



**REPORT**

**OF THE**

**COMMITTEE ON CABINET AFFAIRS**

**FOR THE**

**FOURTH SESSION OF THE TWELFTH NATIONAL ASSEMBLY**

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# **REPORT OF THE COMMITTEE ON CABINET AFFAIRS FOR THE FOURTH SESSION OF THE TWELFTH NATIONAL ASSEMBLY**

## **MEMBERSHIP OF THE COMMITTEE**

The Committee consisted of Dr M Imakando, MP, (Chairperson); Ms M C Chonya, MP (Vice Chairperson); Dr M Malama, MP; Dr S Kopulande, MP; Mr C M Zulu, MP ; Dr C K Kalila, MP; Ms G Katuta, MP; Mr R Mwewa, MP; Mr L Kintu, MP; and Mr L C Bwalya, MP.

Mr L C Bwalya, MP, was appointed Provincial Minister and was replaced by Mr S Chungu, MP.

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

Sir

The Committee has the honour to present its Report for the Fourth Session of the Twelfth National Assembly.

## **FUNCTIONS OF THE COMMITTEE**

2.0 In accordance with National Assembly *Standing Order No 157*, the functions of the Committee are to:

- (i) study, report and make appropriate recommendations to the Government through the House on the mandate, management and operations of Government ministries, departments and agencies under its portfolio;
- (ii) carry out detailed scrutiny of certain activities being undertaken by Government ministries, departments and agencies under its portfolio and make appropriate recommendations to the House for ultimate consideration by the Government;
- (iii) make, if considered necessary, recommendations to the Government on the need to review certain policies and certain existing legislation;
- (iv) examine annual reports of Government ministries and departments under its portfolio in the context of the autonomy and efficiency of Government ministries and departments and determine whether the affairs of the said bodies are being managed according to relevant Acts of Parliament, established regulations, rules and general orders;

- (v) consider any Bills that may be referred to it by the House;
- (vi) consider international agreements and treaties in accordance with Article 63 of the Constitution;
- (vii) consider special audit reports referred to it by the Speaker or an Order of the House;
- (viii) where appropriate, hold public hearings on a matter under its consideration; and
- (ix) consider any matter referred to it by the Speaker on an Order of the House.

### **PROGRAMME OF WORK**

3.0 The Committee adopted the following programme of work:

- (a) Consideration of the Action Taken Report for the Third Session of the Twelfth National Assembly.
- (b) Consideration of topical issue: “the Role of the Financial Intelligence Centre in the Fight against Corruption and other Financial Crimes”.
- (c) Tours
  - i. Local tour of border areas in the Copperbelt Province, and stakeholder meetings in Lusaka, Central and Copperbelt Provinces.
  - ii. Foreign tour to Mauritius.
- (d) Consideration and adoption of the Committee’s draft Report for the Fourth Session of the Twelfth National Assembly.

### **MEETINGS OF THE COMMITTEE**

4.0 The Committee held eleven meetings during the Session. The Committee’s Report is in two parts. *Part One* is the consideration of the topical issue while *Part Two* is the consideration of the Action-Taken Report on the Committee’s Report for the Third Session of the Twelfth National Assembly.

### **PROCEDURE ADOPTED**

5.0 In order to gain insight into the inquiry, the Committee interacted with the stakeholders listed below.

- (i) Action Aid
- (ii) Anti-Corruption Commission (ACC)
- (iii) Drug Enforcement Commission (DEC)
- (iv) Auditor General’s Office
- (v) Financial Intelligence Centre (FIC)
- (vi) Ministry of Finance (MoF)
- (vii) Ministry of Home Affairs (MHA)

- (viii) Ministry of Justice (MoJ)
- (ix) Centre for Ethics and Public Integrity Zambia (CEPIZ)
- (x) Centre for Trade Policy and Development (CTPD)
- (xi) Zambia Association of Chambers of Commerce and Industry (ZACCI)
- (xii) Bankers' Association of Zambia (BAZ)
- (xiii) Zambia Institute for Chartered Accountants (ZICA)
- (xiv) Law Association of Zambia (LAZ)
- (xv) Young African Leaders Initiative (YALI)
- (xvi) Zambia Congress of Trade Unions (ZCTU)
- (xvii) Governance, Elections, Advocacy, Research Services (GEARS) Initiative
- (xviii) CARITAS Zambia
- (xix) Patents and Companies Registration Agency (PACRA)
- (xx) Bank of Zambia (BOZ)
- (xxi) Pensions and Insurance Authority (PIA)
- (xxii) Zambia Police Service (ZP)
- (xxiii) Zambia Revenue Authority (ZRA)
- (xxiv) Economic Association of Zambia (EAZ)
- (xxv) Transparency International Zambia (TIZ)
- (xxvi) Securities and Exchange Commission (SEC)
- (xxvii) University of Zambia (UNZA)-Department of Development Studies

## **PART I**

### **6.0 CONSIDERATION OF TOPICAL ISSUE:** *“the Role of the Financial Intelligence Centre in the Fight against Corruption and Other Financial Crimes”.*

#### **BACKGROUND AND OBJECTIVES OF THE STUDY**

In the last two decades, as part of internationally accepted standards and as part of the international effort to curb financial crimes associated with money laundering and terrorist financing, countries across the globe have been establishing financial intelligence units as functional organs of the state.

In Zambia, the Financial Intelligence Centre (FIC), which is the Financial Intelligence Unit (FIU), was established in 2010 under the *Financial Intelligence Centre Act, No. 46 of 2010* as amended in 2016. The FIC is the sole designated national agency mandated to receive, request, analyse and disseminate disclosure of information of suspicious financial transaction reports to competent authorities for investigations, with the view of assisting to combat serious financial crimes.

In the recent past, the operations of the FIC had attracted public debate and had come under immense scrutiny and criticism from different sections of

society, especially when the FIC published its Annual Trend Reports, as per its mandate. On the other hand, some members of the public had commended the work of the FIC, particularly the issuance of the Annual Trends Reports, as providing a strong basis for investigative and law enforcement agencies to fight financial crime and help save financial resources required for socio-economic development. However, some sections of society had labelled the FIC as an institution that used unverified raw data to raise unnecessary alarm with law enforcement agencies, at the expense of fighting real financial crime.

In view of the foregoing, the Committee resolved to undertake this study to understand and appreciate the operations of the FIC in relation to other investigative and law enforcement agencies in as far as fighting financial crime was concerned.

### **Objectives**

The objectives of this inquiry were to:

- i) appreciate the policy and legal context in which the FIC operates;
- ii) ascertain the level of collaboration between the FIC and other investigative and law enforcement agencies in the fight against financial crime;
- iii) appreciate the role of the FIC in the fight against corruption and serious financial crimes;
- iv) appreciate the challenges, if any, in the collaborative work; and
- v) make recommendations on the way forward.

## **SUMMARY OF SUBMISSIONS BY STAKEHOLDERS**

7.0 Below is a summary of submissions from stakeholders.

### **7.1 THE ADEQUACY OF THE LEGAL AND POLICY FRAMEWORK WITHIN WHICH THE FINANCIAL INTELLIGENCE CENTRE OPERATES**

#### **(a) International Legal Framework**

The Committee was informed that Zambia is a member of the United Nations (UN) and, as a result, has signed up to various conventions including those that relate to combating money laundering, terrorist financing and other financial crimes. In this regard, the following conventions, among others, had been ratified and domesticated by Zambia:

- (a) Vienna Convention: UN Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, 1988;
- (b) Palermo Convention: UN Convention Against Transnational Organised Crime 2001;
- (c) Merida Convention: UN Convention Against Corruption, 2005; and

- (d) International Convention for the Suppression of the Financing of Terrorism, 1999.

The UN reinforces the measures outlined in the conventions through the resolutions set out below.

- i) UN Security Council Resolution 1267 which imposes targeted assets freeze, travel ban and arms embargo against designated terrorist individuals and entities.
- ii) UN Security Council Resolution 1373 which requires countries to adjust their national laws so that they can ratify all of the existing international conventions on terrorism and also ensure that terrorist acts are established as serious criminal offences in domestic laws and regulations and that the seriousness of such acts is duly reflected in the sentences served.
- iii) UN Security Council Resolution 2462 – Reaffirms UN Resolution 1373, which requires all member states to prevent and suppress the financing of terrorist acts and to refrain from providing support to terrorists and terrorist organisations.

The Committee was also informed that as a result of these UN conventions, the G20 countries established the Financial Action Task Force (FATF) which sets global standards for combating money laundering, terrorist financing and proliferation financing. Further, the Committee learnt that in line with the FATF requirements for countries to establish financial intelligence units (FIUs), the Government of Zambia established the Anti-Money Laundering and Investigations Unit (AMLIU) in 2001 pursuant to the *Prohibition and Prevention of Money Laundering Act, No. 14 of 2001* (PPMLA). Initially, AMLIU operated as an FIU within the Drug Enforcement Commission (DEC).

Further, the Committee heard that Zambia was a founder member of the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) which was a FATF styled regional body. By virtue of being a member of ESAAMLG, Zambia had agreed to comply with the FATF standards. Compliance with the FATF standards was a mandatory requirement which was assessed through a process called Mutual Evaluation (ME). Zambia had since undergone two Mutual Evaluations in 2007 and 2018 respectively.

