raising awareness of its constitutional functions and educating both citizens and public institutions on their administrative rights and the role of the Public Protector.

- (ii) The Executive informed the Committee that the OPP submitted that regarding the incorporation of the operations of the Public Protector into the school curriculum, discussions had commenced with the Ministry of Education to establish Anti-Maladministration Clubs in schools. This initiative aimed to impart knowledge and foster a culture of integrity and accountability from an early age.

Furthermore, the OPP would collaborate with the Curriculum Development Centre to incorporate its mandate in the national school curriculum during the time the Centre would be reviewing its curriculum.

- (i) The Executive informed the Committee that to bring services closer to the people, the OPP intended to open sector desks in selected institutions where complaints of maladministration were widespread. Additionally, the Office would be holding regular public hearings to engage citizens directly and resolve complaints promptly.
- (ii) The Executive informed the Committee that, in relation to the dissemination of Investigation Reports, the OPP recently developed a website where the public could access information about the Office and lodge complaints. Through the website, the Office would be publishing Investigation Reports to keep the public informed of the Public Protector's decisions. The Public Protector would also hold press briefings and use social media platforms to disseminate Investigation Reports.
- (iii) The Committee was informed that in relation to the toll-free number, the OPP had reached an advanced stage in establishing a toll-free line, with 90 percent of the process already completed. A toll-free number had been assigned and once operational, citizens would have a platform to lodge complaints and monitor the progress of their cases.

Committee's Observations and Recommendations

The Committee takes note of the submissions and resolves to await progress reports on the highlighted matters.

3.1.2 Insufficient Budgetary Allocation

The Committee recommended that the OPP must be given a separate budget line within the national budget, rather than being placed under the service commissions. This would ensure that the Office received adequate funding to effectively carry out its mandate, independent of the funding scales applied to service commissions.

The Executive informed the Committee that the OPP was an independent Head of Expenditure codified as Head 12. In this regard, the Office was not classified as a Service Commission and its annual budget allocation was above that of the Service Commissions.

Executive stated that in the 2025 Budget, the OPP had a total allocation of K41,561,562, while the allocations for the Service Commission averaged about K22.3 million. Notwithstanding, the Executive stated that the Treasury would endeavour to increase the allocation for OPP over the medium term.

Committee's Observations and Recommendations

The Committee notes the responses and recommends that the Executive increase the budgetary allocation for the OPP so as to ease its operational challenges arising from the constrained budgetary allocation to Head 12. The Committee awaits a progress report on the matter.

3.1.3 Operationalisation of the Parliamentary Service Commission

The Committee recommended that the Parliamentary Service Commission should be urgently operationalised so that the appointment of officers in the OPP was aligned with the provisions of the *Public Protector Act, No. 15 of 2016*.

The Executive informed the Committee that the Government took note of the need to harmonise the provisions of the *Public Protector Act No. 15 of 2016*, the *National Assembly (Powers and Privileges) Act* (Chapter 12 of the Laws of Zambia), and the *Parliamentary Service Act, No. 8 of 2016* to ensure consistency regarding the appointment of officers to the OPP. Further, the Executive stated that while Section 9(1) of the *Public Protector Act No. 15 of 2016* provided that officers of the OPP shall be appointed by the Parliamentary Service Commission, there was no corresponding provision in the Parliamentary Service Act explicitly conferring this responsibility on the Commission. This gap in the law created confusion about who had the authority to make these appointments, so the relevant laws needed to be aligned.

Committee's Observations and Recommendations

The Committee notes the submission and recommends that the Executive address the inconsistencies in the three pieces of legislation, and operationalise the Parliamentary Service Commission in order for it to be in a position to appoint officers to the OPP. The Committee resolves to await a progress report on the alignment of the three pieces of legislation and the operationisation of the Parliamentary Service Commission.

3.1.4 Weak Enforcement Mechanisms

The Committee recommended that the current legislation be amended to grant the OPP binding powers and enforcement mechanisms. This would ensure that Government institutions were legally obligated to comply with the OPP's recommendations. The proposed amendment would further enhance the effectiveness of the OPP by ensuring greater accountability and fostering stronger governance.

In the Action-Taken Report, the Executive informed the Committee that the OPP intended to review the *Public Protector Act, No. 15 of 2016*. The review process was expected to commence in the third quarter of 2025, upon the availability of funds.

Committee's Observations and Recommendations

The Committee notes the submission and resolves to await a progress report on the matter.

3.1.5 Poor Salaries for Officers in the Office of the Public Protector

The Committee recommended that the salaries at the OPP be reviewed and adjusted to ensure that they were matched competitively with those offered by similar oversight institutions. This would help improve staff retention and enhance the overall effectiveness of the Office.

