

## **MINISTERIAL STATEMENT**

**ON THE LUSAKA/NDOLA/DUAL CARRIAGEWAY PROJECT GIVEN BY THE HON.  
MINISTER OF HOUSING AND INFRASTRUCTURE DEVELOPMENT, MR CHITOTELA,  
MP**

Mr Speaker, I would like to thank you for giving me the opportunity to render a ministerial statement.

Sir, I am grateful for the opportunity you have given me to inform the nation and through this august House, on one of the topical issues in the recent days, which is the construction of one of the most important economic roads in Zambia. I am referring to the dual carriage way from Lusaka via Kabwe/Kapiri Mposhi to Ndola.

Mr Speaker, I have been compelled, as the hon. minister responsible for Housing and Infrastructure Development to issue this ministerial statement so that the nation is given a full disclosure regarding this project and also for us to again, demonstrate that we are a transparent Government. Over the past days, there has been a lot of misinformation from some sections of the media and several politicians.

Sir, it is only prudent that the Government should provide the facts to the people of Zambia as the saying goes, “only the truth shall set us free.”

Mr Speaker, as a ministry responsible for the project, we have had to create opportunities to provide the correct information to stakeholders since the misinformation started. I am here to address this House today and through this House, the Zambian people, who are the number one stakeholders in this issue.

Sir, in June, 2015, the Government of the Republic of Zambia through the Road Development Agency (RDA), requested the suitably qualified firms to express interest in the implementation of six road projects using the Public Private Partnerships (PPPs). One of the six roads, which was

identified is the Lusaka/Ndola Road and was then earmarked for the expansion to dual carriageway.

Mr Speaker, the bidding process for the construction of the Lusaka/Ndola Dual Carriageway protracted for almost two years due to a lot of factors, such as financing modalities for the construction works and the construction designs among others. However, following the completion of the procurement processes for the road in conformity with the laws, MESSRS in Zambia, China Jiangxi Corporation for International Economic and Technical Cooperation (CJIC), was selected as a preferred bidder by the PPPs Council, and subsequently, in December, 2016, the PPPs Council authorised the RDA to engage the selected contractor into the contract negotiations for the project.

Mr Speaker, during the process of the negotiations, the implementation mode was changed from the PPPs Model to Engineering Procurement and Construction plus Finance (EPC+F).

Sir, the effect of the change in the implementation model was that all revenues from the project in the form of toll fees would accrue to the Government instead of the revenue going to the private sector, who is a contractor.

Mr Speaker, as a responsible Government, we accepted the change in the mode of implementation, given the substantial revenue estimates, as you will note shortly. Following successful negotiations between the two parties, the contract was finally signed on 30<sup>th</sup> May, 2017.

Mr Speaker, in terms of the project details, this august House and nation at large should note that due to the geographical coverage and total number of kilometres to be constructed, the interlinks and the contract sum are as follows:

- (a) the road, which is part of the regional trunk road network, will cover the key towns of Lusaka, Kabwe, Kapiri Mposhi and Ndola;

- (b) the total number of kilometres to be constructed comprises approximately 321 km of the core Lusaka to Ndola Dual Carriageway, and not a single lane, 45 km of the Kafulafuta to Masangano dual road and another 40 km of bypass roads at Kabwe and Kapiri Mposhi, bringing the total kilometres in single carriageway terms to approximately 812 km;
- (c) the road has several interlinks, including the Lusaka/Kabwe road – T002 (144 km), Kabwe/Kapiri Mposhi road – T002 (61 km), Kapiri Mposhi/Ndola road – T003 (116 km) and Kafulafuta/Masangano road – M006 (45 km); and
- (d) the total contract sum is US\$1,245,775,986.

Mr Speaker, the importance of this road to the economy of this country in terms of direct revenue generation and support to local and regional economic activities and trade cannot be over-emphasised. It is for this reason that the scope of works covered under the project was broadened in order to obtain maximum benefits. In engineering circles, rehabilitation means the complete overhaul of a road.