One of the key findings from Zambia's first Mutual Evaluation was that the AMLIU suffered from serious weaknesses which undermined its capacity to operate as an FIU. Further, the Mutual Evaluation also established that AMLIU operating as an FIU did not fulfill some of its statutory obligations under the PPMLA and did not fully meet the Egmont Group definition of an FIU.

According to EGMONT, there were four models of FIUs: judicial, law enforcement, administrative, and hybrid.

- (i) The Judicial Model was established within the judicial branch of government wherein “disclosures” of suspicious financial activity were received by the investigative agencies of a country from its financial sector such that the judicial powers could be brought into play, for example seizing funds, freezing accounts, conducting interrogations, detaining people, and conducting searches.
- (ii) The Law Enforcement Model implemented anti-money laundering measures alongside already existing law enforcement systems, supporting the efforts of multiple law enforcement or judicial authorities with concurrent or sometimes competing jurisdictional authority to investigate money laundering.
- (iii) The Administrative Model was a centralised, independent, administrative authority, which received and processed information from the financial sector and transmitted disclosures to judicial or law enforcement authorities for prosecution. It functioned as a buffer between the financial and the law enforcement communities.
- (iv) The Hybrid Model served as a disclosure intermediary and a link to both judicial and law enforcement authorities. It combined elements of at least two of the FIU models.

The Committee was informed that Zambia used an administrative model FIU as this was determined to be the most appropriate for its jurisdiction, especially in light of the need to avoid jurisdictional overlaps and to instil confidence in the financial sector and other reporting entities that the information provided by the Unit would be kept confidential and would not be subject to abuse. The country was, however, at liberty to use any of the models specified, as long as the core principles for the operation of FIU’s as contained in the FATF Recommendations relating to the operations and independence of a Financial Intelligence Unit were maintained.

The Committee heard that Zambia underwent its second Mutual Evaluation which was a rigorous assessment process in September, 2018 and this led to the admittance of the FIC into the Egmont Group of FIU’s. The Egmont Group is a strategic network of over 160 FIUs around the world set up to exchange financial intelligence for purposes of combating financial crimes.

### **(b) National Level Legal Framework**

The Committee learnt that the Financial Intelligence Centre (FIC) was established in November, 2010 following the enactment of *the Financial Intelligence Centre Act, No. 46 of 2010 of the Laws of Zambia* as amended by Act No 4 of 2016. This legal framework recognised the Centre and determined its broad and specific mandate. Apart from the legal framework, the Centre used the Suspicious Transaction Reporting (STR) guidelines to explain the common reporting situations under the *Financial Intelligence Centre Act* and assist the financial institutions and other designated businesses and professions to be in compliance with the Act. These guidelines, however, were provided as general information and did not constitute legal advice and were not intended to replace the *Financial Intelligence Centre Act* or any other guidelines, directives or regulations issued by supervisory authorities for the reporting entities, such as banks. In order to make the STR easier, sector specific guidelines were also in effect. This was done following increased sector specific suspicious transactions.

Furthermore, the Committee heard that Section 19 of the *Financial Intelligence Centre Act*, provided for high risk bank customers. In Zambia, Politically Exposed Persons (PEPs) were considered to be high risk customers and, therefore, the guidance note was intended to provide reporting entities with an overview of PEPs in Zambia and the Anti- Money Laundering and Countering the Financing of Terrorism (AML/CFT measures apply to them). It was provided as general information only and not meant to replace the AML/CFT Acts. Apart from the *Financial Intelligence Centre Act* and the guidelines, the FIC was also dependent on the AML/CFT Framework.

The Committee was further informed that the fight against money laundering and terrorist financing in Zambia and around the world was important to protect citizens and to ensure the integrity of financial institutions and national security. Strong and effective Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) framework promoted financial integrity by making it difficult to conceal illegal activities.

The *Prohibition and Prevention of Money Laundering Act, No 14 of 2001*, amended by Act No. 44 of 2010 provided for the setting up of the Anti-Money Laundering Authority (AMLA) which was a policy making body and was made up of the Attorney General, the Governor of the Bank of Zambia, the Commissioner General of the Zambia Revenue Authority (ZRA), the Inspector General of Police, the Commissioner of the Drug Enforcement Commission (DEC), and the Director General of the Anti-Corruption Commission (ACC). The mandate of AMLA was to provide general or specific policy directives and to advise Government on measures required to prevent and detect money laundering in the Republic of Zambia.

The AML/CFT legal framework covered, inter alia, the following legislation:

- i) the *Prohibition and Prevention of Money Laundering Act, No. 14 of 2001* as amended by Act No. 44 of 2010, which defined and criminalised money laundering;
- ii) the *Anti-Terrorism Act, No. 21 of 2007* which criminalised financing of terrorism in section 20;
- iii) the *Forfeiture of Proceeds of Crime Act, No. 19 of 2010* which provided civil and criminal forfeiture and seizure of proceeds of crimes;
- iv) the *Financial Intelligence Centre Act, No. 46 of 2010* as amended by Act No. 4 of 2016 which established the Financial Intelligence Centre provided for duties of supervisory authorities and reporting entities;
- v) the *Public Interest Disclosure (Protection of Whistleblowers) Act, No. 4 of 2010* which provided for disclosure of conduct inimical to public interest;
- vi) the *Mutual Legal Assistance in Criminal Matters Act (MLACMA), 1993*
- vii) the *Plea Negotiations and Agreements Act, No. 20 of 2010*;
- viii) the *Anti-Corruption Act, No. 3 of 2012* vested the Anti- Corruption Commission with powers to investigate corruption offences; and
- ix) the *Penal Code Act, Chapter. 87 of the Laws of Zambia*.

The Committee was also informed that the above cited UN conventions, FATF Standards and the Zambian legal framework constituted the legal and policy framework for the operations of the Financial Intelligence Centre. The legal and policy framework was sufficient and compared favourably in the region. Hence, the FIC must strive to maintain its Egmont membership through continuous improvement to its operating procedures and systems.

Notwithstanding the above, the Committee learnt that there was need for the Centre to have a comprehensive policy framework that could help to guide any future legal reforms meant to improve the effectiveness of the Centre. An evident negative development in the law reforms undertaken in previous years was the removal of the clause which made the possession of wealth or property disproportionate to one's known source of income a potential offence from the *Anti-Corruption Commission Act of 1996*, section 37(1). Even though the "unexplained wealth" clause in the *Anti-Corruption Commission Act of 1996* did not have a rich enforcement history, having it on the statute book meant that a government determined to act against corruption could invoke it. It therefore, had some deterrent value and its removal in 2010 reduced the scope for establishing a complementary working relationship between the Anti-Corruption Commission, the banks, and the newly established Financial Intelligence Unit. Some critics were of the view that this step, along with the non-enforcement of asset disclosure rules for the political elite, had weakened AML initiatives in Zambia.

The Committee also learnt that the law on financial intelligence in Zambia was designed to give autonomy and operational independence to FIC to perform its

core functions and have access to a wide range of databases to augment its analysis of the different transaction reports it received from reporting institutions. The FIC had reasonable capacity to discharge its core functions to assist law enforcement agencies to identify potential criminal proceeds and terrorist financing cases. The FIC was well structured and had a secured environment to safeguard its operations. The FIC had produced typologies or trends reports over the years and other information to support the operational needs of the investigative bodies on the prevailing and emerging money laundering and terrorist financing risks in the country.

## **7.2 THE ROLE OF THE FINANCIAL INTELLIGENCE CENTRE IN THE FIGHT AGAINST CORRUPTION AND FINANCIAL CRIMES**

The Committee was informed that the FIC was the body mandated to receive, request, analyse and disseminate the disclosure of suspicious transaction reports. The FIC had a wide mandate regarding financial crimes, which were invariably predicated on the commission of corrupt acts. While the Anti-Corruption Commission (ACC) was viewed as the primary body mandated to deal with corruption, it was worth noting that the FIC and ACC's mandates in the fight against corruption, differed considerably.

Article 235 of the Constitution of Zambia established the Anti-Corruption Commission (ACC) as an investigative Commission. The ACC established by the *Anti-Corruption Commission Act, No. 3 of 2012* was mandated to fight corruption and other related offences in Zambia. Among the objects of the *Anti-Corruption Commission Act* were to provide for the ACC's powers and functions; provide for the prevention, detection, investigation, prosecution and punishment of corrupt practices and related offences based on the rule of law, integrity, transparency, accountability and management of public affairs and property; and, provide for the development, implementation and maintenance of coordinated anti-corruption strategies through the promotion of public participation.

The Committee was informed further that financial crime was generally defined as crime committed against property, involving the unlawful conversion of the ownership of the property to one's own personal use and benefit. Financial crimes may involve fraud (corporate, securities, credit cards, mortgages, medical, bank and insurance); tax evasion; bribery; sedition, embezzlement; identity theft; money laundering; forgery; counterfeiting and terrorist financing. Section 3 of the *Anti-Corruption Commission Act* defined the word "corrupt", in the context of the Act as, soliciting, accepting, obtaining, giving, promising or offering of a gratification by way of a bribe or other personal temptation or inducement, or the misuse or abuse of a public office for advantage or benefit for oneself or another person, and states that the word "corruption" shall be construed accordingly. The *Anti-Corruption Commission Act* also outlines

procedures which public bodies and private bodies are expected to undertake to reduce the likelihood of the occurrence of corrupt practices in the performance of their duties, such as disseminating information of the evil and dangerous effects of corrupt practices on society as well as the creation of committees for monitoring corruption in the institution.