The Executive in the Action-Taken Report informed the Committee that the OPP would engage the Emoluments Commission for the harmonisation of salaries. Harmonising salaries would not only enhance the ability of the Office to retain its existing staff, thereby promoting continuity and stability, but it would also improve the Office's capacity to attract highly skilled and experienced professionals during recruitment processes.

Committee's Observations and Recommendations

The Committee notes the submission and resolves to await a progress report on the matter.

3.1.6 Human Resource Capacity

The Committee recommended that staffing levels at the OPP provincial offices should be increased to meet the approved organisational structure. This would ensure efficient

investigations and facilitate the timely execution of coordinated awareness and sensitisation programmes at the provincial level.

The Executive informed the Committee that the OPP was engaging Cabinet Office for treasury authority on the forty-one (41) remaining positions, which would add to the number of investigation officers at the provincial level. In addition, the Office intended to review its organisation structure to add positions for legal officers at provincial level.

Committee's Observations and Recommendations

The Committee notes the submission and resolves to await a progress report on the matter.

3.1.7 Poor Office Accommodation

The Committee recommended that the Treasury should provide a separate and dedicated budget line for permanent office space for the provincial offices to ensure stability and operational efficiency.

In the Action-Taken Report, the Committee was informed that in relation to the issue of inadequate office accommodation for the Provincial Offices, the OPP was considering both short-term and long-term solutions. In the short term, the OPP was seeking a dedicated budget line to cover rental costs as recommended by the Committee. However, for a more sustainable and long-term solution, the OPP was pursuing a strategic objective outlined in the 8NDP, which involved constructing provincial offices. The goal was to reduce the operational challenges and rising costs associated with renting office spaces. The OPP had already secured land in three (03) provinces namely: Luapula, North-Western, and Southern provinces and the construction of these provincial offices was subject to the availability of funds.

Committee's Observations and Recommendations

The Committee notes the submission and recommends that the Treasury should urgently consider providing a dedicated budget line to adequately support rental costs for Provincial Offices as an interim measure. The Committee further recommends that the Executive should prioritise funding for the construction of permanent provincial offices under the 8NDP framework, with clear timelines for implementation, in order to ensure sustainable and cost-effective accommodation for the OPP. The Committee resolves to await a progress report on the matter.

3.1.8 Decentralisation of the Office of the Public Protector

The Committee recommended that the Government should allocate sufficient funds to support the expansion of the OPP to provincial and district centres. This would help to improve the visibility and accessibility of the Office across the country.

The Executive informed the Committee that the OPP would continue to engage the Ministry of Finance and National Planning for increased funding. On decentralisation, the Executive reported that the OPP was committed to strengthening its presence across the country to ensure better accessibility and improve service delivery to the people of Zambia. As part of this commitment, the OPP planned to open one provincial office in 2026 in Northern Province. Following that, the OPP intended to open an additional two provincial offices in 2026 in Central and Muchinga Provinces, which would bring the total number of offices to ten (10). Beyond these provincial offices, the long-term strategy involved extending the operations of the Public Protector to the district level. This would be done in a phased approach to ensure a gradual and sustainable expansion of the Office's operations. This would only be actualised when funds were available.

Committee's Observations and Recommendations

The Committee notes the submission and resolves to await a progress report on the matter.

3.2 THE IMPLEMENTATION OF THE NATIONAL MONITORING AND EVALUATION POLICY IN ZAMBIA

3.2.1 *Vague Linkages between Monitoring and Evaluation and the National Planning and Budgeting Act, 2020*

The Committee resolved to await a progress report on the review of the *National Planning and Budgeting Act, No. 1 of 2020*.

The Executive informed the Committee that the review of the *National Planning and Budgeting Act No. 1 of 2020*, which commenced in December 2024, had made progress as the approval by Cabinet to initiate the review was already granted and was followed by consultations at both national and sub-national levels.

Further, the review and consolidation of stakeholder comments was concluded before the process was temporarily suspended. This was to align the Act's revision with the ongoing review of the 2014 National Planning and Budgeting Policy and the development of the Integrated National Planning Framework.

Therefore, the review of the *National Planning and Budgeting Act No. 1 of 2020* would continue after the process of finalisation and adoption by Cabinet of the Revised Planning and Budgeting Policy which was currently underway.

Committee's Observations and Recommendations

The Committee notes the submission and resolves to await a progress report on the matter.

3.2.2 *Monitoring and Evaluation Aspects Being Undertaken in Silos*

The Committee resolved to await a progress report on the matter.

The Executive informed the Committee that the upgrade of the Government-Wide Management Monitoring System had commenced and was ongoing. The commitment to full rollout of the system in 2026 was still anticipated, subject to the availability of human and financial resources that went with system end-user trainings.

