

MINISTERIAL STATEMENT

ON THE

THE STATUS OF DEBTS ACCRUED ON FEEDER AND TOWNSHIP ROADS

BY THE

**MINISTER OF LOCAL GOVERNMENT AND RURAL DEVELOPMENT (MR
NKOMBO), MP**

Madam Speaker, I am grateful for the opportunity to render a ministerial statement regarding the accrued debt on feeder and township roads implemented by the Ministry of Local Government and Rural Development in the last four years.

Madam Speaker, my ministerial statement is to augment what the hon. Minister of Finance and National Planning has presented before us this afternoon, but it is safe to say this will specifically to certain matters that even came from the follow up questions by hon. Members of Parliament. I am grateful for the opportunity.

Madam, the important of feeder roads and township roads cannot be overemphasised or stressed as they create a vital link for the delivery of social and economic services particularly in the rural communities. It is for this reason that the New Dawn Government led by His Excellency Mr Hakainde Hichilema President of the Republic of Zambia remain resolute and committed to uplifting the status of feeder roads and township roads in our country especially those that are in extreme deplorable state as in how the description of the road in Chama North or was it Chama South was given to us this afternoon.

Madam the ministry is determined to rehabilitate feeder roads and township roads in an effort to provide the much needed social and economic services to our community. We are also enhancing

programme such as National Feeder and Township Roads Programmes to improve accessibility, mobility and connectivity to agricultural sites and social economic facilities in the rural areas.

Madam Speaker, the Government can only achieve this if we rationalise the process of implementation of the feeder roads and townships roads contracts as the hon. Minister of Finance and National Planning has said. To bring this matter into perspective, I wish to highlight the current state of feeder roads and township roads projects that have been implemented from 2016 to August this year.

Madam Speaker, in 2016 to August this year, the total contracts works for feeder roads alone in each province are as follows:

<i>Province</i>	<i>Total Number of Kilometers</i>	<i>Total Sum Contract</i>	<i>Amount Certified</i>
Muchinga	1,354	K1.741,696,600	K440 million
Central	1,746	K2,284 billion	K567 million
Northern	1,888	K2.7 billion	K962 million
Lusaka	893	K1.3 billion	K283 million
Copperbelt	757	K1 billion	K158 million
Southern	98 ...		

Hon. Government Members: Aah!

Mr Nkombo: I will repeat that.

Southern	98	K96 million	K62 million
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Western	152	K270 million	K57 million
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Eastern	1,909	K2.4 billion	K886 million
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Madam Speaker,

North Western 0

Laughter

North Western 0		K0	K0
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Luapula	612	K915 million	K160 million
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<i>Total Number of kilometers</i>	9,084	K13 billion	K3.5 billion
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Madam Speaker, while the total contracted works for township roads from 2014 to 2021 are as follows ...

Interruptions

Madam Speaker: Order hon. Members!

Let us listen to the hon. Minister

Mr Nkombo: Madam Speaker, the total contracted works for township roads from 2014 to 2021 are as follows:

<i>Eastern</i>	<i>Length (Km)</i>	<i>Contract Sum (K)</i>	<i>Amount Certified (ZMW)</i>
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Petauke, Lundazi, Chipata, Chipata, Sinda; and Nyimba.	73	617 million	230 million
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Central

Chisamba Mumbwa; and Mkushi	70,	1 billion	117 billion
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Copperbelt

Kitwe, Chililabombwe Kalulushi	70	466 million	453 million
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North Western

Mufumbwe, Mwinilunga Solwezi, Kasempa, Zambezi; and Chavuma.	80	866 million	283 million
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Western

Mongu, Kaoma and Senanga	44	K674 million	275 million
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Luapula

Kawambwa, Nchelenge, Mwense, Samfya and Mansa	93	K510 million	K238 million
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Northern

Mpulungu and Kasama	27	K110 million	K81 million
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Southern

Choma, Sinazongwe and Monze	77	K512 million	K200 million
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Muchinga

Chinsali, Mpuka and Isoka	25	K539 million	K191 million
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Lusaka City

Performance contracts - Routine maintenance	1,028	K183 million	K448 million
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Grant total:	750	<i>K6.5 billion</i>	<i>K2.5 billion.</i>
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Madam Speaker, in terms of the road sector annual work plan by the ministry, the local budget figures from the year 2016 to 2021 was as follows;

<i>Year</i>	<i>Amount (Million)</i>
2016	K315
2017	K260
2018	K260

2019	K150
2020	K204
2021	K196
<i>Total</i>	K1,305

This means that there was over contraction by over K11 billion...