The Committee was informed that the ACC was also empowered to prosecute offences under the *Anti-Corruption Commission Act* or any other offences under any written law that may have come to the attention of the ACC while investigating an offence under the *Anti-Corruption Commission Act*. It is worth noting that the *Financial Intelligence Centre Act* includes the ACC as a Law Enforcement Agency, and the FIC may, therefore, disseminate information it has received to the ACC for investigation, and where required, prosecution. As has been noted above, corruption is a predicate offence to financial crimes and, therefore, the ACC and FIC are particularly suited to collaborating in the fight against corruption.

The Committee was also informed that FIC played a key role in the fight against corruption because one of its primary roles was to receive information from supervisory authorities and reporting entities and other sources regarding suspicious or unusual transactions or activities. Supervisory authorities and reporting entities were obligated by the *Financial Intelligence Centre Act* to report any suspicious or unusual transactions or activities to the FIC. The entities had no similar reporting obligation to the ACC, and therefore, the FIC played a key role in ensuring that all, or the majority of suspicious or unusual transactions were captured for analysis, and possible dissemination to law enforcement agencies, including the ACC, for further investigation and possible prosecution.

In addition, the FIC acts as a bridge on behalf of anti-corruption bodies in obtaining information from another jurisdiction through FIU to FIU cooperation. If corruption activities involved offshore assets, the FIC was able to exchange information with their foreign counterparts considering corruption was a predicate offense for money laundering. It had been noted world over that financial institutions were more inclined to disclosing information to the FIC because the FIC was viewed as being neutral and being in possession of the required technical expertise to analyse information received and carry out the appropriate investigations.

The Committee was further informed that the FIC was under the Ministry of Finance (MoF) and was mandated to:

- a) receive, request, analyse and evaluate suspicious transaction reports (STRs) and information from other sources authorised under any written law to make a suspicious transaction report including any foreign designated authority to determine whether there are reasonable grounds

- to transmit reports for investigations by the law enforcement agencies (LEAs) or foreign designated authorities;
- b) disseminate information to LEAs where there are reasonable grounds to suspect money laundering or financing of terrorism or proliferation;
  - c) provide information relating to suspicious transactions to any foreign designated authority, subject to such conditions as the Director General may determine in accordance with the *Financial Intelligence Centre Act*;
  - d) provide information, advice and assistance to law enforcement agencies in the furtherance of an investigation;
  - e) educate the public and reporting entities of their obligations and inform them of measures to detect, prevent and deter money laundering and financing of terrorism and proliferation;
  - f) provide information to investigative authorities, supervisory bodies, Law Enforcement Agencies and any other competent authority to facilitate law enforcement for prevention of money laundering or financing of terrorism or proliferation;
  - g) ensure compliance with the *Financial Intelligence Centre Act* and regulations, directives, determinations, notices and circulars issued by the FIC or supervisory authorities and give guidance to reporting entities to combat money laundering or financing of terrorism or proliferation;
  - h) facilitate effective supervision and enforcement of the *Financial Intelligence Centre Act* by supervisory authorities; and
  - i) perform such other functions as are necessary to give effect to the FIC Act.

The Committee heard that the FIC may in performing its function under the *Financial Intelligence Centre Act*, inter alia, supervise and enforce compliance with the Act or any directive made in terms of the Act by reporting entities that:

- i) are not regulated or supervised by a supervisory authority in terms of the Act or any other law; or
- ii) are regulated or supervised by a supervisory authority in terms of the Act or any other law, if that supervisory fails or neglects to enforce compliance.

In addition, the FIC had been designated as the secretariat for the National Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) National Task Force of Senior Officials. In this vein, the Institution coordinated the conduct of the National Risk Assessment, development of the national AML/CFT policy and undertaking of the Mutual Evaluation exercise. The FIC's specific peculiarities as could be seen from its core functions and the role that it played made it a key stakeholder in Zambia's AML/CFT framework.

### **7.3 COLLABORATION BETWEEN THE FINANCIAL INTELLIGENCE CENTRE AND INVESTIGATIVE AND LAW ENFORCEMENT AGENCIES IN THE FIGHT AGAINST CORRUPTION AND FINANCIAL CRIMES**

The Committee was informed that Section 5(3) of the *Financial Intelligence Centre Act* empowered the FIC to collaborate with other investigative and law enforcement agencies when performing its functions in the fight against corruption. This collaboration required the FIC to take into account the need for ensuring that law enforcement measures were not undermined.

The Committee was also informed that Zambia had a well established legal and institutional framework which allowed law enforcement agencies to collect and use a wide variety of intelligence to investigate predicate and money laundering crimes as well as identification, tracing and confiscation of assets linked to money laundering. The country successfully identified and investigated money laundering cases, not only on the basis of the financial intelligence but by also including information supplied through ongoing investigation of predicate offences.

The Committee heard that Zambia had adequate structures to enable efficient national coordination and cooperation on Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) matters. The structures were in place and had a fair understanding at both national and operational levels of the high Money Laundering/Terrorist Financing (ML/TF) risks in Zambia. There was a shared appreciation of the Money Laundering/Terrorist Financing risks applying to Zambia among all the members of the Anti-Money Laundering Authority (AMLA), National Task Force of Senior Officials (NTFSO), and National Anti-Terrorism Committee. The FIC was one of the competent authorities that could initiate or enhance financial inquiries.

The Committee learnt that the core function of the FIC was to analyse the information it received, collected and to disseminate the results of this analysis to law enforcement agencies for investigation. The FIC's analytical capabilities allowed it to develop different intelligence products that had been useful to investigative authorities. As a routine task, FIC spontaneously, without being solicited, disseminated intelligence to investigative authorities relating to suspected ML and TF offences. The disseminated information related to an existing entity of interest, supporting an existing investigation, or prompting a proactive investigation based on new information made available to investigative authorities.

The Committee was informed that the Financial Action Task Force (FATF) Operational Guidance Note of 2012 stated that "effective financial investigations were characterised by extensive law enforcement use of FIU information and exchanges of information." In Zambia, investigative authorities

had been able to ask the FIC for relevant information when conducting lawful investigations. The overarching aim of both the FIC and investigative authorities and other competent authorities should seek to work as a virtual team, sharing information in appropriate circumstances to support financial investigations. The Guidance Note stated that “successful and effective financial investigations can be achieved through obtaining and using the outcomes of FIU financial analysis, as well as proactive sharing of information between the FIU and investigating authorities.”

Further, the Committee heard that in Zambia, formal arrangements between investigative authorities and the FIC had been documented in the Memoranda of Understanding (MoU). MOUs provided procedures on how FIC and other competent authorities should cooperate and interact. Communication channels had provided clarity on the procedures and processes that were required in order to exchange information appropriately. In this regard, the FIC had signed nineteen MOUs with competent authorities. The FIC and investigative authorities held meetings formally and informally to provide exchange of case related information, obtain feedback and discuss practical problems and solutions.

The FIC had directly contacted law enforcement agencies for information at the formative stage of analysis to enrich its analysis and conclusion. In the reverse, the FIC had provided high quality, useful and timely analysis to law enforcement and other competent authorities. This had been accomplished through a two-way mechanism between the FIC and recipients of the information which required feedback.

The Committee was informed that the findings of the Mutual Evaluation of the AML/CFT systems of Zambia in 2019 confirmed the foregoing. Law enforcement agencies in Zambia effectively used financial intelligence from the FIC and other sources which had reasonably contributed to the investigation and prosecution of all types of ML and TF. The quality of FIC’s financial intelligence and analysis reports was considered good and useful to effectively support the operational needs of law enforcement agencies). The number of disseminations to the law enforcement agencies were depicted in Table 1. Most of the disseminations related to suspected tax evasion and these were disseminated to ZRA. These were investigated by the Authority and recoveries made were as shown in Table 2.

**Table 1: VALUE-CHAIN OF DISSEMINATIONS FROM THE FIC**

<b>YEAR</b>	<b>DISSEMINATIONS TO LEAs</b>	<b>INVESTIGATIONS BY ALL LEAs</b>	<b>PROSECUTIONS</b>	<b>CONVICTIONS</b>
2014	52	11	1	0
2015	276	14	1	0
2016	106	19	2	0

2017	33	29	6	1
2018	80	22	1	0
2019	28	0	0	0

**Table 2: RECOVERIES**

<b>YEAR</b>	<b>RECOVERIES /ASSESSMENTS (ZMW)</b>
2017	25 million
2018	62 million
2019 (Q1-Q3)	25.8 million

It was reported in the Mutual Evaluation Report of Zambia June, 2019 that the FIC referred a financial intelligence report to the National Anti-Terrorism Centre (NATC) arising from an STR filed by a bank on suspicion of fraud to access funds for purposes of terrorism. The report was used to conduct investigations and intelligence operations on the suspect who was confirmed to be on the radar of the authorities on suspicion of previous TF related concerns. The report assisted the NATC to disrupt a possible terrorism related activity.