Committee's Observations and Recommendations

The Committee notes the submission and resolves to await a progress report on the full rollout of the system in 2026.

3.2.3 *Overall Lack of Implementation of the National Monitoring and Evaluation Policy at Provincial, District, and Sub-District Levels*

The Committee resolved to await a progress report on the dissemination of the policy to district and sub-district levels.

The Executive informed the Committee that it was committed to the wide dissemination of the National Monitoring and Evaluation (M&E) Policy. However, due to competing priorities for budgetary allocation, this exercise had been delayed. Cooperating Partners were being engaged to secure support for the National M&E Policy to be disseminated to the provinces, districts and sub-district levels.

Committee's Observations and Recommendations

The Committee notes the submission and resolves to await a progress report on the matter.

3.3 REVIEW OF THE OPERATIONS OF THE ZAMBIA POLICE SERVICE COMMISSION AND THE ZAMBIA CORRECTIONAL SERVICE COMMISSION

3.3.1 Zambia Police Service Commission Structure for the Secretariat at the Zambia Police Service Commission

The Committee urged the Executive, through the Treasury, to urgently allocate funds in the next budget to facilitate the creation of the eight positions and fully operationalise the organisational structure.

The Executive informed the Committee that the Government through the Zambia Police Service Commission, submitted that the Zambia Police Service Commission's Secretariat Organisation Structure now had twenty-nine (29) approved positions. This followed the introduction of the position of Senior Monitoring and Evaluation Officer (J), which had since been filled. Of the approved 29 secretariat positions, 21 had been operationalised (21/29) thus, the Secretariat's staff strength now stood at 72 percent of the approved structure.

However, the eight position which were mentioned in the previous report were still not operationalised and they included the following.

- (i) One Chief Human Resource Management Officer (K)
- (ii) One Purchasing and Supplies Officer (I)
- (iii) One Accountant (I)
- (iv) One Administrative Officer (I)
- (v) One Senior Registry Office (H)
- (vi) Two Administrative Assistants (H); and
- (vii) One Driver (B)

The Commission had written to the Secretary to the Treasury requesting for Treasury Authority to create the eight positions stated above but the response was still awaited. The Zambia Police Service Commission remained hopeful that Treasury Authority would be granted to fully operationalise the eight positions before the end of the fiscal year 2025 so as to ensure smooth and effective operations of the commission.

Committee's Observations and Recommendations

The Committee notes the submission and resolves to await a progress report on the matters.

3.4 REVIEW OF THE OPERATIONS OF THE DEPARTMENT OF RESETTLEMENT

3.4.1 Construction of Bridges at Meheba Resettlement Scheme

The Committee resolved to await a progress report on the matter.

The Executive in the Action-Taken Report informed the Committee that in April 2024, Road Development Agency assessed and prepared the cost estimate for the construction of Mafwe ACROW Bridge at a total Cost of ZMW 7,625,540.40, and construction had not commenced due to a lack of funds.

However, the above had been overtaken by events as the Government had obtained a grant totalling US\$ 30 Million, of which US\$ 15 Million had been allocated to component two (2) for Climate-Resilient Community Infrastructure Development in Meheba settlement and surrounding communities. The infrastructure development would include rehabilitation of access roads, construction of Mafwe ACROW Bridge, construction of schools, clinics and electrification etc.

Currently, a Request for Proposal was prepared for the detailed design, tender document preparation and construction supervision of approximately 40km of the Meheba Refugee Camp access road and Mafwe ACROW Bridge across the Mafwe River in line with the project agreement document with the grant from the World Bank. Commencement of the services was expected once the Ministry of Home Affairs and Internal Security concluded the establishment of the project management unit.

The Executive further submitted that for the Cross point at Shikundwe River connecting Block F and Block G, the Department of Resettlement in collaboration with the United Nations Development Programme with financing from the Government of Japan under the Development of Basic Infrastructure Project, would be constructing the crossing point. The Zambia National Service had been engaged to undertake the Construction and works were expected to commence in August, 2025.

The Cross point on the Meheba River had been listed as one of the key crossing points linking Meheba and the Host Community in the Local Area Plan to be undertaken when resources were available.

Committee's Observations and Recommendations

The Committee notes the submission and resolves to await a progress report on the matter.

3.4.2 Provision of Electricity at Meheba Resettlement Scheme

The Committee resolved to await a progress report on the provision of electricity at Meheba Resettlement Scheme.

In the Action-Taken Report, the Committee was informed that through the Department of Resettlement, the project to connect Meheba Resettlement Scheme to the National Grid was done in the Refugee settlement (Block A and B) and the Host Community (Kananga). The other six (6) Blocks were subject to the availability of resources.

