







# RWI Index Questionnaire: Zambia 2012

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Indicator	Score
4.1.1	Context
4.1.1 Context	

## 4.1.1.050: Has the government created a special fund or natural resource fund that concentrates revenue directly from oil, gas or mineral extraction?

Score: A  B C

### Comments:

There is no natural resource fund that concentrates revenue from the extractive industry.

Peter Sinkamba confirms that no national mineral resource fund exist currently. According to Sinkamba plans were underway during the late President Levy Patrick Mwanawasa's reign and a dedicated account for mineral revenue was opened during the 2007/2008 financial year. After his demise, successive presidents seem to have abandoned the notion or are clueless on the notion. It is something the Citizens for a Better Environment is advocating for. They even took four traditional leaders in 2006 to Rustenburg in South Africa to learn on how the Bafokeng have developed this notion to the great benefit of the people in that area.

### References:

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

Eduardo Levy, "Exhaustible Resources and Fiscal Policy: Copper Mining in Zambia." The World Bank. March 2010.

Written Responses from Peter Sinkamaba, Executive Director, Citizens for a Better Environment Zambia. April 13, 2012.

### Peer Review Comments:

I agree with the comments - from discussions with Ministry of Finance staff an account exists technically, although it contains no assets, nor is any cash paid into the fund.

## 4.1.1.051: What authority is responsible for the natural resource fund?

Score: A B C D  E

### Comments:

There is no natural resource fund that concentrates revenue from the extractive industry. See question 3.2.1.050 for detailed comments.

### References:

Eduardo Levy, "Exhaustible Resources and Fiscal Policy: Copper Mining in Zambia." The World Bank. March 2010. Uploaded question 3.2.1.050.

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of

Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

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Indicator		Score
4.2.1	Comprehensive reports	N/A
4.2.2.056	Audited reports	N/A

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4.2.1 Comprehensive reports

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## 4.2.1.052: Are the rules for the fund's deposits and withdrawals published, including the formula(s) for deposits and withdrawals?

Score: A B **C**

### Comments:

There is no natural resource fund that concentrates revenue from the extractive industry. See question 3.2.1.050 for detailed comments.

### References:

Eduardo Levy, "Exhaustible Resources and Fiscal Policy: Copper Mining in Zambia." The World Bank. March 2010. Uploaded question 3.2.1.050.

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

Written Responses from Peter Sinkamaba, Executive Director, Citizens for a Better Environment Zambia. April 13, 2012.

## 4.2.1.053: Does the fund management or authority in charge of the fund publish comprehensive information on its assets, transactions and investments?

Score: A B C D **E**

### Comments:

There is no natural resource fund that concentrates revenue from the extractive industry. See question 3.2.1.050 for detailed comments.

### References:

Eduardo Levy, "Exhaustible Resources and Fiscal Policy: Copper Mining in Zambia." The World Bank. March 2010. Uploaded question 3.2.1.050.

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

Written Responses from Peter Sinkamaba, Executive Director, Citizens for a Better Environment Zambia. April 13, 2012.

**4.2.1.054: Are the reports containing information on the fund's assets and transactions understandable?****Score:** A B C D  E**Comments:**

There is no natural resource fund that concentrates revenue from the extractive industry. See question 3.2.1.050 for detailed comments.

**References:**

Eduardo Levy, "Exhaustible Resources and Fiscal Policy: Copper Mining in Zambia." The World Bank. March 2010. Uploaded question 3.2.1.050.

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

Written Responses from Peter Sinkamaba, Executive Director, Citizens for a Better Environment Zambia. April 13, 2012.

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**4.2.1.055: How often are financial reports published by the fund management or authority in charge?****Score:** A B C D  E**Comments:**

There is no natural resource fund that concentrates revenue from the extractive industry. See question 3.2.1.050 for detailed comments.

**References:**

Eduardo Levy, "Exhaustible Resources and Fiscal Policy: Copper Mining in Zambia." The World Bank. March 2010. Uploaded question 3.2.1.050.

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

Written Responses from Peter Sinkamaba, Executive Director, Citizens for a Better Environment Zambia. April 13, 2012.

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**4.2.2.056 Audited reports****4.2.2.056a: Are the fund s financial reports audited?****Score:** A B C D  E**Comments:**

There is no natural resource fund that concentrates revenue from the extractive industry. See question 3.2.1.050 for detailed comments.

**References:**

Eduardo Levy, "Exhaustible Resources and Fiscal Policy: Copper Mining in Zambia." The World Bank. March 2010. Uploaded question 3.2.1.050.

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

Written Responses from Peter Sinkamaba, Executive Director, Citizens for a Better Environment Zambia. April 13, 2012.

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#### 4.2.2.056b: Are the audited financial reports published?

**Score:** A B  C

**Comments:**

There is no natural resource fund that concentrates revenue from the extractive industry. See question 3.2.1.050 for detailed comments.

**References:**

Eduardo Levy, "Exhaustible Resources and Fiscal Policy: Copper Mining in Zambia." The World Bank. March 2010. Uploaded question 3.2.1.050.

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

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Indicator	Score
4.3.1 Legal Framework and Practice	N/A

## 4.3.1 Legal Framework and Practice

### 4.3.1.057: Are the rules governing deposits into the fund defined by legislation?

Score: A B **C**

**Comments:**

There is no natural resource fund that concentrates revenue from the extractive industry. See question 3.2.1.050 for detailed comments.

**References:**

Eduardo Levy, "Exhaustible Resources and Fiscal Policy: Copper Mining in Zambia." The World Bank. March 2010. Uploaded question 3.2.1.050.

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

Written Responses from Peter Sinkamaba, Executive Director, Citizens for a Better Environment Zambia. April 13, 2012.

### 4.3.1.058: In practice, does the government follow the rules governing deposits to the natural resource fund?

Score: A B C D **E**

**Comments:**

There is no natural resource fund that concentrates revenue from the extractive industry. See question 3.2.1.050 for detailed comments.

**References:**

Eduardo Levy, "Exhaustible Resources and Fiscal Policy: Copper Mining in Zambia." The World Bank. March 2010. Uploaded question 3.2.1.050.

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

Written Responses from Peter Sinkamaba, Executive Director, Citizens for a Better Environment Zambia. April 13, 2012.

### 4.3.1.059: Are the rules governing withdrawal or disbursement from the fund defined by legislation?

**Score:** A B  C

**Comments:**

There is no natural resource fund that concentrates revenue from the extractive industry. See question 3.2.1.050 for detailed comments.

**References:**

Eduardo Levy, "Exhaustible Resources and Fiscal Policy: Copper Mining in Zambia." The World Bank. March 2010. Uploaded question 3.2.1.050.

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

Written Responses from Peter Sinkamaba, Executive Director, Citizens for a Better Environment Zambia. April 13, 2012.

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**4.3.1.060: In practice, does the government follow the rules governing withdrawal or spending from natural resource fund?**

**Score:** A B C D  E

**Comments:**

There is no natural resource fund that concentrates revenue from the extractive industry. See question 3.2.1.050 for detailed comments.

**References:**

Eduardo Levy, "Exhaustible Resources and Fiscal Policy: Copper Mining in Zambia." The World Bank. March 2010. Uploaded question 3.2.1.050.

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

Written Responses from Peter Sinkamaba, Executive Director, Citizens for a Better Environment Zambia. April 13, 2012.

---

**4.3.1.061: Are withdrawals or spending from the fund reserves approved by the legislature as part of the budget process?**

**Score:** A B  C

**Comments:**

There is no natural resource fund that concentrates revenue from the extractive industry. See question 3.2.1.050 for detailed comments.

**References:**

Eduardo Levy, "Exhaustible Resources and Fiscal Policy: Copper Mining in Zambia." The World Bank. March 2010. Uploaded question 3.2.1.050.

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.



Written Responses from Peter Sinkamaba, Executive Director, Citizens for a Better Environment Zambia. April 13, 2012.

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**4.3.1.062: Are officials of the natural resource fund required to disclose information about their financial interest in any oil, gas or mining projects?**

**Score:** A B  C

**Comments:**

There is no natural resource fund that concentrates revenue from the extractive industry. See question 3.2.1.050 for detailed comments.

**References:**

Eduardo Levy, "Exhaustible Resources and Fiscal Policy: Copper Mining in Zambia." The World Bank. March 2010. Uploaded question 3.2.1.050.

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

Written Responses from Peter Sinkamaba, Executive Director, Citizens for a Better Environment Zambia. April 13, 2012.

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Indicator	Score
5.1.1	Context
5.1.1	Context

## 5.1.1.063: Do central governments transfer resources to subnational authorities based on extraction of mineral resources?

Score: A B C **D** E

### Comments:

There are no resource specific sub-national transfers at this time. There are Constituency Development Funds designed to give local governments more control over funding but they all receive the same amount. It is something that civil society is advocating for. Local governments collect operating fees paid to the local councils in which the Extractive Companies operate and Property taxes payable to the local authority by all Extractive Companies who own properties but do not receive additional revenue transferred to them from the central government based on the presence of a mine in their region.