#### **7.4 STRATEGIES PUT IN PLACE TO FIGHT CORRUPTION AND FINANCIAL CRIMES**

The main strategies that had been put in place to fight against corruption and other financial crimes were as set out below.

##### **(a) Detection**

The Committee learnt that the FIC received suspicious transaction reports from reporting entities and spontaneous disclosure reports on suspected money laundering that were analysed and disseminated to the relevant competent authorities for possible prosecution.

##### **(b) Prevention**

The Committee learnt that these were activities that were aimed at preventing money laundering. Such activities included various awareness programmes of compliance with staff of reporting entities and other key stakeholders in the Anti-Money Laundering and Countering Financing of Terrorism (AML/CFT) regime. The awareness also sought to ensure that the reporting entities had an Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) compliance programme in place. This programme entailed that each reporting entity had AML/CFT policies and procedures in place, a designated compliance officer, an AML/CFT training programme and independent testing of the AML/CFT programme. In addition, the FIC issued guidance notes and directives to reporting entities on AML/CFT matters.

### **(c) Enforcement**

The Committee was informed that the enforcement of the *Financial Intelligence Centre Act* was performed by inspections of the reporting entities in order to ascertain Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) compliance. Additionally, the enforcement consisted of monitoring of the reporting entities using various tools in order to keep abreast of their AML/CFT compliance. If an entity was found non-complaint, there were criminal and administrative measures in place to enforce the Act.

Further, the Committee learnt that the FIC had been through two strategic planning cycles. The first one focused on operationalising the FIC, while the second focused on effectiveness in the operations of the Centre. The third strategic plan (which was expected to run from 2020-2022) aimed to consolidate the gains achieved in the previous strategic planning period and enhance cooperation with stakeholders.

The following strategies, inter alia, were part of the 2020-2022 Strategic plan;

- i. focus on strategic engagement with key stakeholders such as the Legislature and the Judiciary;
- ii. enhance collaboration with law enforcement agencies and other competent authorities;
- iii. increase Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) knowledge among reporting entities focusing on high risk institutions such as casinos and real estate agents;
- iv. strengthen the sanctions regime by executing an amendment to the *Financial Intelligence Centre Act* on administrative sanctions;
- v. establish an interface for electronic dissemination of intelligence reports;
- vi. focus on fighting financial crimes by enhancing the production of actionable financial intelligence as this will ensure that prioritised cases are analysed and concluded within the stipulated time;
- vii. enhance the production of Strategic Analysis Products; and
- viii. enhance the financial and human resource capacity of the FIC.

### **(d) Publication of trends report**

The Committee learnt that the FIC had been producing financial trends reports to the Zambian public which detailed the financial crimes that it had been working on in a particular fiscal year. In the reports, the FIC indicated the amounts of money in question as well as the possible matrix through which the transactions took place. The report also had some elaborate and easy to follow case studies showing the flow of money.

### **(e) Public engagement or discussion forums**

The Committee was informed that the FIC had also held workshops and seminars and had been part of other discussion fora where they had been invited to talk about their work and to also share their perspectives on the fight

against corruption and other forms of financial crimes. These engagements were healthy as they raised awareness among the citizens on corruption and the different types and forms of financial crimes. They had also served the purpose of demystifying the myths and misconceptions about the work of the FIC in the eyes of the general public.

## **7.5 CHALLENGES BEING FACED REGARDING THE COLLABORATIVE WORK OF THE CENTRE AND OTHER INSTITUTIONS**

The Committee was informed that the FIC faced various challenges in its collaborative work with other institutions as outlined below.

### **(i) Lack of a national policy framework**

There was a lack of a national policy framework in dealing with domestic cooperation and coordination on matters of Terrorist Financing and lack of AML/CFT strategy and policy. However, the Ministry of Finance, through the FIC, the National Task Force on Anti-Money Laundering and Countering the Financing of Terrorism, and AMLA had embarked on developing the National Policy on AML/CFT. This document was being finalised before being resubmitted to Cabinet for consideration.

### **(ii) Narrow mandate**

In other countries where FICs had been established, the law expressly provided for the functions of the FIC to publish statistical data on money laundering and inform the public about money-laundering and other financial issues. However, *Zambian law* had narrowly defined the FIC's mandate to "*educate the public and reporting entities of their obligations and inform them of measures to detect, prevent and deter money laundering and financing of terrorism or proliferation.*" There was no mandate for the FIC in Zambia to publish even statistical data on money laundering and other financial crimes, let along the sources and types of transactions which had been reported to FIC.

### **(iii) Weakness in the law**

The law that allowed the FIC to request for feedback on the progress of an investigation or report that was shared with the law enforcement agencies was weak. Section 5 (3) (f) of the Financial Intelligence Act stated as follows:

*"The Centre may, in performing its functions under this Act—  
request a law enforcement agency or competent authority to report  
progress and outcomes on matters referred to it by the Centre"*

This provision may weaken the effectiveness of the FIC in the sense that it did not place an obligation or duty on the law enforcement

- agencies or competent authorities to act on a matter referred to it by the FIC. In this regard, the FIC could only request for a progress report or outcome report on the matters referred to law enforcement agencies or competent authority.
- (iv) **Inadequate financial resources**  
The funding to the FIC was not adequate to enable it carry out its duties effectively, which had affected the organisation's other activities such as recruitment and the ability to undertake sensitisation or public awareness campaigns.
- (v) **Inadequate human resource**  
The FIC was operating at less than half of its approved establishment in terms of personnel, with twenty-seven employees instead of sixty-two employees. The failure to fill the vacant positions was partly due to low funding.
- (vi) **Limited visibility and sensitisation**  
The FIC had not done much to publicise its work and to conduct public awareness campaigns on the ills of corruption and other financial crimes.
- (vii) **Weak inter-agency coordination**  
The coordination between the FIC and other law enforcement agencies was weak and required strengthening for better results. For example, just after the release of the 2018 financial trends report by FIC, the nation witnessed uncoordinated statements between the DEC and the FIC which pointed to the lack of coordination or if it was there, the poor state of coordination between the two institutions.
- (viii) **Inadequate funding to the AFU**  
The administrative Asset Forfeiture Unit (AFU) under the National Prosecutions Authority was still in its infancy and was not adequately resourced. Although the number of confiscation of criminal proceeds, instrumentalities and property of corresponding value was low, the AFU used administrative, non-conviction and conviction based confiscations to effect confiscation of proceeds and instrumentalities of crime.
- (ix) **Absence of case management system**  
The effectiveness of Zambia's international cooperation was constrained by a general lack of comprehensive statistics as the country did not have a case management system in place to enable monitoring and accounting for mutual legal assistance requests received, acceded to, declined, dispatched and quality of information received. In the absence of a case management system, it was difficult to determine the time

within which the requests were handled, the number of requests handled, feedback and the quality of information received.

(x) **No specific legal or regulatory framework for implementing targeted financial sanctions relating to proliferation financing**

Zambia had no specific legal or regulatory framework for implementing targeted financial sanctions relating to proliferation financing and this had negatively impacted on the level of awareness of targeted financial sanctions relating to proliferation financing by most of the competent authorities and the reporting entities.

(xi) **Inadequacies and inefficiencies in information sharing**

There were inadequacies and inefficiencies in information sharing due to non-existence of a shared computer based system between the FIC and state investigative and law enforcement agencies for inputting, storing and retrieval of intelligence information.

(xii) **Negative Perceptions regarding the scrutiny of suspicious transactions by Politically Exposed Persons**

There were negative perceptions that had arisen regarding the use of the term 'Politically Exposed Person (PEP).' An impression had been created that the FIC targeted cases relating to politicians in its trends report. As defined under Section 2 of the *Financial Intelligence Centre Act, No, 46 of 2010* as amended by Act No.4 of 2016 a "Politically Exposed Person" means:

- "a. an individual who holds, or has held public office, and includes-
- (i) a Head of State or Government;
  - (ii) a Minister;
  - (iii) a Deputy Minister;
  - (iv) a politician;
  - (v) a political party official;
  - (vi) a judicial official or other senior official of a quasi-judicial body;
  - (vii) a military official;
  - (viii) a member of an administrative management or supervisory body of a state-owned enterprise;
- b. an individual who is, or has been, entrusted with a public function by a state, public body or a local or international organisation;
- c. an immediate family member of a person referred to in paragraph (a); or
- d. a close associate of a person referred to in paragraph (a)."

Due to their positions and influence, it had been recognised that PEPs were in positions that could be potentially abused for the purpose of

committing money laundering offences and related predicate offences, including corruption and bribery, as well as conducting activity related to terrorism financing. The potential risks associated with PEPs justified the application of additional Anti-Money Laundering/ Countering the Financing of Terrorism or Proliferation (AML/CFT/CPF) measures, designed to prevent and detect this conduct.

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

8.0 Following the scrutiny of submissions from stakeholders, the Committee's observations and recommendations are as set out below.

(a) Whilst the Committee acknowledges that the legal/ policy framework regulating the operations of the FIC in Zambia is in existence, it makes the observations and recommendations outlined below.

(i) The Committee observes that there is a lack of a national policy framework in dealing with domestic cooperation and coordination of matters on Terrorist Financing and lack of an AML/CFT Strategy and policy.

In this regard, the Committee recommends that the Government should expedite the finalisation of the AML/CFT National Policy as this will ensure that key money laundering and terrorist financing risks are addressed through collaboration among the various stakeholders.