Committee's Observations and Recommendations

The Committee notes the submission and resolves to await a progress report on the matter.

3.5 RESOLUTION OF THE HOUSE TO REGULATE THE CONDUCT OF FUNERALS OF THE SITTING HEADS OF THE THREE ARMS OF GOVERNMENT

The Office of the Vice President, Parliamentary Business Division, was requested to provide a report on how the Government intends to implement the private member's motion to "**regulate the conduct of funerals of the sitting Heads of the Three Arms of Government**" that was resolved in the affirmative by the National Assembly on 28th November, 2025.

The Executive reported the following:

- (i) With regards to the Benefits of the Former President's Act, the government had sought approval in principle from Cabinet for the introduction of a Bill in Parliament to repeal the Benefits of Former Presidents Act, Cap 15 of 1993. The repeal sought to provide for pension and other retirement benefits for former Vice Presidents and former Prime Ministers of the Republic of Zambia as well as to clarify ambiguous provisions in the Act. The repeal process would also address itself to bringing some of the matters such as provisions relating to funerals, that were currently in the schedule to be placed in the main body of the Act.
- (ii) The Executive reported that the conduct of funerals was provided for in the Draft Operational Guidelines on State and Official Functions. The Draft Guidelines were reviewed in December, 2025 and were currently being finalised and would soon be presented to Cabinet for approval as Government policy.
- (iii) While appreciating the resolution of the House on the motion regarding the inclusion of Members of Parliament, the Executive reported that this may not be tenable in the short run, given the cost implications on the Treasury. The issue could, however, be considered in the long run, depending on fiscal space. In the meantime, the National Assembly could be advised to consider enhancing the existing legislative and administrative arrangements.
- (iv) In view of the foregoing, the Executive stated that there was need to promulgate and separate a piece of legislation to regulate the conduct of funerals for sitting and former Heads of the Three Arms of Government. Consideration was, therefore, to be given to review the existing legislation conferring benefits on the sitting and former Heads of the three arms of Government.

Committee's Observations and Recommendations

The Committee takes note of the submission; however, the Committee observes that although Government has initiated reforms to repeal and improve the legal framework on benefits for former high-ranking officials, the process remains incomplete. Key areas, such as funeral arrangements, are still guided by draft policies rather than law, leading to gaps and inconsistencies.

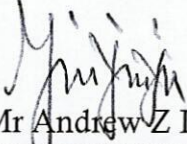
The Committee, therefore, recommends that Government expedites the enactment of a comprehensive and harmonised law to clearly regulate benefits and funeral arrangements for high public office bearers. This should also include formalising existing guidelines into legislation and gradually expanding coverage to Members of Parliament under the Legislature.

4.0 CONCLUSION

The Financial Intelligence Centre remains central to protecting the integrity of Zambia's financial system, safeguarding national security, and maintaining investor confidence. The Committee notes that timeliness, technological sophistication, legal authority, and institutional capacity were critical determinants of its effectiveness.

While Zambia's Financial Intelligence Centre operates within a robust legal and policy framework aligned with international Anti-Money Laundering and Counter-Terrorism Financing standards, enforcement gaps and the need for legislative and regulatory updates to address emerging financial crime threats persist.

The Committee is, therefore, confident that the Executive will give due consideration to its recommendations in addressing the identified challenges.


Mr Andrew Z Lubusha, MP
CHAIRPERSON

March, 2026
LUSAKA

APPENDIX I-List of National Assembly Officials

Mr Charles Haambote– Director (Social Committees)
Mrs Chitalu K Mumba – Deputy Director (Social Committees)
Mr Darius Kunda – Senior Committee Clerk (SC1)
Mrs Rachel Mumba M'hongo – Committee Clerk
Mrs Ruth N Mwiinga – Administrative Assistant
Mr Daniel Lupiya – Senior Committee Assistant
Ms Taona Chabinga – Committee Assistant
Ms Namakau Muleya – Intern

APPENDIX II- List of Witnesses

Ministry of Finance and National Planning
Ministry of Home Affairs and Internal Security
Ministry of Justice
Bank of Zambia
Office of the Auditor General
Zambia Police Service
Zambia Revenue Authority
Anti-Corruption Commission
Action Aid Zambia
University of Zambia- Department of Economics
Securities Exchange Commission
Drug Enforcement Commission
Law Association of Zambia
Centre for Trade and Policy Development
Zambia Chamber of Commerce and Industry
Bankers' Association of Zambia
Zambia Institute for Policy Analysis and Research
Pensions and Insurance Authority
Microfinance Institutions Association of Zambia
Patents and Companies Registration Agency
Financial Intelligence Cent