Section 136 of the MMMD Act 2008 calls for the establishment of a Mineral Royalty Sharing Mechanism. However in the 2010 Economic Affairs and Labour Committee Report, the Committee recommends that the Ministry of Finance and National Planning implement Section 136 (Mineral Royalty Sharing Mechanism) of the Mines and Minerals Act of 2008 because there is need for the local communities to feel the benefit of having a resource in their areas and lessen their apprehension towards foreign investors. There is no indication that this has happened and it seems that there is no a process being started to repeal the 2008 act and institute a new one making it unlikely that this will be implemented.

Peter Sinkamba confirms and made these comments: There are no specific fiscal transfers at all. Citizens for a Better Environment championed the notion and lobbied through parliament for the law to provide for this notion. In 2008, we succeeded to have the notion entrenched in the Mines and Minerals Development Act of 2008, in Section 136. The late Mwanawasa was ready to implement this law but the successive governments have been reluctant. In fact, only three weeks ago, through the Member of Parliament for Solwezi Central Hon. Lucky Mulusa, we moved a Private Member's Motion to urge government to implement Section 136. The response from the Leader of Government Business in Parliament Vice President Guy Scott was very disappointing. From His comments, it became very apparent to us that the PF government is has shifted its position on the issue. During the campaigns last year, they promised to implement Section 136, but after being elected, they are no longer interested. This is a very sad development, and we are watching. As civil society, we are planning to hold a mining Indaba on the Copperbelt where stakeholders will decide on the way forward as regard to Section 136. It was scheduled for February 2012, but due to limitation of funds it is now planned for June.

### References:

Written Responses from Peter Sinkamaba, Executive Director, Citizens for a Better Environment Zambia. April 13, 2012.

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

Zambian Economist "Parliamentary Question on Mineral Royalties." <http://www.zambian-economist.com/2010/03/parliamentary-question-payment-of.html>, March 2010.

Evaristus Oshionebo, "Fiscal Regimes for Natural Resource Extraction: Implications for Africa's Development." in Natural Resource Investment and Africa's Development, Francis N. Botchway Ed. 2011.

ZEITI First Reconciliation Report: Zambia Extractive Industries Transparency Initiative. Independent Reconciliation Report of Year End December 2008. PricewaterhouseCoopers. February 2011. (over 10M not uploaded) [http://www.pwc.com/en\\_ZM/zm/pdf/Zambia-Extractive-Industries-Transparency-Initiative.pdf](http://www.pwc.com/en_ZM/zm/pdf/Zambia-Extractive-Industries-Transparency-Initiative.pdf)

National Assembly of Zambia, Report of the Committee on Economic Affairs and Labour for the Fifth Session of the Tenth National Assembly, Appointed on 23 September 2010 uploaded question (2.2E.020.a)

Zambia Minerals and Mines Development Bill, 2008, (uploaded 1.1.01)

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#### 5.1.1.064: Are conditions imposed on subnational government as part of revenue sharing regime?

**Score:** A B **C**

**Comments:**

No resource specific sub-national transfers. See question 3.3.1.063 for detailed comments.

**References:**

Written Responses from Peter Sinkamaba, Executive Director, Citizens for a Better Environment Zambia. April 13, 2012.

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

Zambian Economist "Parliamentary Question on Mineral Royalties." <http://www.zambian-economist.com/2010/03/parliamentary-question-payment-of.html>, March 2010.

Evaristus Oshionebo, "Fiscal Regimes for Natural Resource Extraction: Implications for Africa's Development." in Natural Resource Investment and Africa's Development, Francis N. Botchway Ed. 2011.

National Assembly of Zambia, Report of the Committee on Economic Affairs and Labour for the Fifth Session of the Tenth National Assembly, Appointed on 23 September 2010 uploaded question (2.2E.020.a)

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Indicator	Score
5.2.1	Disclosure
5.2.1	Disclosure

## 5.2.1.065: Are the rules for revenue transfers from central to sub national governments published, including the formula(s) for revenue sharing?

Score: A B **C**

### Comments:

No resource specific sub-national transfers. See question 3.3.1.063 for detailed comments.

### References:

Written Responses from Peter Sinkamaba, Executive Director, Citizens for a Better Environment Zambia. April 13, 2012.

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

Zambian Economist "Parliamentary Question on Mineral Royalties." <http://www.zambian-economist.com/2010/03/parliamentary-question-payment-of.html>, March 2010.

Evaristus Oshionebo, "Fiscal Regimes for Natural Resource Extraction: Implications for Africa's Development." in Natural Resource Investment and Africa's Development, Francis N. Botchway Ed. 2011.

National Assembly of Zambia, Report of the Committee on Economic Affairs and Labour for the Fifth Session of the Tenth National Assembly, Appointed on 23 September 2010 uploaded question (2.2E.020.a)

## 5.2.1.066: Does the central government publish comprehensive information on transfers of resource related revenues to sub-national governments?

Score: A B C D **E**

### Comments:

No resource specific sub-national transfers. See question 3.3.1.063 for detailed comments.

### References:

Written Responses from Peter Sinkamaba, Executive Director, Citizens for a Better Environment Zambia. April 13, 2012.

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

Zambian Economist "Parliamentary Question on Mineral Royalties." <http://www.zambian-economist.com/2010/03/parliamentary-question-payment-of.html>

economist.com/2010/03/parliamentary-question-payment-of.html, March 2010.

Evaristus Oshionebo, "Fiscal Regimes for Natural Resource Extraction: Implications for Africa's Development." in Natural Resource Investment and Africa's Development, Francis N. Botchway Ed. 2011.

National Assembly of Zambia, Report of the Committee on Economic Affairs and Labour for the Fifth Session of the Tenth National Assembly, Appointed on 23 September 2010 uploaded question (2.2E.020.a)

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**5.2.1.067: Are the reports containing information on transfers of resource related revenues to sub-national governments understandable?**

**Score:** A B C D **E**

**Comments:**

No resource specific sub-national transfers. See question 3.3.1.063 for detailed comments.

**References:**

Written Responses from Peter Sinkamaba, Executive Director, Citizens for a Better Environment Zambia. April 13, 2012.

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

Zambian Economist "Parliamentary Question on Mineral Royalties." <http://www.zambian-economist.com/2010/03/parliamentary-question-payment-of.html>, March 2010.

Evaristus Oshionebo, "Fiscal Regimes for Natural Resource Extraction: Implications for Africa's Development." in Natural Resource Investment and Africa's Development, Francis N. Botchway Ed. 2011.

National Assembly of Zambia, Report of the Committee on Economic Affairs and Labour for the Fifth Session of the Tenth National Assembly, Appointed on 23 September 2010 uploaded question (2.2E.020.a)

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**5.2.1.068: How often does the central government publish information on transfers of resource related revenues to sub-national governments?**

**Score:** A B C D **E**

**Comments:**

No resource specific sub-national transfers. See question 3.3.1.063 for detailed comments.

**References:**

Written Responses from Peter Sinkamaba, Executive Director, Citizens for a Better Environment Zambia. April 13, 2012.

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

Zambian Economist "Parliamentary Question on Mineral Royalties." <http://www.zambian-economist.com/2010/03/parliamentary-question-payment-of.html>, March 2010.

Evaristus Oshionebo, "Fiscal Regimes for Natural Resource Extraction: Implications for Africa's Development." in Natural Resource Investment and Africa's Development, Francis N. Botchway Ed. 2011.

National Assembly of Zambia, Report of the Committee on Economic Affairs and Labour for the Fifth Session of the Tenth National Assembly, Appointed on 23 September 2010 uploaded question (2.2E.020.a)

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**5.2.1.069: Do sub-national governments publish information on transfers received from central governments?**

**Score:** A B **C**

**Comments:**

No resource specific sub-national transfers. See question 3.3.1.063 for detailed comments.

**References:**

Written Responses from Peter Sinkamaba, Executive Director, Citizens for a Better Environment Zambia. April 13, 2012.

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

Zambian Economist "Parliamentary Question on Mineral Royalties." <http://www.zambian-economist.com/2010/03/parliamentary-question-payment-of.html>, March 2010.

Evaristus Oshionebo, "Fiscal Regimes for Natural Resource Extraction: Implications for Africa's Development." in Natural Resource Investment and Africa's Development, Francis N. Botchway Ed. 2011.

National Assembly of Zambia, Report of the Committee on Economic Affairs and Labour for the Fifth Session of the Tenth National Assembly, Appointed on 23 September 2010 uploaded question (2.2E.020.a)

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Indicator	Score
5.3.1 Legal Framework and Practice	N/A

## 5.3.1 Legal Framework and Practice

### 5.3.1.070: Are arrangements (including formulas and responsible institutions) for resource revenue sharing between central and sub-national governments defined by legislation?

Score: A B **C**

**Comments:**

No resource specific sub-national transfers. See question 3.3.1.063 for detailed comments.

**References:**

Written Responses from Peter Sinkamaba, Executive Director, Citizens for a Better Environment Zambia. April 13, 2012.