(ii) The Committee observes that there is no specific legal or regulatory framework for implementing targeted financial sanctions relating to proliferation financing in Zambia. This has had a negative effect on the level of awareness of targeted financial sanctions relating to proliferation financing by most of the competent authorities and the reporting entities.

In light of the above, the Committee recommends that the Government should establish a legal, regulatory and institutional frame work to detect, control and adequately develop targeted financial sanctions specific to proliferations financing in order to create awareness on proliferations financing obligations amongst reporting entities.

(iii) The Committee observes that the provision in the Financial Intelligence Centre *Act* that allows the FIC to request for feedback on the progress of an investigation or report that was shared with the law enforcement agencies or competent authorities does not place an obligation or duty

on the law enforcement agencies or competent authorities to act on a matter referred to it by the Centre. Because of this, it may negatively impact on the effectiveness of the FIC.

In light of the above, the Committee recommends that the law should be amended to make it mandatory for law enforcement agencies or competent authorities to act on a matter referred to them by the FIC and report on the progress and outcome of matters referred to them by the FIC.

(b) The Committee appreciates the efforts being made by the Government with regard to funding the FIC and law enforcement agencies. However, the Committee is of the view that more could be done and makes the observations and recommendations outlined below.

(i) The Committee observes that funding to the FIC is not adequate to enable it carry out its duties effectively and this also affects the organisation's other activities such as the ability to recruit the requisite qualified personnel and undertake sensitisation or public awareness campaigns.

In view of the foregoing, the Committee recommends that there should be increased funding to the FIC to enable it carry out its mandate effectively.

(ii) The Committee observes that the Asset Forfeiture Unit (AFU) which was established within the National Prosecutions Authority in order to target proceeds and instruments of crime is still in its infancy stage and is inadequately funded.

In this regard, the Committee recommends that the AFU and other law enforcement agencies should be capacitated in order to pursue criminal proceeds, combat corruption and financial crimes using financial intelligence gathered by the FIC.

(c) The Committee, whilst appreciating the efforts made by the FIC and the law enforcement agencies to fight corruption and serious financial crimes makes the observations and recommendations outlined below.

(i) The Committee observes that information sharing is inadequate and inefficient due to non-existence of a shared computer based system between the FIC and state investigative and law enforcement agencies for inputting, storing and retrieval of intelligence information.

In this regard, the Committee recommends that a computer based information system be installed at FIC through which to input, store, retrieve and share intelligence information for the members of the Anti-Money Laundering Authority.

- (ii) The Committee observes that Zambia does not have a case management system in place which makes it difficult to determine the time within which the requests are handled, the number of requests handled, feedback and the quality of information received.

In this regard, the Committee recommends that the Government should set up a case management system to assist in tracking and monitoring the execution of requests.

- (iii) The Committee observes that coordination between the FIC and law enforcement agencies is weak and requires strengthening for better results in curbing corruption and serious financial crimes. For instance, even though the National Anti-Corruption Policy is in place, key stakeholders appear to be implementing it in silos. Important mechanisms and coordination are lacking or are not effective and do not work coherently.

In light of the above, the Committee recommends that there should be a deliberate effort to promote coordination and cooperation between the FIC and the law enforcement agencies so as to effectively combat Money Laundering and Terrorist Financing at national level, particularly in relation to serious financial crimes.

- (iv) The Committee observes that the FIC has not adequately publicised its work and conducted public awareness campaigns on the ills of corruption and serious financial crimes. The awareness levels among the Zambian citizens on what constitutes financial crimes still remains quite low.

In this regard, the Committee recommends that measures should be put in place to ensure that citizens and stakeholders understand the role of the FIC and are knowledgeable about financial crimes. Further, the Government should establish a robust sensitisation plan which should be adequately funded by the Government.

## **PART II**

### **9.0 CONSIDERATION OF OUTSTANDING ISSUES FROM THE ACTION-TAKEN REPORT ON THE COMMITTEE'S REPORT FOR THE THIRD SESSION OF THE ELEVENTH NATIONAL ASSEMBLY.**

#### **OPERATIONS OF THE DISASTER MANAGEMENT AND MITIGATION UNIT**

##### **(i) Inadequate funding**

In the previous Session, the Committee had recommended that the Government should ensure that the Disaster Management and Mitigation Unit (DMMU) was adequately capacitated both financially and materially for it to discharge its mandate more effectively. Further, the Committee urged the Government to take the issue of disasters seriously and prepare for them adequately.

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

It was reported in the Action-Taken Report that the Government had been making efforts to capacitate DMMU both financially and in terms of human resource. However, there were still gaps that needed to be addressed. The Government would ensure that capacity was built in all areas of preparedness and response.

Further, the Committee was informed that efforts were being made within the Government's available resources to prepare for disasters. The DMMU, working with stakeholders, had put in place contingency plans and other measures to ensure that hazards such as floods and droughts were assessed and responded to effectively. However, inadequate financial and material resources impeded the effective implementation of interventions as planned. The DMMU, through the Community Based Disaster Risk Management (CBDRM) programmes, was taking disaster management to the communities in order to increase community resilience.

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

The Committee notes the response and requests the Government to clearly state the specific measures that have been put in place to ensure that the DMMU is adequately capacitated both financially and materially.

##### **(ii) Evolution of the Disaster Management and Mitigation Unit**

In the previous Session, the Committee had urged the Government to expeditiously take steps to ensure that the DMMU evolved towards disaster risk reduction and research as opposed to emergency response. The Committee had also urged the Government to integrate disaster risk reduction in all levels

of the school curriculum so that Zambian children could appreciate the concept of disaster risk reduction from a tender age.

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

It was reported in the Action-Taken Report that in order to ensure the paradigm shift from being reactive to being proactive and in accordance with the Sendai Framework (2015 -2030), the Government, through DMMU, had come up with the National Disaster Risk Management Framework which emphasised preparedness and early warning actions. The Framework also emphasised the need to Build Back Better during recovery and reconstruction phases. The Government, through DMMU, would ensure that this Framework was implemented.

Further, in agreeing with this recommendation, the Government through DMMU had been having discussions with ministries responsible for education at all levels to ensure that Disaster Risk Management was incorporated into the educational curriculum.

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

The Committee notes the response and requests an update on incorporating Disaster Risk Management at all levels of the educational curricula.

### **(iii) National Disaster Relief Trust Fund**

The Committee had urged the Government to ensure that the *Disaster Management Act, No 13 of 2010* was amended to provide for the structure of the Fund which, according to stakeholders, was the main factor delaying its actualisation. To this effect, the Committee had urged the Government to ensure that the Fund was established without delay.

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

It was reported in the Action- Taken Report that there was need to review the Legal Framework governing Disaster Risk Management (DRM) in the country. The Committee was informed that the Government, through DMMU, working with cooperating partners had brought on board issues of International Humanitarian Law and other aspects as stipulated in the Sendai Framework 2015-2030. The exercise would consist of conducting a legal mapping taking into consideration identification of legal gaps which impeded effective coordination with all sectors.

Further, the Committee was informed that the Government, through DMMU, had concluded the consultancy on the establishment of the Disaster Management Fund and the consultancy report was in place. The Government would ensure that recommendations on the establishment and management of the Trust Fund were considered by various committees in the Disaster

Management Structure. The Government would also ensure that this process was expedited.

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

The Committee notes the response and requests a progress report on the establishment and management of the National Disaster Relief Trust Fund. Further, the Committee requests the Government to clearly state the timeline in which the Fund will be implemented.

#### **(iv) Revision of the Disaster Management Act**

The Committee had recommended that the Government should review and strengthen the Act to incorporate emergent issues, to better respond to the present context, including institutional and other changes aimed at aligning it with current settings. Furthermore, emphasis on disaster preparedness and mitigation through sufficient domestication of global frameworks and guidelines such as the sphere standards should be put in place. DMMU currently did not have guidelines in place and its operations depended on the Red Cross Guidelines.

### **Executive's Response**

It was reported in the Action-Taken Report that the Government acknowledged the need to review the *Disaster Management Act* in line with contemporary issues at national and global level relating to disaster risk management. Accordingly, the Government through DMMU working with cooperating partners had already started working on this to bring on board issues of International Humanitarian Law and other aspects as stipulated in the Sendai Framework 2015-2030. The exercise would consist of conducting a legal mapping taking into consideration identification of legal gaps which impede effective coordination with all sectors.

Further, the Government through DMMU had domesticated the Sendai Framework through the National Disaster Risk Management Framework which emphasised preparedness and proactiveness with regards to disaster response. In addition, the Framework also incorporated issues to do with the Paris Agreement on Climate Change. The National Disaster Management Policy was also reviewed to be in line with global frameworks that dealt with disaster management and climate change.

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

The Committee notes the response and requests a progress report on the revision of the *Disaster Management Act, No 13 of 2010*.

#### **(v) Unserviced tailings dumps**

The Committee had recommended that the Government should ensure that the tailings dumps were serviced in order to protect residents as well as natural resources from harm. Further, mining contracts and agreements should take into consideration management plans for tailings dumps. In addition, all mines must be compelled to have management plans for tailings dumps.

