

WEDNESDAY, 12 JULY, 2017

MINISTERIAL STATEMENT

ON THE

CONSTRUCTION OF 650 HEALTH POSTS COUNTRYWIDE

BY THE

HON. MINISTER OF HEALTH, DR CHILUFYA

Madam Speaker, I thank you for granting me this opportunity to update the House and nation at large on the project towards the construction of 650 health posts countrywide.

As the House may be aware, this project is being implemented through a US\$50 million line of credit from the Government of India.

Madam Speaker, the following progress has been so far recorded on the project:

- (a) out of the 650 sites, contractors have taken possession of 547 sites, representing coverage of 84 per cent across the country;
- (b) a total of 327 superstructures have been completed countrywide, out of which 275 have been handed over to the Ministry of Health and are fully functional facilities. The distribution of the functional facilities is as follows:

<i>Province</i>	<i>No. of Facilities</i>
Copperbelt	30 out of a total of 88
Central	37 out of a total of 52
Eastern	39 out of a total of 68
Western	60 out of a total of 64
Southern	32 out of a total of 99
Lusaka	31 out of a total of 32
Northern	10 out of a total of 69
Luapula	17 out of a total of 64

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Muchinga 10 out of a total of 40
North-Western 9 out of a total of 64; and

- (c) approximately 90 per cent of the building materials and equipment towards establishment of the health posts have been supplied and are in the country.

Madam Speaker, in spite of the progress noted above, the project has suffered challenges that have resulted in the derailment of the works. As may be the case with any undertaking of this magnitude, unforeseen challenges have occurred. The main challenges that have affected the project are as a result of the following:

- (a) the termination of a contract between Angelique International Limited and the Zambian Government for the construction of 247 health posts in the Northern, Luapula, Muchinga and North-Western Provinces. The termination of this contract was on recommendation of the Government of India;
- (b) non-release of counterpart funding on the project to support the completion of health posts in the Central, Copperbelt, Eastern, Western, Southern and Lusaka Provinces as per loan agreement. This has resulted in suspension of works by the two contractors undertaking health post construction in these provinces; and
- (c) non-release of funds to support the option of the Zambia National Service (ZNS) undertaking the completion of the 201 health posts in the Northern, Luapula, Muchinga and North-Western Provinces.

Madam Speaker, these challenges prompted renegotiations between the Zambian and Indian Governments towards refinancing of the project. What has been agreed on is:

- (a) the Zambian Government reengages the two contractors that were already working in other provinces to complete the health posts in the four provinces of Luapula, Muchinga, Northern and North-Western; and

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- (b) the Government of India refines the project through the Export Import Bank of India (EXIM) by expanding the loan amount by a further US\$12 million.

Madam Speaker, the negotiations have been concluded in principle and are awaiting final administrative approval. The revised completion dates for all incomplete health posts under this project will only be established once the refinancing of the project has been concluded, the financial position ascertained and contractors enabled to start work.

Mr Speaker, as I conclude, allow me to assure the House and nation at large that the Government is firmly committed towards the completion of all health posts under this project. The 650 health posts and even more infrastructure projects shall be delivered to the people of Zambia.

Madam Speaker, I thank you.