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

Zambian Economist "Parliamentary Question on Mineral Royalties." <http://www.zambian-economist.com/2010/03/parliamentary-question-payment-of.html>, March 2010.

Evaristus Oshionebo, "Fiscal Regimes for Natural Resource Extraction: Implications for Africa's Development." in Natural Resource Investment and Africa's Development, Francis N. Botchway Ed. 2011.

National Assembly of Zambia, Report of the Committee on Economic Affairs and Labour for the Fifth Session of the Tenth National Assembly, Appointed on 23 September 2010 uploaded question (2.2E.020.a)

### 5.3.1.071: In practice, does the government follow the rules established by resource revenue sharing legislation?

Score: A B C D **E**

**Comments:**

No resource specific sub-national transfers. See question 3.3.1.063 for detailed comments.

**References:**

Written Responses from Peter Sinkamaba, Executive Director, Citizens for a Better Environment Zambia. April 13, 2012.

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

Zambian Economist "Parliamentary Question on Mineral Royalties." <http://www.zambian-economist.com/2010/03/parliamentary-question-payment-of.html>, March 2010.

Evaristus Oshionebo, "Fiscal Regimes for Natural Resource Extraction: Implications for Africa's Development." in Natural Resource Investment and Africa's Development, Francis N. Botchway Ed. 2011.

National Assembly of Zambia, Report of the Committee on Economic Affairs and Labour for the Fifth Session of the Tenth National Assembly, Appointed on 23 September 2010 uploaded question (2.2E.020.a)

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# Zambia - RWI Index Questionnaire

## Context

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Indicator	Score
1.1	Context
1.1	Context

### 1.1.001: Does the country have a clear legal definition of ownership of mineral resources?

Score:  A  B  C  D  E

#### Comments:

Part I, Section 3 of the Mines and Minerals Development Act states that "All rights of ownership in, searching for, mining and disposing of, minerals wheresoever located in the Republic are hereby vested in the President on behalf of the Republic."

#### Background information:

from "2011 Minerals Yearbook: Zambia," US Geological Survey, Oct. 2012,  
<http://minerals.usgs.gov/minerals/pubs/country/2011/myb3-2011-za.pdf>

"Copper mining and refining were the dominant components of Zambia's mineral industry. In 2011, Zambia was estimated to rank sixth in the world in the production of copper ore and fifth in the production of cobalt ore. Zambia also was an internationally significant producer of semiprecious gemstones...The value of activity in the mining and quarrying sector decreased to 8.8% of Zambia's real GDP in 2011 compared with a revised 9.8% in 2010. The Bank of Zambia attributed the mining and quarrying sector's lower contribution to the GDP in part to the production of lower grade copper ore and a decrease in world cobalt prices in 2011...The value of copper exports was estimated to be about \$6.9 billion in 2011, when copper exports accounted for an estimated 78% of Zambia's merchandise exports. The value of exports of cobalt was estimated to be \$267 million (3% of the preliminary value of Zambia's exports in 2011)."

#### References:

Republic of Zambia, The Mines and Minerals Development Bill, 2008. Part I, Section 3.

### 1.1.002: Who has authority to grant hydrocarbon and mineral rights or licenses?

Score:  A  B  C  D  E

#### Comments:

The Ministry of Mines and Mineral Development (MMMD) has within it the Mines Development Department. The Mines Development Department is responsible for the issuance of all prospecting, retention and mining licences and monitoring of mining operations to ensure that development is in line with approved programs of operations and in accordance with the Mines and Minerals Act.

#### References:

Republic of Zambia, The Mines and Minerals Development Bill, 2008. Part II, Section 6 (Uploaded Question: 1.1.001).

ZEITI First Reconciliation Report: Zambia Extractive Industries Transparency Initiative. Independent

Reconciliation Report of Year End December 2008. PricewaterhouseCoopers. February 2011. (over 10M not uploaded) [http://www.pwc.com/en\\_ZM/zm/pdf/Zambia-Extractive-Industries-Transparency-Initiative.pdf](http://www.pwc.com/en_ZM/zm/pdf/Zambia-Extractive-Industries-Transparency-Initiative.pdf)

Zambia Ministry of Mines and Mineral Development Role of Government  
<http://www.zambiamining.co.zm/role-of-govt.htm>

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### 1.1.003: What licensing practices does the government commonly follow?

Score:  A  B  C  D  E

#### Comments:

Part II Section 12 of the Mines and Minerals Development Act outlines an open bidding process and the process of evaluating bids. A good example, according to Fraser, is LCN which has changed hand repeatedly with the government taking over and then reselling it. Most recently it was sold to Non-Ferrous Company-Africa (NFCA) a Chinese company. The process was competitive with multiple bids. There was suspicion among citizenry that there was a preference from the Zambian government for a Chinese company and then a Chinese company won but Fraser does not feel that there is really anything to support those suspicions.

#### References:

Republic of Zambia, The Mines and Minerals Development Bill, 2008. Part II and Part III (Uploaded Question: 1.1.001)

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

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### 1.1.004: What is the fiscal system for mineral resources?

Score:  A  B  C  D  E

#### Comments:

Companies pay tax as well as royalties. Both were increased in the Mines and Minerals Development Act, 2008. In fact the primary goal of the new act was to increase royalties and taxes paid by the mining companies.

#### References:

Republic of Zambia, The Mines and Minerals Development Bill, 2008. Part 12. (Uploaded Question: 1.1.001)

Zambian Revenue Authority, Mineral Royalty Tax, <http://www.zra.org.zm/royalty.php>

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

Mining Journal, "Mines and Mineral Development Act." December 2008 Issue. <http://www.mining-journal.com/supplements/mj-zambia-supplement-1108/mines-and-minerals-development-act>

#### Peer Review Comments:

Clarification - Taxes were increased in the Mines and Minerals Development Act, 2008 and again in 2009, and 2012.

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### 1.1.005: What agency has authority to regulate the hydrocarbon and mineral sector?

**Score:** (A) B C D E

**Comments:**

The MMMD is the official regulator of the extractive sector but has limited capacity. The goal of the Ministry of Mines and Minerals Development ("MMMD"), is to promote the exploration and extraction of mineral resources by the private sector. Amongst the institutions set up to support these objectives are:

Mines Development Department: Responsible for the issuance of all prospecting, retention and mining licences and monitoring of mining operations to ensure that development is in line with approved programmes of operations and in accordance with the Mines and Minerals Act.

Mines Safety Department: Main objective is to formulate, monitor and maintain legislation regarding the safe and sustainable exploration and exploitation of mineral resources.

However according to Alistair Fraser other institutions also play an oversight role

- 1) Ministry of Finance plays a role in contract negotiation
- 2) Ministry of Labor plays a role with regard to miners unions
- 3) The Zambian Revenue Authority (ZRA) collects all revenue and because it has more capacity than many other state institutions is being pushed by funders like DFID and NORAD to take a greater oversight role
- 4) The Environmental Council of Zambia (ECZ) is an autonomous body charged with the responsibility to regulate the management of the environment and plays a role in enforcing environmental protection aspects of MDAs.

Professor Fraser points out that all of these agencies have extremely limited capacity (with ZRA and ECA being the strongest) to regulate or provide oversight.

**References:**

Republic of Zambia, The Mines and Minerals Development Bill, 2008. (Uploaded Question: 1.1.001)

Environmental Council of Zambia [http://www.mtenr.gov.zm/index.php?option=com\\_content&view=article&id=107&Itemid=87](http://www.mtenr.gov.zm/index.php?option=com_content&view=article&id=107&Itemid=87)

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

ZEITI First Reconciliation Report: Zambia Extractive Industries Transparency Initiative. Independent Reconciliation Report of Year End December 2008. PricewaterhouseCoopers. February 2011. (over 10M not uploaded) [http://www.pwc.com/en\\_ZM/zm/pdf/Zambia-Extractive-Industries-Transparency-Initiative.pdf](http://www.pwc.com/en_ZM/zm/pdf/Zambia-Extractive-Industries-Transparency-Initiative.pdf)

**Peer Review Comments:**

I agree, and support the comments made by Alastair Fraser. Technically capacity in the Minister of Mines is particularly poor. Ministry of Finance may be slightly better but is also poor. For instance, there is no dedicated extractive industry unit within the Ministry. The Zambian Revenue Authority probably has the strongest capacity of the three, but is still under-resourced. A planned mining tax unit of 13 people is currently has around six people. Source: own experience as ODI Fellow in Zambia Tax Authority.

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# Zambia - RWI Index Questionnaire

## Disclosure

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Indicator	Score
1.2.006 Information on licensing process	50 
1.2 Contract transparency	0 
1.2.008 Environmental and social impact assessments	100 
1.2 Access to information and legislation	34 

1.2.006 Information on licensing process

### 1.2.006.a: What information does the government publish on the licensing process before negotiations?

Score: A  B C D E

#### Comments:

The Mines and Minerals Development Act (2008) outlines the process by which license bids are to be evaluated (Parts II, III and IV). This process includes calls for bids being published in the media and lays out evaluation criteria and lays out duration, royalties and tax obligations.