Mr Nkombo: ... in the last four years, the subject period.

Madam Speaker, I wish to confirm and inform the hon. Members of this august House that from these contracts signed so far, some contracts have been completed yet others are still owed for works done. An example, are the township roads in Kitwe, Chililabombwe, Kalulushi and Mongu. Some contracts in towns such as Mazabuka, Choma, Serenje, and Chadiza were suspended because of what was deemed financial constraints. Not even one metre of tar mark road was constructed.

However, Madam Speaker, just like in the case of completed projects, contractors are still owed for the works done and in some instances interest is accruing and is being claimed. Currently, township roads with active contracts are Lusaka, Mwinilunga, Mkushi, Chinsali and Lundazi.

Madam Speaker, the actual amounts being owed, are not yet fully reconciled with the National Roads Agency Fund being the road fund managers and the House will be informed soon once the reconciliations are complete.

Madam Speaker, the current budget allocations to the road sector, it would take the Government up to forty years to clear the outstanding debt without undertaking any new projects.

Mr Nkombo: I will repeat that, with the current budget allocations, which I just read, to the road sector, it will take the Government up to forty years to clear the outstanding debt without

contracting any new projects. From the presentation I have made to the House this far, Madam Speaker, it is clear that there was serious over procurement of works on feeder and township roads against the available resources. I wish to highlight that the distribution of works was biased towards certain regions as you have heard. Not contest about that. However, this is not subject of today's discussion, the over procurement of roads has left the Government a huge debt with a number of contractors being owed huge sums of money for the work they had done or they claim to have done.

If we are to move forward, Madam Speaker, there is need to resolve these huge debts as stated by my senior, the hon. Minister of Finance and National Planning, in his earlier statement in a very systematic and orderly manner.

Madam Speaker, it has become imperative for the ministry to undertake a number of measures to address this state of distress in the feeder and township roads sector. The ministry will undertake to rationalise the procurement, implementation of current contracts on feeder and township roads in order to redress the current back log while establishing a sustainable regime of procurement and administration of future contracts. While as the ministry has been undertaking measures towards reduction of the debt growth in the roads sector, there is need to do a little bit more. I am therefore; glad to inform this august House that my ministry has engaged a Services Engineer in the name of Mr Levy Zulu, of Zulu Burrow Consulting Limited through the Association of Consulting Engineers of Zambia to strengthen the effort of the Government by providing professional support to the ministry. Mr Zulu is a seasoned engineer with forty-one years of experience in the field of project management and infrastructure development. The services that Mr Zulu is offering are *pro bono*. This means there are free services. Just to make it clear that there is no cost to the Government for Mr Zulu's technical assistance to our ministry.

Madam Speaker, the House may wish to know that the scope fo services by the consultant will include the review of the whole portfolio of current contracts and assess their status with a view to recommend as the hon. Minister of Finance and National Planning said;

- (i) re-scoping the contract with a view to down size;

- (ii) to suspend the contracts or cancel while avenues are being explored to align it to the budget or the annual work plan for the 2022 budget while affording the contract the right of first refusal upon resumption of work, if it does happen;
- (iii) to terminate the contract all together as long as there may be no cost to the Government; and
- (iv) to renegotiate the exit terms.

Madam Speaker, I wish to conclude by appealing to our esteemed customers in the road sector to exercise patience as we attempt to correct this malaise, this situation which was created by our erstwhile governors.

Mr Nkombo: Madam Speaker, as I terminate my statement, I am now inviting follow up questions with a caveat that hon. Members who have an interest in these road contracts must declare an interest before they ask a question.

I thank you.