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

It was reported in the Action-Taken Report that there was need for concerted efforts from both the Government and the concerned investors with regard to the tailings dumps in Luanshya. Going forward, the Government through DMMU would ensure that:

- i. management plans for the tailings dumps were put in place; and
- ii. funding for the maintenance of the tailing dumps was sourced from both the Government and concerned investors.

Further, the Committee was informed that DMMU, working in conjunction with ministries in charge of mines and the environment, would ensure all mines were compelled to have management plans for tailings dumps. In addition, the *Disaster Management Act, No 13 of 2010* would be reviewed to incorporate such provisions.

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

The Committee notes the response and requests an update on the management plans and funding for the maintenance of the tailings dumps in Luanshya.

#### **(vi) Contingency funds**

The Committee had recommended that there was need for contingency funds to be made available from the Treasury in order to ensure that routine maintenance of tailings dumps was undertaken.

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

It was reported in the Action-Taken Report that the Government through DMMU would ensure that funds for the management of the tailing dumps were sourced from both the Treasury and concerned investors in the spirit of "polluter pays". As already stated, all legal frameworks relating to this would have to be harmonised in order to ensure compliance from mining companies.

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

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

**(vii) Proximity to Social Amenities**

The Committee had recommended that the people be relocated to another area in Tundula which was also close to the road.

**Executive's Response**

It was reported in the Action-Taken Report that as the Committee had already established that this area experienced flooding on a regular basis which caused most of the houses and latrines to collapse, the area experienced these kinds of disasters which could also be associated with the geographical location and landscape almost every ten years.

In this regard, the Government through DMMU would work with the local authorities and communities to ensure that a sustainable solution was found to this problem by ensuring:

- i. A good drainage system that allowed the rain water to drain; and
- ii. Quality of housing for most of the people living in the villages was provided using burnt bricks.

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

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

**(viii) Prone to flooding**

The Committee had recommended that there was need for the community at Tundula to make furrows in order to prevent flooding of the area. Further, the Committee had also urged the Government to develop programmes for handling flood prone areas that should include permanent relocations. This must take into consideration climate change information and must take into account resettlement schemes.

**Executive's Response**

The Committee was informed in the Action-Taken Report that as earlier alluded to, the Government, through DMMU, would ensure that a good drainage system that allowed the rain water to drain was put in place in this area. The Government, working with cooperating partners, had been working on a number of projects to manage flood prone areas, particularly in Western and Luapula Provinces. As for the area in question, the Government, through DMMU, would come up with a sustainable programme to manage the flooding in the area and use it to the advantage of the local communities.

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

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

### **(ix) Poor quality houses**

The Committee had recommended that a technical study be carried out in order to establish the extent of the damage and make suggestions on the way forward. The Committee had also recommended that there was need for the people living in this area to be assisted to build reasonably stronger houses that could withstand the elements.

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

It was reported in the Action-Taken Report that with regard to the houses in Chachacha of Kitwe, Section 27 of Luanshya and Kankoyo of Mufulira, an initial assessment carried out by DMMU and stakeholders indicated the need for a detailed study in order to come up with durable solutions to the cracking of houses and pollution of the air in these areas. Preliminary findings had indicated the need to construct stronger structures which would withstand seismic movements as a result of mining activities. This was in line with the concept of Building Back Better as was espoused in the National Disaster Risk Management Framework.

In addition, the Disaster Management and Mitigation Unit (DMMU) working with stakeholders had carried out an assessment whose recommendations were under consideration by the appropriate authorities. The Government, through the DMMU, would consider assisting the communities in these areas.

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

The Committee notes the response and requests for a progress report on the provision of support to the communities to build stronger structures.

### **(x) Kapompi bridge**

The Committee had recommended that funds be made available to repair the bridge in order to avoid the loss of lives.

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

The Committee was informed in the Action-Taken Report that the Government had already engaged a contractor who was also working on the road on which the bridge was situated. The Committee was informed that the crossing point would be worked on in the next few weeks.

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

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

**(xi) Disaster Management and Mitigation Unit (concentrated at central level)**

The Committee had recommended that there was need for the Government to strengthen the provincial DMMU offices and enhance their response preparedness. This would avert arbitrariness and discretion in administering relief measures in order to avoid political interference and remove uncertainties regarding who qualified for relief food.

**Executive's Response**

It was reported in the Action-Taken Report that the Government, through DMMU, would strengthen the provincial DMMU offices and enhance their response preparedness. The office would also ensure that the unit had permanent officers at district level. Further, through the recently launched Disaster Risk Management Framework, and in line with internationally accepted standards as stipulated in the Sendai Framework, the disaster management regime in the country was moving from being reactive to being proactive.

**Committee's Observations and Recommendations**

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

**REVIEW OF THE OPERATIONS OF THE DEPARTMENT OF RESETTLEMENT**

The Committee made the observations outlined below.

**(i) Land dispute between Government and Traditional leaders**

The Committee had recommended that the Government should ensure that steps were taken to expeditiously conclude this matter and intensify the sensitisation exercise on the provisions of the draft land policy so as to address the concerns that traditional leaders had over the draft policy, in particular the administration of land.

**Executive's Response**

The Committee was informed in the Action-Taken Report that the Ministry of Lands and Natural Resources had undertaken the measures outlined below.

- i. The Technical Committee (TC) for the development of the Land Policy was reconstituted in March 2019.
- ii. In April, 2019, a cordial handshaking meeting with the Chairperson of the House of Chiefs supported by five other chiefs took place.

- iii. In May, 2019 the Technical Committee met with the Committee of Permanent Secretaries for guidance on contentious issues that chiefs raised at their 28<sup>th</sup> and 29<sup>th</sup> May, 2018 meeting and continued to receive responses from multiple ministries.
- iv. In July, 2019 the Ministry of Lands and Natural Resources met with the full House of Chiefs during their sitting and agreed on the way forward with regard to the draft land policy and its contents.
- v. In November, 2019, the Ministry was hopeful that the validation of the national land policy would be held.

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

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

#### **(ii) Increased number of internally displaced citizens**

The Committee had recommended that legislation should be put in place to prohibit the Ministry of Lands and Natural Resources from issuing title deeds to investors and land developers without an approved Resettlement Action Plan pertaining to the land in question so that the interests of citizens who could be affected were protected.

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

It was reported in the Action-Taken Report that the draft Land Policy provided safeguards against displacement of settlers without compensation. Therefore, the Ministry of Lands and Natural Resources was hopeful that once the Land Policy was in place, the pieces of legislation which pertained to land matters would be amended so as to protect the citizens of the country. Further, the Ministry already demanded for Resettlement Action Plans (RAPs) to be undertaken whenever displacement of settlers was inevitable. Additionally, Land Circular No. 1 of 1985 required local authorities to conduct physical inspections whenever land was being converted from customary to leasehold tenure. This was meant to ensure that the interests of settlers were not adversely affected.

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

The Committee notes the response and expresses concern over the delay in harmonising the relevant legislation so as to protect settlers and urges the Government to expedite the process. The Committee requests an update on the matter. .

#### **(iv) Management of schemes by local settlers**

The Committee had recommended that the Government should ensure that the staff structure at the Department of Resettlement was reviewed as a matter of urgency, so that schemes could be managed by staff from the Department who could be held accountable for their operations.

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

It was reported in the Action-Taken Report that the Department of Resettlement, through Human Resource and Administration Department, had requested PSMD to unfreeze the frozen positions which included eleven positions of Scheme Managers and Technical Officers, including twenty-eight others, giving a total of thirty-nine.

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

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

#### **(v) Secondary schools at Meheba and Miengwe Resettlement Schemes**

The Committee had recommended that there was need for the Government to construct two secondary schools in each of the schemes to enable the pupils living in the schemes to complete their schooling.

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

The Committee was informed in the Action-Taken Report that the District Education Board Secretary's (DEBS) Office in Kalumbila had planned for the construction of a secondary school for Meheba and the same had been embedded in the District Investment Plan. However, there was no immediate plan for the construction of a secondary school in Miengwe at the moment. The Committee was informed that this matter would be looked into in collaboration with the Ministry of General Education.

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

The Committee notes the response and requests an update on the construction of secondary schools in Meheba and Miengwe Resettlement Schemes.

#### **(vi) Inadequate school infrastructure**

The Committee had recommended that the Government should ensure that adequate school infrastructure was provided to the schools in the scheme.

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

The Committee was informed that the Government had taken note of the Committee's recommendations and would look into the matter.

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

The Committee notes the response and requests an update on the provision of adequate school infrastructure to the schools in the scheme.

#### **(vii) Inadequate Staff accommodation**

The Committee had recommended that the Government should ensure that adequate accommodation was provided to teachers, health workers and agricultural staff at the schemes in order to enable them to perform their duties effectively.

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

It was reported in the Action-Taken Report that Meheba Resettlement, situated in Kalumbila District of North Western Province, had the following health facilities: Meheba A; Meheba B; Meheba C; Meheba D, Meheba E; Meheba F; Meheba G; Kamiba and Jagahima. All these facilities had accommodation for health workers which was scaled up with the growth of the Meheba Refugee Camp.

The Committee was informed that Kainamfumu Resettlement was situated in Solwezi District in North Western Province and had one health facility. However, the health facility did not have staff houses. The health staff working in the area were renting houses from the community around the facility.