#### References:

Republic of Zambia, The Mines and Minerals Development Bill, 2008. (Uploaded Question: 1.1.001)

### 1.2.006.b: What information does the government publish on the licensing process after negotiations?

Score: A B  C D E

#### Comments:

The Mines and Minerals Development Bill outlines a process for creating a register of licences issues housed in the ministry which anyone can obtain "certified copies" of by paying a fee. There is no information about this on the ministry website but Professor Fraser indicates that such a registry does probably exist because this information is not perceived as particularly sensitive. This is classified as scant information because it is not formally published by the government but is available. This does not mean that the details of MDAs are public.

#### References:

Republic of Zambia, The Mines and Minerals Development Bill, 2008. Part VII, Section 112-113. (Uploaded Question: 1.1.001)

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

## 1.2 Contract transparency

---

### **1.2.007: Are all contracts, agreements or negotiated terms for exploration and production, regardless of the way they are granted, disclosed to the public?**

**Score:** A B C **(D)** E

**Comments:**

Section 112 of the Mineral and Mines Development Act 2008 which outlines the creation of a register for information on licenses issued does not specify that the details of contracts or MDA's be included in the register. The MDA's negotiated when the Zambian state owned mineral company was privatized in the mid-1990s were not made public. The full MDAs were publicized as part of the "For Whom the Windfalls" study via the minewatch website and are available there.

**References:**

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

Minewatch Zambia Archive of Mineral Development Agreements  
[http://minewatchzambia.blogspot.com/2011\\_06\\_01\\_archive.html](http://minewatchzambia.blogspot.com/2011_06_01_archive.html)

Fraser, A. and J. Lungu, "For Whom the Windfalls? Winners and Losers in the Privatization of Zambia's Copper Mines." Christian Aid UK. 2009.

**Peer Review Comments:**

I agree that contracts are not publicized. Regarding the publication of the Mineral Development Agreements (MDAs), none of the MDAs were published by the government. Some, not all, of the MDAs were leaked to NGOs, and subsequently were made available via the minewatch website.

## 1.2.008 Environmental and social impact assessments

---

### **1.2.008.a: Does legislation require that mining, gas and oil development projects prepare an environmental impact assessment prior to the award of any mineral rights or project implementation?**

**Score:** **(A)** B C

**Comments:**

The Mines and Mineral Development Act 2008, Section 115 states that environment and human health must be considered when granting mining rights or mineral processing licences and that the "Minister may, in consultation with the Minister responsible for environment, cause such environmental impact studies and other studies to be carried out as the Minister considers necessary to enable such a decision to be made." Professor Fraser and Peter Sinkamba confirm that required and that they are done.

One Environmental Impact Assessment describes the process as follows: It is standard procedure under the Zambian EIA Regulations for the Developer to first produce an Environmental Project Brief (detailed Scoping Study Report), which is submitted to the Mines Safety Department (MSD) and the Environment Council of Zambia (ECZ) for review. After reviewing the project brief the ECZ assess whether or not the project environmental impacts are likely to be significant. If significant, the Developer is requested to undertake a full EIA. Due to the nature of the project and planned large-scale mining operations, the ECZ instructed this company (Equinox) not to produce a project brief and to proceed directly to the EIA (Environmental Impact Assessment) stage.

**References:**

Republic of Zambia, The Mines and Minerals Development Bill, 2008. Part IX, Section 115. (Uploaded Question: 1.1.001)

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

Written Responses from Peter Sinkamaba, Executive Director, Citizens for a Better Environment Zambia. April 13, 2012.

LUMWANA COPPER PROJECT, ENVIRONMENTAL IMPACT ASSESSMENT,  
[http://www.eib.org/attachments/pipeline/1570\\_eia\\_en.pdf](http://www.eib.org/attachments/pipeline/1570_eia_en.pdf)

**Peer Review Comments:**

Strictly in terms of the indication, I agree - the legislation requires an environmental assessment. In terms of the quality of the assessment I am not qualified to judge.

---

**1.2.008.b: Are environmental impact assessments for oil, gas and mining projects published by the authority in charge of regulating the sector and is there a consultation process?**

Score:  A  B  C  D  E

**Comments:**

Environmental Impact Assessments are prepared by consultants hired by mining companies and are made public by the Environmental Council of Zambia. Professor Fraser notes that the ECZ does publish these documents and you can find some surprisingly honest things on the website but that the website itself is periodically unavailable. This was the case when the consultant looked for website. Professor Fraser also noted that given their willingness to publish the assessments online that it is likely that one could obtain them directly from the ECZ if you were to go in person. In addition some environmental impact assessments can be found online (see example included in sources).

The Environmental Council of Zambia does mandate that the report is put on public display and advertised for 14 days. While a public hearing is not mandated by the ECZ the same EIA found did hold one voluntarily. The EIA also has to be distributed to relevant authorizing agents to comment on the report within 30 days of receipt. The ECZ takes these comments into consideration when reaching its decision.

Peter Sinkamba confirms that there is a consultation process and that you can get copies of EIAs from ECZ (now called Zambia Environmental Management Agency or ZEMA in short). ECZ changed its name following repeal and replacement of the Environmental Protection and Pollution Control Act (EPPCA) of 1990. The EPPCA was replaced by the Environmental Management Act of 2011. ZEMA posts EMPs and SMPs on their website but you can still get hard copies of photocopies from ZEMA at your own cost.

**References:**

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

Written Responses from Peter Sinkamaba, Executive Director, Citizens for a Better Environment Zambia. April 13, 2012.

LUMWANA COPPER PROJECT, ENVIRONMENTAL IMPACT ASSESSMENT,  
[http://www.eib.org/attachments/pipeline/1570\\_eia\\_en.pdf](http://www.eib.org/attachments/pipeline/1570_eia_en.pdf)

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**1.2.008.c: Does legislation require that mining, gas and oil development projects prepare a social impact assessment?**

Score: (A) B C

**Comments:**

Section 115 of the MMMD Act, 2008, states that "the need to ensure that any mining or mineral processing activity prevents any adverse socio-economic impact...in or on the land over which the right or licence is sought." The Minister can cause environmental and "other" impact studies to be carried out before a licence or right is issued. In practice the social component is often included in the larger EIA as in the example included above. Peter Sinkamba confirms that social impact assessments are also required by law and that developers are required to develop both environmental and social management plans.

**References:**

Republic of Zambia, The Mines and Minerals Development Bill, 2008. Part IX, Section 115. (Uploaded Question: 1.1.001)

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

Written Responses from Peter Sinkamaba, Executive Director, Citizens for a Better Environment Zambia. April 13, 2012.

LUMWANA COPPER PROJECT, ENVIRONMENTAL IMPACT ASSESSMENT,  
[http://www.eib.org/attachments/pipeline/1570\\_eia\\_en.pdf](http://www.eib.org/attachments/pipeline/1570_eia_en.pdf)

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**1.2.008.d: Are social impact assessments for oil, gas and mining projects published and is there a consultation process?**

Score: (A) B C D E

**Comments:**

If the social component is included in the EIA as seems to be the practice, then it follows ECZ rules of being publicly displayed and advertised for a minimum of 14 days and is sent to relevant authorising agents to make comments on the report within 30 days of receipt. These comments are taken into consideration by the ECZ during the decision making process. In addition in the EIA sample included above a community meeting was held to air concerns as part of the assessment process and the notes on the meeting are included in the appendix to the document.

Peter Sinkamba confirms that there is a consultation process and that they are available via the same mechanism at EIA reports via ZEMA formerly ECZ.

**References:**

Republic of Zambia, The Mines and Minerals Development Bill, 2008. Part IX, Section 115. (Uploaded Question: 1.1.001)

Written Responses from Peter Sinkamaba, Executive Director, Citizens for a Better Environment Zambia. April 13, 2012.

LUMWANA COPPER PROJECT, ENVIRONMENTAL IMPACT ASSESSMENT,  
[http://www.eib.org/attachments/pipeline/1570\\_eia\\_en.pdf](http://www.eib.org/attachments/pipeline/1570_eia_en.pdf)

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1.2 Access to information and legislation

**1.2.009: Does the government publish detailed mineral/hydrocarbon resource legislation?**

**Score:** A **B** C D E

**Comments:**

The Government of Zambia publishes legislation in the form on the Mines and Mineral Development Act 2008 but does not outline provisions for assessing revenue.

**References:**

Republic of Zambia, The Mines and Minerals Development Bill, 2008. (Uploaded Question: 1.1.001)

Mining Journal, "Mines and Mineral Development Act." December 2008 Issue. <http://www.mining-journal.com/supplements/mj-zambia-supplement-1108/mines-and-minerals-development-act>

Zambia Revenue Authority, Mineral Royalty Tax Information <http://www.zra.org.zm/royalty.php>

**Peer Review Comments:**

While the legislation is correctly described, the government does publish more detailed descriptions of fiscal instruments and procedures via the Zambia Revenue Authority. This is most often done via the ZRA website and is contained in Practice Notes that are published whenever ZRA decides that further clarification of rules are required.