Mr Speaker, therefore, in addition to a new carriageway alongside the rehabilitation of the existing one, the road comes with the following additional infrastructure:

- (a) the Luanshya/Masangano Bridge;
- (b) a bridge across the Mulungushi River;
- (c) a bypass road in Kabwe, to avoid passing through the central business district;
- (d) another bypass road in Kapiri Mposhi, to avoid the passing through the central business district;
- (e) three toll plazas along the route;

- (f) one weighbridge;
- (g) three service stations along the project road;
- (h) an office building for the Road Development Agency (RDA);
- (i) satellite cities; and
- (j) the Kafubu River Bridge.

Mr Speaker, considering the total number of kilometres and cost of all the infrastructure I have itemised, it is not true the unit cost of the road is US\$3.9 million, as alleged by some sections of the media. In fact, the cost could be lower than some of the roads we have constructed in Zambia. We have calculated the unit cost for the road project to be US\$1.2 million per kilometre, and not the alleged US\$3.9 million per kilometre.

Mr Speaker, therefore, we take the reports that have been circulating regarding the cost of the road as a deliberate effort by our opponents to misinform the Zambian people. While their mathematics appears correct, it is based on a highly flawed basis as it leaves out other key aspects and components of the road, as I have clearly highlighted above.

Mr Speaker, let me give some background. Prior to the signing of the contract, the Government engaged professionals to analyse various implementation and financial models of the project as part of the appraisal process. I wish to inform this august House and the Zambia people that the selected financial model has a payback period of seventeen years, with an internal rate of return of 15 per cent. The project under the selected model further shows that the project will generate gross revenues of approximately US\$3.5 billion over a period of seventeen years after commencement of operations.

Mr Speaker, it is because of the professionally determined profitability, efficiency or yield of this investment, as reflected by the high internal rate of return, that the Government decided to change the implementation model in the first place. What this demonstrates is that we are a very meticulous Government that does not want the country to lose money because of carelessness. We will ensure that we obtain value for money in all ventures that we commit this country to. This is a responsibility that the Zambian people gave us when we voted for us. We shall never abandon this responsibility in our effort to transform this country, which is our heritage, for the benefit of all Zambians.

Mr Speaker, if the perpetrators of the misinformation had the best interest of this nation, like we do, this is the information they should have shared, as the ministry has had interactions to share the information. More so, the contract is a public document that is accessible for scrutiny by members of the public. Therefore, we would only urge our colleagues in the media to help this country through responsible journalism.

Mr Speaker, while we believe in the right of the media to disseminate information and provide critique to the Government, our considered view is that this should be done based on facts and concrete evidence, as opposed to innuendoes and half truths. This the only way our journalism fraternity is going to maintain credibility in the eyes of the people and, indeed, the international community.

Mr Speaker, on the other hand, I want to take this opportunity to applaud some sections of the media that are doing a commendable job in truthfully informing the people. When the media points out a genuine mistake that we might have committed as Government, we are amenable to listen. When the media points out the positive developments that we are delivering to our people, we are encouraged to even do more. For those that want to continue to deliberately misinform the nation, we want to inform them that they will not derail us as long as the people of Zambia are with us. This is what matters most to us and this is what our people are expecting from us as the elected leadership of this country.

Mr Speaker, I wish to conclude my address by assuring the people of this great nation that the Lusaka/Ndola Dual Carriageway Project has been embarked upon because of the huge economic and social benefits that it will deliver to the people. This is a project that will change lives and it has been designed as a unique undertaking with the following expected benefits:

- (a) improved competitiveness of doing business in the communities along and beyond the road by reducing transit time for cargo and people;
- (b) reduction of vehicle operation costs;
- (c) improved road safety for travellers and goods;
- (d) decongestion of Kabwe and Kapiri Mposhi Central Business Districts by reduction in the transit traffic; and
- (e) improved service delivery in energy, mining and agriculture.

Mr Speaker, this is what this Government, under the leadership of His Excellency Mr Edgar Chagwa Lungu, President of the sovereign Republic of Zambia, means when they talk about having a transformational agenda that does not leave anyone behind. We are indeed, walking the talk.

I thank you, Sir.