The Committee was also informed that Miengwe Resettlement which was situated in Kafulafuta constituency under Masaiti District, Copperbelt Province had one health facility. However, the facility currently did not have staff houses. The available health staff were renting houses from the community around the facility.

Further, the Committee was informed that with regard to teachers and agricultural staff, the Department of Resettlement was collaborating with the relevant ministries to resolve the accommodation issue for these categories of workers.

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

The Committee notes the response and requests an update on the provision of accommodation to teachers, health workers and agricultural staff at the schemes.

#### **(viii) Poor road connectivity**

The Committee had recommended that the Government should construct more roads and improve connectivity in the schemes and surrounding areas to ensure that settlers were not inhibited from taking part in economic activities.

### **Executive's Response**

It was reported in the Action-Taken Report that the Department of Resettlement had planned and budgeted for road rehabilitation in the 2019 budget in North-Western Province as stated below.

(a) North-Western Province K160, 000 for roads.

(b) No provision had been made for roads for Copperbelt for 2019, rather the case had been referred to the Masaiti District Council for action.

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

The Committee notes the response and requests an update on the construction of roads in the Resettlement areas.

#### **(ix) Lack of livelihood programmes**

The Committee had recommended that the Government should put in place measures to ensure that the people living in the schemes were empowered and eventually graduated them from being dependant on the Government and non-governmental organisations.

### **Executive's Response**

It was reported in the Action-Taken Report that with regard to mitigating the lack of livelihood programmes, the Department of Resettlement was enhancing collaboration with other line ministries to improve the situation in Meheba and Kainamfumu Schemes. Further, in collaboration with UNDP, K570,000 Kwacha had been budgeted for in the 2019 work plan for provision of starter packs to selected settlers to enhance their livelihood.

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

The Committee notes the response and considers the matter closed.

#### **(x) Poor telephone network**

The Committee had urged the Government to consider constructing more communication towers in order to enhance telephone connectivity in the resettlement schemes.

### **Executive's Response**

It was reported in the Action-Taken Report that the Government was still implementing the Construction of Communication Towers Phase II Project which was scheduled to be completed in the fourth quarter of 2020. Once the project was completed, the Government would endeavour to undertake surveys in the three resettlement areas to determine the improvements in network

coverage in the affected areas. The Committee would be updated as and when required.

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

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

**(xi) Lack of farming inputs**

The Committee had recommended that the Government should facilitate titling of properties in the scheme in order to enable the settlers to have access to finances through the acquisition of loans.

***Executive's Response***

It was reported in the Action-Taken Report that the Ministry of Lands and Natural Resources had so far received sixty-seven recommendations from the Department of Resettlement which were currently being processed for titles. The pace at which the whole settlement would be titled would depend on the rate at which the recommending authority would be submitting the documents to the Ministry of Lands and Natural Resources. However, priority had been given to the processing of Certificates of Title for applications from the Department of Resettlement.

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

The Committee urges the Government to expedite the land titling process to enable the settlers have access to loans and requests a progress report on the matter.

**(xii) Lack of cold chain facilities**

The Committee had recommended that the Government should ensure that cold chain facilities were made available in order to enhance horticultural growth.

***Executive's Response***

The Committee was informed in the Action-Taken Report that the 2019 budget of the Sustainable Development Programme, an innovative livelihood programme, was being implemented where solar drying, appropriate technology was being implemented.

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

The Committee notes the response but is disappointed that it does not address the concern of the Committee regarding lack of cold chain facilities. In this vein, the Committee requests a specific update on the issue of cold storage facilities and will accordingly await a progress report.

### **(xiii) Extension Services**

The Committee had recommended that the Government should consider acquiring motor bikes for the agriculture officers in the resettlement schemes in order to ensure efficiency in their work.

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

The Committee was informed in the Action-Taken Report that Government was aware of the transport challenges faced by agricultural extension officers in all parts of the country. The Government was in the process of procuring motor bikes for the extension officers across the country. In order to alleviate the transport challenges, the Ministry procured 258 and 150 motorcycles in 2017 and 2018 respectively. Further, the Ministry had procured 213 more motorcycles in 2019 for extension officers. The Ministry was making constant efforts to procure transport for extension officers.

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

The Committee notes the response and requests for a specific report on the provision of motor bikes for agriculture officers in the resettlement schemes.

### **(xiv) Bridges at Meheba Resettlement Scheme**

The Committee had recommended that the Government should consider constructing bridges on Mwafwe, Meheba and Shikudwe rivers so as to be connected to the community in Matebo, Shilenda through to the general hospital and linking block G and F respectively.

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

It was reported in the Action-Taken Report that the Department of Resettlement had referred the issue to the Kalumbila District Planning Unit for consideration.

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

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

### **(xv) Solar fridges at Meheba Resettlement Scheme**

The Committee had urged the Government to ensure that solar fridges were made available to the clinics.

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

The Committee was informed in the Action-Taken Report that the issue of non availability of solar fridges for the two clinics at Meheba was receiving active attention. Accordingly, K670,000 had been budgeted for under the UNDP-

Sustainable Resettlement Programme (solar systems for social services and domestic biomass energy system for households) in the 2019 work plan and budget. Part of these funds would be channeled towards procurement of the fridges and lighting systems in the clinics.

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

The Committee notes the response and requests an urgent update on the matter.

**(xvi) Unsafe drinking water**

The Committee had recommended that the Government should put in place measures to ensure that the water in the boreholes was treated in order to prevent epidemics.

***Executive's Response***

It was reported in the Action-Taken Report that in order to prevent epidemics, the Government had planned to drill four boreholes installed with hand pumps that would not be equipped with galvanised iron (GI) riser pipes, to prevent the high iron content in the water. This was because the use of GI riser pipes could result in the high iron content in the water from the geology or the corrosion of GI pipes due to the aggressiveness of water where the water was acidic with PH was less than 7. The boreholes were planned to be drilled under the Department of Resettlement as soon as funds from the Treasury were released.

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

The Committee notes the response and requests an urgent update on the matter.

**(xvii) Provision of electricity**

The Committee had recommended that the Government should ensure that the provision of electricity was extended to all the people living in the schemes.

***Executive's Response***

The Committee was informed in the Action-Taken Report that efforts were being made to sensitise communities to use the local government structures such as the Ward Development Committees to have their needs, such as provision of electricity, included in the respective District Investment Plans.

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

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

### **(xviii) Inadequate water supply and irrigation**

The Committee had recommended that the Government should ensure that industrial boreholes were drilled so that the settlers could have access to piped water in order to ensure high productivity amongst farmers and mitigate the spread of diseases.

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

It was reported in the Action-Taken Report that the Government had identified sites for drilling of boreholes in Meheba, Kainamfumu and Miengwe and the Consultant (GAUFF INGENIEURE GmbH & Co) had been engaged. Construction would commence in the third quarter of 2019 and was expected to be concluded by end of the year as follows:

- i. A total of thirty eight non-functional boreholes would be rehabilitated in refugee settlements, re-settlement areas, host communities and institutions.
- ii. A total of forty two new boreholes would be drilled and equipped with hand pumps in refugee settlements, resettlement areas, host communities and institutions; and
- iii. One piped water scheme would be constructed at Meheba refugee settlement area.

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

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

## **10.0 CONSIDERATION OF OUTSTANDING ISSUES FROM THE ACTION-TAKEN REPORT ON THE COMMITTEE'S REPORT FOR THE SECOND SESSION OF THE ELEVENTH NATIONAL ASSEMBLY**

### **1. Establishment of the Parliamentary Committee on Cabinet Affairs**

In the previous Session, the Committee resolved to await a progress report on the issuance of the circular and special sensitisation programme to appraise all Government institutions on the functions of the Committee on Cabinet Affairs.

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

The Committee was informed in the Action-Taken Report that the Government issued a circular to all institutions under the Cabinet Affairs Portfolio informing them of the Committee's existence. However, a special sensitisation programme to appraise all the concerned institutions on the functions of the Committee on Cabinet Affairs was yet to be conducted.

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

The Committee notes the response and requests an update on the special sensitisation programme to appraise all the concerned institutions on the functions of the Committee on Cabinet Affairs.

## **2. Public Service Reforms**

In the previous Session, the Committee had resolved to wait for a progress report on the implementation of the reforms which were expected to be registered in the third and fourth quarter of 2018.

### **Executive's Response**

It was reported in the Action-Taken Report that the progress that was projected to be registered in the third and fourth quarters of 2018 was not fully realised. To this effect, a multi-sectoral Steering Committee in the context of the 7NDP implementation had since been constituted to look into the modalities of expediting the decentralisation reforms.

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

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

## **3. Outdated Public Service Documents**

In the previous Session, the Committee had resolved to await a progress report on the review of the policy documents and the finalisation of the guidelines.

### **Executive's Response**

The Committee was informed in the Action-Taken Report that the revision of the guidelines to operationalise the policy frameworks such as the Service Commission Regulations, Service Commission Policies and Procedures for Employment in the Public Service, Terms and Conditions for the Public Service as well as the Disciplinary Code and Procedures for Handling Offences in the Public Service was almost complete. The documents were now undergoing the final validation stage with the relevant stakeholders.

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

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

## **4. Vacant and Frozen Positions in the Civil Service**

In the previous Session, the Committee had resolved to await a progress report on the unfreezing of some of the frozen positions in the public service and the full implementation of the human resource management reforms.