[http://www.zra.org.zm/Practice\\_and\\_Notes.php](http://www.zra.org.zm/Practice_and_Notes.php)

**1.2.010: This country has adopted a rule or legislation that provides for disclosure of information in the oil, gas and mineral sectors.**

**Score:** A B C **D** E

**Comments:**

Mining Companies are under a legal obligation to disclose information to the government but not to the public. Under the Companies Act it is a regulatory requirement that all companies undergo an annual external audit and that this audit report is lodged with the Company Registry. But there is no general freedom of information bill requiring that information be disclosed to the public. While there is no general Freedom of Information Bill in Zambia although the government hopes to have one in place by August 2012 (but a similar comment was included by the research of the 2010 index for Zambia and the bill has not yet passed).

Section 151 of the Mines and Mineral Development Act, 2008, prevents disclosure of information furnished to the ministry by a holder of a mining license or right except with their consent for as long as they hold the license or right. Nothing in the sub-section prevents the disclosure of information in connection with legal proceedings, the administration of the act, to a government official, or if it will be used for statistical data. the legislation however also specifies that disclosure authorized for these purposes "shall be no more specific in detail than is necessary for the purpose."

In addition one of the complaints in the ZEITI reconciliation report is that there are no legislative provisions requiring compliance by companies with the EITI process/reconciler nor are their sanctions for late reporting or non-compliance. It was recommended that the MMMD Act, 2008 be amended to make it mandatory that companies provide information to the reconciler for the EITI report but the legislation has not been amended.

**References:**

Republic of Zambia, The Mines and Minerals Development Bill, 2008. Part, XIII, Section 151. (Uploaded Question: 1.1.001)

Republic of Zambia, Laws of the Republic of Zambia (1995 Edition), Companies Act, <http://unpan1.un.org/intradoc/groups/public/documents/cafrad/unpan004740.pdf>

Lusaka Times, "Freedom of Information to be Law in August-State." Published March 26, 2012 <http://www.lusakatimes.com/2012/03/26/freedom-information-law-august-state/> (Accessed April 6, 2012)



ZEITI Validation Report. Hart Nurse Ltd, "Validation of the Extractive Industries Transparency Initiative in Zambia." May 2011. (Uploaded question 2.2B.020.a)

Times of Zambia, "Revised Mining Law Coming Soon" January 10, 2012.  
<http://allafrica.com/stories/201201100718.html>

**Peer Review Comments:**


Disclosure of tax revenue by tax type is allowed at an aggregated level by the Zambia Revenue Authority, i.e. total tax revenue for the copper mining sector is available. For a brief period this was available from the ZRA website. It is now only available by request.

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# Zambia - RWI Index Questionnaire

## Legal Framework and Practices

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Indicator	Score
1.3 Legal Framework and Practices	89 

### 1.3 Legal Framework and Practices

#### 1.3.011: The authority in charge of awarding licenses or contracts for mineral or hydrocarbon production is independent of the state owned company (SOC) or other operating companies.

Score:  A  B  C

##### Comments:

The Ministry of Mines and Mineral Development (MMMD) has within it the Mines Development Department. The Mines Development Department is responsible for the issuance of all prospecting, retention and mining licences and monitoring of mining operations to ensure that development is in line with approved programs of operations and in accordance with the Mines and Minerals Act.

##### References:

Republic of Zambia, The Mines and Minerals Development Bill, 2008. Part II, Section 6 (Uploaded Question: 1.1.001).

Zambia Extractive Industries Transparency Initiative. Independent Reconciliation Report of Year End December 2008. PricewaterhouseCoopers. February 2011.

Zambia Ministry of Mines and Mineral Development Role of Government  
<http://www.zambiamining.co.zm/role-of-govt.htm>

#### 1.3.012: Is the licensing process intended to be open and competitive to all qualified companies?

Score:  A  B  C  D  E

##### Comments:

The Mines and Minerals Development Act of 2008 outlines the tendering process and the criteria for evaluating bids. According to Professor Fraser in practice the process is fairly open. A good example is LCN which has changed hand repeatedly with the government taking over and then reselling it. Most recently it was sold to NFCA but through a competitive processes with multiple bids. There was suspicion that there was a preference from the government for a Chinese company and then a Chinese company won but Fraser does not feel that there is really anything to support those suspicions.

##### References:

Republic of Zambia, The Mines and Minerals Development Bill, 2008. (Uploaded Question: 1.1.001)

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

### 1.3.013: Does the licensing process or legislation impose limits to discretionary powers of the authority in charge of awarding licenses or contracts?

Score:  A  B  C  D  E

#### Comments:

Between 1997 and 2000 Zambia privatized the mining industry. The MDAs developed during this period included stabilization clauses (which froze the applicable tax regime for 15 years) and other agreements including duty-free import of mining equipment and tax deductible status for capital investments. The 2008 MMMD Act was introduced specifically to undo this. The act repealed the 1995 Mines and Minerals Act and explicitly states that no special agreements should be entered into by the government for the development of large-scale mining licenses and annulled the MDAs concluded under the previous (1995) act (sections 159 and 162 of the MMMD Act 2008). The MoFNP is now empowered to participate in contract negotiations and Parliament played an important role negotiating with companies after the 2008 act effectively nullified agreements. Some mining companies have fought this process and sought to nullify the new agreements that eliminated their stabilization agreements.

#### References:

ZEITI Validation Report. Hart Nurse Ltd, "Validation of the Extractive Industries Transparency Initiative in Zambia." May 2011. (Uploaded question 2.2B.020.a)

Republic of Zambia, The Mines and Minerals Development Bill, 2008. (Uploaded Question: 1.1.001)

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

#### Peer Review Comments:

The process concerning the stabilization clauses (as part of the so-called 'Development Agreements') is correct, in my opinion. However, the government, as part of further negotiations with the same affected mining companies in 2010 publicly stated that a new set of stabilization agreements had been made. This appears to have been done without any consent of parliament. However, delays to this process meant that by the establishment of the new government in 2011, these agreements had not been finalized and now are not carried on by the new government. The incident does suggest however that the checks on government action provided by the legislation may not be perfect.

Source: The ministerial statement showing that the government had announced a new stability period for mining companies can be found here (see page 6): [http://www.parliament.gov.zm/index.php?option=com\\_docman&task=doc\\_view&gid=770](http://www.parliament.gov.zm/index.php?option=com_docman&task=doc_view&gid=770)

There appears to be no reports that this was actually followed through with, nor any official declaration that its was being canceled.

### 1.3.014: Does the legislative branch have any oversight role regarding contracts and licenses in the oil, gas and mining sector?

Score:  A  B  C  D  E

#### Comments:

Professor Fraser noted that in the Zambian political system, Parliament has an oversight role in almost everything. The Parliamentary committee which oversees mines is the Committee on Economic Affairs and Labour. The Committees' functions include

- Study, report and make recommendations to the Government through the House on the mandate, management and operations of Government ministries, departments and/or agencies under its portfolio.
- Carry out detailed scrutiny of certain activities being undertaken by Government ministries, departments and/or agencies under its portfolio and make appropriate recommendations to the House for ultimate consideration by the Government.
- Make, if considered necessary, recommendations to the Government on the need to review certain

policies and/or certain existing legislation.  
- Consider any Bills that may be referred to it by the House.

Professor Fraser also points out that when MDAs were renegotiated as part of the passage of the 2008 Mines and Mineral Development Act that Parliament played a very active role in the renegotiation process, including inviting executives of mining companies to come speak to the committee about new taxes and royalty rates.

At the same time other institutions like the ZRA and the MMMD do not get good regular information from the mining companies and are therefore unable to provide comprehensive information to this parliamentary committee on a regular basis.

**References:**

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

National Assembly of Zambia, Functions of Committees, Terms of Reference of Watchdog Committees, [http://www.parliament.gov.zm/index.php?option=com\\_content&task=view&id=1278&Itemid=90](http://www.parliament.gov.zm/index.php?option=com_content&task=view&id=1278&Itemid=90) (Accessed April 6, 2012)

**Peer Review Comments:**

While the Parliamentary Select Committees provide a measure of oversight, the evidence that this represents a check on government action in practice is weak.

The government broke the Development Agreements in 2008. This process was debated in Parliament, and indeed the Patriotic Front (the opposition party at the time) was a strong actor in this process. In the subsequent reform process in 2009, Parliament undertook a number of investigations as described in the reviewers comments. These often went against the views of the government. The Committees are able to gather the views of local NGOs and other expert witnesses. However, the quality of this analysis is somewhat limited. For instance see 'Report on the Expended Committee of Estimates 2009' available at: [http://www.parliament.gov.zm/index.php?option=com\\_docman&task=doc\\_download&gid=436](http://www.parliament.gov.zm/index.php?option=com_docman&task=doc_download&gid=436)

I would agree that information is often withheld from Zambia Revenue Authority, and this does prevent this institution from providing comprehensive information to Parliamentary Committees.

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**1.3.015: Is there a due process to appeal licensing decisions?**

Score:  A  B  C

**Comments:**

The Mines and Minerals Development Act (2008), Part XIV, Sections 152-155 outlines appeals procedures for licensing and other decisions. Those who disagree with a decision can appeal to the Minister and finally to the High Court if necessary.

**References:**

Republic of Zambia, The Mines and Minerals Development Bill, 2008. Part XIV, Sections 152-155, (Uploaded Question: 1.1.001)

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**1.3.016: Is there a legal or regulatory requirement to disclose all beneficial ownership in oil, gas and mining companies or projects?**

Score:  A  B  C

**Comments:**

Section 48 of the The Companies Act of Zambia requires that a company shall maintain a register of members which includes information such as name and address so they may be "readily found," share

held by the member, date purchased, amount paid. Member can be a body corporate or an unincorporated association (i.e. not an individual). This does not apply specifically to the extractive sector but to all companies operating in Zambia.

**References:**

Republic of Zambia, Laws of the Republic of Zambia (1995 Edition), The Companies Act,  
<http://unpan1.un.org/intradoc/groups/public/documents/cafrad/unpan004740.pdf>

**Peer Review Comments:**

I agree. Information on ownership details for newly registered companies is held and provided to some parties (at least other government institutions) by Patents and Companies Registration Agency. Although, subsequent changes to ownership are not recorded by this organisation.

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# Zambia - RWI Index Questionnaire

## Context

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Indicator	Score
2.1 Context	100 

### 2.1 Context

#### 2.1.017: Does the government receive in-kind payments instead of financial payments from resource companies?

Score: A  B  C

##### Comments:

The government does not receive in-kind payments. In-kind payments would be reflected in the ZEITI. The government receives taxes and royalties and through ZMCC-IH the state is a minority share holder in many mining companies. In theory they would receive dividends from this. But according to Professor Fraser there is a question of whether companies are avoiding paying those by using accounting mechanisms to prevent their Zambian subsidiaries from earning a profit on paper so they are not obligated to pay dividends.

##### References:

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

Zambia Extractive Industries Transparency Initiative. Independent Reconciliation Report of Year End December 2008. PricewaterhouseCoopers. February 2011. (Uploaded Questions 1.1.002)

##### Peer Review Comments:

The financial standing of ZCCM-IH has been particularly questionable. The recent publication of financial statements going back to 2005 has helped to resolve this matter to some extent. However there are still questions over the lack of dividend payments from ZCCM-IH to its shareholders (of which the Zambian government is the majority holder). There are questions on both sides - there is a possibility that the mining companies in which ZCCM-IH owns shares, are artificially inflating costs or deflating revenues to avoid both tax payments and subsequent dividend payments to ZCCM-IH. Secondly, it is possible that ZCCM-IH is not managing its business properly, either through inefficiencies or intentional abuse. A third explanation for the lack of dividend payments to ZCCM-IH shareholders could be that ZCCM-IH holds very large liabilities as a result of the privatisation agreements in 1997 and 2000. These agreements allowed some types of liabilities previously held by ZCCM (the nationally owned mining company) to be taken on to the books of ZCCM-IH, rather than the private owned companies. In other words, the privatisation process gave the assets of ZCCM to the private companies, and at least some of the liabilities to ZCCM-IH.

An outline of these issues is found in:

Conrad, Robert (2011) "Zambia's Mineral Fiscal Regime". Currently unpublished.

#### 2.1.018: If the government or state owned companies sell physical commodities (oil, gas or minerals) from in-kind payments or own production, is there information about how these commodities are marketed?

**Score:** A B C D **E**

**Comments:**

Government does not receive in-kind payments. See question 2.1.017 comments.

**References:**

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

Zambia Extractive Industries Transparency Initiative. Independent Reconciliation Report of Year End December 2008. PricewaterhouseCoopers. February 2011. (Uploaded Questions 1.1.002

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**2.1.019: What authority actually collects payments from resource companies?**

**Score:** **A** B C D E

**Comments:**

The Zambian Revenue Authority collects all taxes and royalties from mining. The MMMD collects license fees, annual operating permit fees, area charges and environmental protection fund fees. Local councils collect local business fees and property rates.

**References:**

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

Zambia Revenue Authority, Taxes Administered <http://www.zra.org.zm/TaxesAdministered.php>

Zambia Extractive Industries Transparency Initiative. Independent Reconciliation Report of Year End December 2008. PricewaterhouseCoopers. February 2011. (Uploaded Questions 1.1.002

**Peer Review Comments:**














ZRA administers the collection of revenues. Actual payment is done directly to the central bank, the Bank of Zambia. This is the same for all corporate taxation in Zambia. Checks between the Ministry of Finance, the central bank and ZRA are made each month to ensure reported revenues tally.

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# Zambia - RWI Index Questionnaire

## Disclosure

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Indicator		Score	
2.2A.020	Does the Ministry of Finance publish periodical information on revenue generation?	22	
2.2A.020.j	Does the Ministry of Finance publish information on disaggregated revenue streams?	0	
2.2A	Quality of reports	50	
2.2B.020	Does the Ministry of the extractive sector publish information on revenue generation?	4	
2.2B.020.j	Does the Ministry of the extractive sector publish information on disaggregated revenue streams?	0	
2.2B	Quality of reports	0	
2.2C.020	Does a Regulatory Agency publish information on revenue generation?	N/A	
2.2C.020.j	Does a Regulatory Agency publish information on disaggregated revenue streams?	N/A	
2.2C	Quality of reports	N/A	
2.2D.020	Does the Central Bank publish information on revenue generation?	33	
2.2D.020.j	Does the Central Bank publish information on disaggregated revenue streams?	13	
2.2D	Quality of reports	84	
2.2E.020	Does any other government agency or entity publish information on revenue generation?	59	
2.2E.020.j	Does any other government agency or entity publish information on disaggregated revenue streams?	63	
2.2E	Quality of reports	67	
2.2	Public sector balance	0	

2.2A.020 Does the Ministry of Finance publish periodical information on revenue generation?

### 2.2A.020.a: Reserves

Score: A B C **(D)** E

Comments:



The Ministry of Finance and National Planning (MoFNP) produces an annual and mid-year economic report (2009 is most recent available online but they have produced more recent reports that are not online) which include data on production volumes for copper, cobalt and gold. As a result the report provides a list of operating copper mines in the country. Much of the data comes from the Ministry of Mines, but is only produced in public report form by the Ministry of Finance due to capacity constraints within the Ministry of Mines.

Although Zambian Revenue Authority (which sits under MoFNP) is responsible for collecting all mining royalties and taxes it does not publish any data on royalties or other taxes paid on its website. In practice, ZRA does make aggregated data on mining revenue available upon request, but does not disaggregate by type of revenue or mine/ mining company. On ZRA's website is a statistical bulletin which has more dis-aggregated revenue projections for 2012 (PAYE, withholding, mineral royalties, excise etc) and aggregated only for 1995 through 2011 indicating they are going to start presenting the data in a dis-aggregated form in the future.

According to Professor Fraser mines are supposed to report to MoFNP and ZRA but the system is self-reporting/voluntary right now because of capacity. Audits are a threat that the government waves around to get companies to accept new tax regime but they have not been done. DFID-UK and NORAD are trying to empower ZRA and BOZ to play a greater monitoring role and new government seems supportive.

**References:**

Zambian Revenue Authority [http://www.zra.org.zm/Statistical\\_Bulletin.html](http://www.zra.org.zm/Statistical_Bulletin.html)

Ministry of Finance and National Planning Economic Report 2009,  
<http://zm2.mofcom.gov.cn/accessory/201106/1309181226344.pdf>

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

**2.2A.020.b: Production volumes**

Score:  A  B  C  D  E

**Comments:**

The Ministry of Finance and National Planning (MoFNP) produces an annual and mid-year economic report (2009 is most recent available online but they have produced more recent reports that are not online) which includes data on production volumes for copper, cobalt and gold. As a result the report provides a list of operating copper mines in the country. Much of the data comes from the Ministry of Mines, but is only produced in public report form by the Ministry of Finance due to capacity constraints within the Ministry of Mines. The Central Statistical Office also produces this information in a Monthly Bulletin.

**References:**

Zambian Revenue Authority [http://www.zra.org.zm/Statistical\\_Bulletin.html](http://www.zra.org.zm/Statistical_Bulletin.html)

Ministry of Finance and National Planning Economic Report 2009. Uploaded question 2.2A.020.a

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

**2.2A.020.c: Information on prices**

Score:  A  B  C  D  E

**Comments:**

MoFNP and ZRA do not include this information in their publications or on their website. See detailed

comments question 2.2A.020.a.

**References:**

Zambian Revenue Authority [http://www.zra.org.zm/Statistical\\_Bulletin.html](http://www.zra.org.zm/Statistical_Bulletin.html)

Ministry of Finance and National Planning Economic Report 2009. Uploaded question 2.2A.020.a

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

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**2.2A.020.d: Value of resource exports**

Score: A B C  D E

**Comments:**

MoFNP and ZRA do not include this information in their publications or on their website. See detailed comments question 2.2A.020.a.