### **Executive's Response**

It was reported in the Action-Taken Report that the positions were unfrozen as and when justifications were made by the affected institutions. With regard to the Human Resource Management Reforms, this was work in progress.

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

The Committee notes the response and requests a progress report on the full implementation of the human resource management reforms.

#### **5. Tracking of Progress on Decentralisation**

In the previous Session, the Committee had expressed concern at the fact that the Executive launched the pilot implementation of the Decentralisation Programme without taking into consideration some of the critical issues which needed to be ironed out to facilitate the smooth implementation of the Programme. Among the issues which needed to be addressed were the legal framework and the salary structure of the staff to be devolved. The Committee was also concerned that there was lack of matching financial resources to support the devolved system of governance, resulting in delays in the implementation of the programme.

The Committee was further concerned that despite the devolution programme being a Constitutional issue, little had been done by the devolving sectors to actualise the implementation of the Decentralisation Programme.

Furthermore, the Committee had registered disappointment at the slow pace at which the pilot of the Decentralisation Programme was being implemented. The Committee observed that there was nothing tangible that had been done towards implementation of the pilot project, and operations at the piloted Council were the same as at any other district council in the country.

In view of the above, the Committee had recommended as outlined below.

##### **i. Conflicting allocations of functions**

The Executive should urgently address the conflicting allocation of functions to the local authorities and the central Government in the National Decentralisation Policy and the Constitution in order to facilitate the implementation of the Decentralisation Programme.

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

It was reported in the Action-Taken Report that the implementation of the decentralisation process had experienced a few challenges, some which hinged on the provisions of the Constitution. However, the Government was determined to see the process through. This was evidenced by the constitution of a multi-sectoral committee to bolster the implementation of the Decentralisation Programme. To address the conflict between some constitutional provisions and the decentralisation policy, submissions were made to the recently held National Dialogue Forum for consideration.

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

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

#### **ii. Issuance of service regulations and non legislative documents**

The Government should ensure that the service regulations and nonlegislative documents such as Terms and Conditions of Service, Disciplinary Code and the Appeals Code were expeditiously issued by the relevant authorities so as to facilitate the implementation of the Programme.

### **Executive's Response**

The Committee was informed in the Action-Taken Report that the issuance of the service regulations and non-legislative documents such as Terms and Conditions of Service Disciplinary Code and Appeals Code was almost complete as the accompanying guidelines were now undergoing the final validation stage with the relevant stakeholders.

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

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

#### **iii. Intensify sensitisation on the decentralisation programme**

The Government should ensure that sensitisation on the Decentralisation Programme was intensified to avoid resistance and allow for its smooth implementation.

### **Executive's Response**

The Committee was informed in the Action-Taken Report that sensitisation on the Decentralisation Programme had been intensified. With assistance from some cooperating partners, a total of seven Provincial sensitisation programmes had been concluded so far.

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

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

## **6. Human resource management reforms**

In the previous Session, the Committee had requested an update on the full implementation of the human resource management reforms and the revision of the State Functions Manual. Further, the Committee had expressed concern at the fact that the Executive launched the pilot implementation of the Decentralisation Programme without taking into consideration some of the critical issues which needed to be ironed out to facilitate the smooth implementation of the programme. Among the issues which needed to be addressed were the legal framework and the salary structure of the staff to be

devolved. The Committee was also concerned that there was lack of matching financial resources to support the devolved systems of governance, resulting in delays in the implementation of the programme.

The Committee was further concerned that despite the Decentralisation Programme being a Constitutional issue, little had been done by the devolving sectors to actualise the implementation of the Decentralisation Programme.

Furthermore, the Committee registered disappointment at the slow pace at which the pilot of the Decentralisation Programme was being implemented. The Committee observed that there was nothing tangible that had been done towards implementation of the pilot project, and operations at the pilot Council were the same as at any other district council in the country.

In view of the above, the Committee recommended that there was need for the Executive to urgently address the conflicting allocation of functions to the local authorities and the central Government in the National Decentralisation Policy and the Constitution in order to facilitate the implementation of the Decentralisation Programme.

### **Executive's Response**

It was reported in the Action-Taken Report that the Government remained committed to devolving selected functions with matching resources from central government to local authorities and acknowledged the mismatch that existed between the provisions of the Constitution, as amended by Act No. 2 of 2016, and the National Decentralisation Policy. The mismatch mainly affected the following functions: (a) Disaster Management and Risk Reduction Management under the Office of the Vice President; (b) Land Allocation and Utilisation under the Ministry of Lands and Natural Resources; (c) Water Resource Management under the Ministry of Water Development, Sanitation and Environmental Protection and (d) Primary Education, Early Childhood and Adult Literacy under the Ministry of General Education.

To this effect, the Government resolved to address this omission in the Republican Constitution through the constitutional amendment process which was currently on-going. In the meantime, the Government would continue to prepare the ground for the devolution of functions that were clearly spelt out both in the Republican Constitution and in the Decentralisation Policy beginning with Chibombo District before escalating the same to additional districts.

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

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

## **7. National School of Government**

In the previous Session, the Committee had resolved to await a progress report on the establishment of the National School of Government.

### **Executive's Response**

It was reported in the Action-Taken Report that the Government wished to express its gratitude to the Committee for its continued support to the agenda to operationalise the National School of Government (NSG) in order to re-orient the public sector towards peak performance, efficient and effective service delivery at all levels.

As at April, 2019, the Acting Secretary to the Cabinet appointed an Interim Board of Directors which was tasked to implement activities leading to the opening of the NSG by January, 2020. In the current period, the focus was on developing a legal framework that would define the “sphere of influence” of the National School of Government within the context of capacity building in relation to governance, management and operations of the NSG, including resource mobilisation.

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

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

## **8. Delayed Funding to Ministries, Provinces and other Spending Agencies**

In the previous Session, the Committee had resolved to await a progress report on improved funding to Ministries, Provinces and other Spending Agencies (MPSAs).

### **Executive's Response**

The Committee was informed in the Action-Taken Report that while the Government remained committed to improving the level and frequency of funding to MPSAs, this was contingent on the availability of resources. Currently, the Government was faced with limited fiscal space.

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

The Committee notes the response and urges the Government to ensure that a funding profile is established. The Committee resolves to await a progress report on whether the status of funding to MPSAs has improved.

## **9. Classified Daily Employees**

In the previous Session, the Committee had resolved to await a progress report on the implementation of the revised human resource management reforms.

### **Executive's Response**

It was reported in the Action-Taken Report that the full implementation of the revised human resource management reforms would remedy most of these short comings.

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

The Committee notes the response but is disappointed that the response does not address the concern of the Committee regarding the implementation of the revised human resource management reforms. The Committee, therefore, requests a specific update on this matter.

## **10. Dual Reporting System in Government Departments**

In the previous Session, the Committee had resolved to await a progress report on the full implementation of the decentralisation policy and urged the Executive to expedite the process.

### **Executive's Response**

It was reported in the Action-Taken Report that the Government had taken note of the Committee's recommendation and that this was work in progress.

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

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

## **11.0 CONCLUSION**

The Financial Intelligence Centre is the body mandated to receive, request, analyse and disseminate the disclosure of suspicious transaction reports. The FIC has a wide mandate regarding financial crimes, which are invariably based on the commission of corrupt acts. The United Nations Convention Against Corruption (2005), recognises and reinforces the strong link between corruption and money laundering. The Convention encourages state parties to create effective financial intelligence units (FIUs), and use of anti-money laundering tools, as part of the efforts to prevent, detect, investigate and prosecute corruption.

The FIC, which is Zambia's FIU, plays a key role in ensuring that all, or the majority of suspicious or unusual transactions are captured for analysis, and possible dissemination to law enforcement agencies, including the Anti-

Corruption Commission for further investigation and possible prosecution. In addition, the FIC acts as a bridge on behalf of anti-corruption bodies in obtaining information from another jurisdiction through FIU to FIU cooperation. If corruption activities involve offshore assets, the FIC is able to exchange information with their foreign counterparts considering that corruption is a predicate offense for money laundering.

The role of FIC in the fight against corruption cannot be overemphasised. The fight against financial crimes is complex and calls for specialised skills such as those that have been developed at FIC. While the current institutional framework for law enforcement in Zambia supports the collaboration of FIC with other law enforcement agencies, there is still room for improvement to ensure effective flow of information based on shared strategies. Further, there is need to increase funding to the FIC in order to ensure that it is adequately capacitated with financial and human resource to enable it fulfil its mandate. In addition, there is need for specialised training in fighting financial crimes.

The Committee wishes to thank all stakeholders who made both oral and written submissions to it. The Committee places on record its deepest gratitude to the Hon Mr Speaker and the Clerk of the National Assembly for the guidance and support rendered to it throughout its deliberations.

Dr M Imakando, MP  
**CHAIRPERSON**

June, 2020  
**LUSAKA**

**APPENDIX I - List of National Assembly Officials**

Ms C Musonda, Principal Clerk of Committees

Mr F Nabulyato, Deputy Principal Clerk of Committees (SC)

Mr S Chiwota, Senior Committee Clerk (SC)

Mrs E M Z Banda, Committee Clerk

Ms L Chilala, Typist

Mr M Chikome, Committee Assistant

Mr D Lupiya, Committee Assistant