**References:**

Zambian Revenue Authority [http://www.zra.org.zm/Statistical\\_Bulletin.html](http://www.zra.org.zm/Statistical_Bulletin.html)

Ministry of Finance and National Planning Economic Report 2009. Uploaded question 2.2A.020.a

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

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**2.2A.020.e: Estimates of investment in exploration and development**

Score: A B C  D E

**Comments:**

MoFNP includes some very limited information on investment and development in its annual reports but the information is not comprehensive. Example from 2009 Report.

"Major developments in the sector in 2009 included the sinking of the No. 4 Shaft and other auxiliary ventilation and pipe shafts at the Konkola Deep Mining Project, and the expansion of Konkola Concentrator aimed at increasing capacity to handle ore from the Konkola Deep Mining Project. Other developments were the commissioning of the 150,000 tonnes capacity new Chambishi Copper Smelter, and the opening up of new open pits and expanding existing leach plants by Mopani Copper Mines. Further, a new investor was found for Luanshya Copper Mines for resuscitation of operations. Copper exploration in North Western and Copperbelt provinces also commenced. Zambezi Portland Cement was also commissioned during the year under review."

**References:**

Zambian Revenue Authority [http://www.zra.org.zm/Statistical\\_Bulletin.html](http://www.zra.org.zm/Statistical_Bulletin.html)

Ministry of Finance and National Planning Economic Report 2009. Uploaded question 2.2A.020.a

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

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**2.2A.020.f: Production costs**

Score: A B C  D E

**Comments:**

MoFNP and ZRA do not include this information in their publications or on their website. See detailed comments question 2.2A.020.a.

**References:**

Zambian Revenue Authority [http://www.zra.org.zm/Statistical\\_Bulletin.html](http://www.zra.org.zm/Statistical_Bulletin.html)

Ministry of Finance and National Planning Economic Report 2009. Uploaded question 2.2A.020.a

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

**Peer Review Comments:**

This is less an issue of transparency and more an issue of capacity. No Zambian government institution has a good idea of mining production costs. ZRA receives this information from the companies as part of the reporting and audit processes, but due to limited capacity cannot ensure the reliability of such information.

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**2.2A.020.g: Names of companies operating in country**

Score:  A  B  C  D  E

**Comments:**

The Ministry of Finance and National Planning (MoFNP) produces an annual and mid-year economic report (2009 is most recent available online but they have produced more recent reports that are not online) which includes data on production volumes for copper, cobalt and gold. As a result the report provides a list of operating copper mines in the country.

**References:**

Zambian Revenue Authority [http://www.zra.org.zm/Statistical\\_Bulletin.html](http://www.zra.org.zm/Statistical_Bulletin.html)

Ministry of Finance and National Planning Economic Report 2009. Uploaded question 2.2A.020.a

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

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**2.2A.020.h: Production data by company and/or block**

Score:  A  B  C  D  E

**Comments:**

MoFNP and ZRA do not include this information in their publications or on their website. See detailed comments question 2.2A.020.a.

**References:**

Zambian Revenue Authority [http://www.zra.org.zm/Statistical\\_Bulletin.html](http://www.zra.org.zm/Statistical_Bulletin.html)

Ministry of Finance and National Planning Economic Report 2009. Uploaded question 2.2A.020.a

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

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**2.2A.020.i: Cost of subsidies or social investments paid by mineral revenue**

**Score:** A B C  D E

**Comments:**

MoFNP and ZRA do not include this information in their publications or on their website. See detailed comments question 2.2A.020.a.

**References:**

Zambian Revenue Authority [http://www.zra.org.zm/Statistical\\_Bulletin.html](http://www.zra.org.zm/Statistical_Bulletin.html)

Ministry of Finance and National Planning Economic Report 2009. Uploaded question 2.2A.020.a

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

2.2A.020.j Does the Ministry of Finance publish information on disaggregated revenue streams?

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**2.2A.020.j1: Production streams value**

**Score:** A B C  D E

**Comments:**

MoFNP and ZRA do not include this information in their publications or on their website. See detailed comments question 2.2A.020.a.

**References:**

Zambian Revenue Authority [http://www.zra.org.zm/Statistical\\_Bulletin.html](http://www.zra.org.zm/Statistical_Bulletin.html)

Ministry of Finance and National Planning Economic Report 2009. Uploaded question 2.2A.020.a

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

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**2.2A.020.j2: Government s share in PSC**

**Score:** A B C D  E

**References:**

Zambian Revenue Authority [http://www.zra.org.zm/Statistical\\_Bulletin.html](http://www.zra.org.zm/Statistical_Bulletin.html)

Ministry of Finance and National Planning Economic Report 2009. Uploaded question 2.2A.020.a

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

**Peer Review Comments:**

The government does not hold any active PSC agreements, so this is no applicable.

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**2.2A.020.j3: Royalties**

**Score:** A B C  D E

**Comments:**

Although Zambian Revenue Authority (which sits under MoFNP) is responsible for collecting all mining

royalties and taxes it does not publish any data on royalties or other taxes paid on its website. In practice, ZRA does make aggregated data on mining revenue available upon request, but does not disaggregate by type of revenue or mine/ mining company. On ZRA's website is a statistical bulletin which has more dis-aggregated revenue projections for 2012 (PAYE, withholding, mineral royalties, excise etc) and aggregated only for 1995 through 2011 indicating they are going to start presenting the data in a dis-aggregated form in the future. The ZRA website also provides information on royalty prices charged for each type of mineral but not royalties received.

**References:**

Zambian Revenue Authority [http://www.zra.org.zm/Statistical\\_Bulletin.html](http://www.zra.org.zm/Statistical_Bulletin.html)

Zambian Revenue Authority, Monthly Mineral Royalty Prices for Base and Precious Metals, [http://www.zra.org.zm/Base\\_Metal\\_Prices.htm](http://www.zra.org.zm/Base_Metal_Prices.htm)

Ministry of Finance and National Planning Economic Report 2009. Uploaded question 2.2A.020.a

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

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**2.2A.020.j4: Special taxes (e.g. withholding taxes, excise taxes, excess earning taxes, charged on extractive companies)**

Score: A B C  D E

**Comments:**

Although Zambian Revenue Authority (which sits under MoFNP) is responsible for collecting all mining royalties and taxes it does not publish any data on royalties or other taxes paid on its website. In practice, ZRA does make aggregated data on mining revenue available upon request, but does not disaggregate by type of revenue or mine/ mining company. On ZRA's website is a statistical bulletin which has more dis-aggregated revenue projections for 2012 (PAYE, withholding, mineral royalties, excise etc) and aggregated only for 1995 through 2011 indicating they are going to start presenting the data in a dis-aggregated form in the future?

According to Professor Fraser mines are supposed to report to MoFNP and ZRA but the system is self-reporting/voluntary right now because of capacity now. Audits are a threat that the government waves around to get companies to accept new tax regime but they have not been done.

**References:**

Zambian Revenue Authority [http://www.zra.org.zm/Statistical\\_Bulletin.html](http://www.zra.org.zm/Statistical_Bulletin.html)

Ministry of Finance and National Planning Economic Report 2009. Uploaded question 2.2A.020.a

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

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**2.2A.020.j5: Dividends**

Score: A B C  D E

**Comments:**

MoFNP and ZRA do not include this information in their publications or on their website. See detailed comments question 2.2A.020.a.

In addition Professor Fraser notes that many companies have managed to make their Zambian subsidiaries not turn a profit on paper so that they do not have to pay dividends to the government via ZMCC-IH.

**References:**

Zambian Revenue Authority [http://www.zra.org.zm/Statistical\\_Bulletin.html](http://www.zra.org.zm/Statistical_Bulletin.html)

Ministry of Finance and National Planning Economic Report 2009. Uploaded question 2.2A.020.a

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

**Peer Review Comments:**

The comment on dividend payment to ZCCM-IH is not strictly true. First Quantum Minerals paid a dividend of around \$18million in 2010. Also, another dividend was declared for 2011. This source shows further dividend payments in 2011:

<http://www.first-quantum.com/Media-Centre/Press-Releases/Press-Release-Details/2012/First-Quantum-Minerals-Reports-Operational-and-Financial-Results-for-the-Three-Months-and-Year-Ended-December-31-20111128541/default.aspx>

However, this has not benefited the government treasury directly as ZCCM-IH has not paid any dividends itself.

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**2.2A.020.j6: Bonuses**

**Score:** A B C  D E

**Comments:**

MoFNP and ZRA do not include this information in their publications or on their website. See detailed comments question 2.2A.020.a.

In addition Professor Fraser notes that this information is not available because of the largely voluntary nature of current information provision by mining companies who are not inclined to release this information.

**References:**

Zambian Revenue Authority [http://www.zra.org.zm/Statistical\\_Bulletin.html](http://www.zra.org.zm/Statistical_Bulletin.html)

Ministry of Finance and National Planning Economic Report 2009. Uploaded question 2.2A.020.a

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

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**2.2A.020.j7: License fees**

**Score:** A B C  D E

**Comments:**

MoFNP and ZRA do not include this information in their publications or on their website. See detailed comments question 2.2A.020.a.

**References:**

Zambian Revenue Authority [http://www.zra.org.zm/Statistical\\_Bulletin.html](http://www.zra.org.zm/Statistical_Bulletin.html)

Ministry of Finance and National Planning Economic Report 2009. Uploaded question 2.2A.020.a

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

**Peer Review Comments:**

Licence Fees are paid by companies, but are not published. So this should be 'Information not published', not 'Not applicable'.

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### 2.2A.020.j8: Acreage fees

Score: A B C  D E

**Comments:**

MoFNP and ZRA do not include this information in their publications or on their website. See detailed comments question 2.2A.020.a.

**References:**

Zambian Revenue Authority [http://www.zra.org.zm/Statistical\\_Bulletin.html](http://www.zra.org.zm/Statistical_Bulletin.html)

Ministry of Finance and National Planning Economic Report 2009. Uploaded question 2.2A.020.a

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

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### 2.2A.020.j9: Other (Explain in 'comments' box.)

Score: A B C D  E

**Comments:**

MoFNP and ZRA do not publish any other information not covered in previous questions. See detailed comments question 2.2A.020.a.

**References:**

Zambian Revenue Authority [http://www.zra.org.zm/Statistical\\_Bulletin.html](http://www.zra.org.zm/Statistical_Bulletin.html)

Ministry of Finance and National Planning Economic Report 2009. Uploaded question 2.2A.020.a

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

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## 2.2A Quality of reports

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### 2.2A.021: Are periodical reports containing information on revenue generation published by the Ministry of Finance understandable?

Score: A  B C D E

**Comments:**

They are understandable and comprehensive but do not include information on methodology.

**References:**

Zambian Revenue Authority [http://www.zra.org.zm/Statistical\\_Bulletin.html](http://www.zra.org.zm/Statistical_Bulletin.html)

Ministry of Finance and National Planning Economic Report 2009. Uploaded question 2.2A.020.a

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### 2.2A.022: How often are the periodical reports containing information on revenue generation published by the Ministry of Finance?

**Score:** A B  C D E

**Comments:**

In theory the MoFNP also publishes mid-year reports in addition to annual reports but its unclear how consistently this happens. There is a significant delay in putting them online.

**References:**

Zambian Revenue Authority [http://www.zra.org.zm/Statistical\\_Bulletin.html](http://www.zra.org.zm/Statistical_Bulletin.html)

Ministry of Finance and National Planning Economic Report 2009. Uploaded question 2.2A.020.a

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2.2B.020 Does the Ministry of the extractive sector publish information on revenue generation?

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**2.2B.020.a: Reserves**

**Score:** A B C  D E

**Comments:**

The Ministry of Mines and Mineral Development (MMMD) does not publish any information on a regular basis. Under terms of MDAs mining companies are supposed to present a quarterly report that is a comprehensive financial report to MMMD but this does not happen on a regular basis and if it does they are not released to the public. This is essentially an informal/voluntary reporting systems, the Ministry passively receives information it does not actively request it. Formal systems atrophied under the previous government; the new government is trying to fix that, with DFID and NORAD, trying to empower specifically the Zambian Revenue Authority with greater auditing and monitoring capacity. The MMMD is extremely low capacity. This low capacity and lack of information is clear from the MMMD website.

**References:**

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

Ministry of Mines and Mineral Development Website <http://www.zambiamining.co.zm>

ZEITI Validation Report. Hart Nurse Ltd, "Validation of the Extractive Industries Transparency Initiative in Zambia." May 2011. (Uploaded question 2.2B.020.a)

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**2.2B.020.b: Production volumes**

**Score:** A B C  D E

**Comments:**

The Ministry (MMMD) does not publish any information on a regular basis. Under terms of MDAs mining companies are supposed to present a quarterly report that is a comprehensive financial report to MMMD but this does not happen on a regular basis and if it does they are not released to the public. This is essentially an informal/voluntary reporting system, the Ministry passively receives information it does not actively request it. Formal systems atrophied under the previous government, The new government is trying to fix that, with DFID and NORAD, trying to empower specifically the Zambian Revenue Authority with greater auditing and monitoring capacity. The MMMD is extremely low capacity. This low capacity and lack of information is clear from the MMMD website. Finally the ZEITI validation report notes that the MMMD makes no mention of the EITI process or government commitment to the process and as of May 2011 a promised (by the MMMD) amendment to the Mines and Mineral Development Act making it mandatory for mining companies to provide information to the EITI Reconciler had not been passed.



**References:**

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

Ministry of Mines and Mineral Development Website <http://www.zambiamining.co.zm>

ZEITI Validation Report. Hart Nurse Ltd, "Validation of the Extractive Industries Transparency Initiative in Zambia." May 2011. (Uploaded question 2.2B.020.a)

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**2.2B.020.c: Information on prices**

**Score:** A B C  D E

**Comments:**

See comment for question 2.2B.020.b

**References:**

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

Ministry of Mines and Mineral Development Website <http://www.zambiamining.co.zm>

ZEITI Validation Report. Hart Nurse Ltd, "Validation of the Extractive Industries Transparency Initiative in Zambia." May 2011. (Uploaded question 2.2B.020.a)

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**2.2B.020.d: Value of resource exports**

**Score:** A B C  D E

**Comments:**

See comment for question 2.2B.020.b

**References:**

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

Ministry of Mines and Mineral Development Website <http://www.zambiamining.co.zm>

ZEITI Validation Report. Hart Nurse Ltd, "Validation of the Extractive Industries Transparency Initiative in Zambia." May 2011. (Uploaded question 2.2B.020.a)

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**2.2B.020.e: Estimates of investment in exploration and development**

**Score:** A B C  D E

**Comments:**

See comment for question 2.2B.020.b

**References:**

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

Ministry of Mines and Mineral Development Website <http://www.zambiamining.co.zm>

ZEITI Validation Report. Hart Nurse Ltd, "Validation of the Extractive Industries Transparency Initiative in Zambia." May 2011. (Uploaded question 2.2B.020.a)

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### 2.2B.020.f: Production costs

Score: A B C  D E

**Comments:**

See comment for question 2.2B.020.b

**References:**

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

Ministry of Mines and Mineral Development Website <http://www.zambiamining.co.zm>

ZEITI Validation Report. Hart Nurse Ltd, "Validation of the Extractive Industries Transparency Initiative in Zambia." May 2011. (Uploaded question 2.2B.020.a)

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### 2.2B.020.g: Names of companies operating in country

Score: A B  C D E

**Comments:**

There is a list of mining companies on the MMMD website but it is almost certainly old as does not include some companies mentioned in conversation with Professor Fraser. According to the Mines and Mineral Development Act this information should be available to anyone through a register housed in the ministry which is available on request and for a fee. (Sections 112, 113). Professor Fraser confirmed that this information (names of those operating) is not considered particularly sensitive.

**References:**

Ministry of Mines and Mineral Development Website, Mining Companies in Zambia, <http://www.zambiamining.co.zm/miners.htm>

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

Republic of Zambia, The Mines and Minerals Development Bill, 2008. (Uploaded Question: 1.1.001)

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### 2.2B.020.h: Production data by company and/or block

Score: A B C  D E

**Comments:**

See comment for question 2.2B.020.b

**References:**

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

Ministry of Mines and Mineral Development Website <http://www.zambiamining.co.zm>

ZEITI Validation Report. Hart Nurse Ltd, "Validation of the Extractive Industries Transparency Initiative in Zambia." May 2011. (Uploaded question 2.2B.020.a)

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**2.2B.020.i: Cost of subsidies or social investments paid by mineral revenue**

**Score:** A B C  D E

**Comments:**

See comment for question 2.2B.020.b

**References:**

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

Ministry of Mines and Mineral Development Website <http://www.zambiamining.co.zm>

ZEITI Validation Report. Hart Nurse Ltd, "Validation of the Extractive Industries Transparency Initiative in Zambia." May 2011. (Uploaded question 2.2B.020.a)

2.2B.020.j Does the Ministry of the extractive sector publish information on disaggregated revenue streams?

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**2.2B.020.j1: Production streams value**

**Score:** A B C  D E

**Comments:**

See comment for question 2.2B.020.b

**References:**

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

Ministry of Mines and Mineral Development Website <http://www.zambiamining.co.zm>

ZEITI Validation Report. Hart Nurse Ltd, "Validation of the Extractive Industries Transparency Initiative in Zambia." May 2011. (Uploaded question 2.2B.020.a)

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**2.2B.020.j2: Government s share in PSC**

**Score:** A B C D  E

**References:**

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

Ministry of Mines and Mineral Development Website <http://www.zambiamining.co.zm>

ZEITI Validation Report. Hart Nurse Ltd, "Validation of the Extractive Industries Transparency Initiative in Zambia." May 2011. (Uploaded question 2.2B.020.a)

**Peer Review Comments:**

Government does not hold PSC agreements with companies, so answer should be 'Not applicable'.

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**2.2B.020.j3: Royalties**

**Score:** A B C  D E

**Comments:**

See comment for question 2.2B.020.b

**References:**

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

Ministry of Mines and Mineral Development Website <http://www.zambiamining.co.zm>

ZEITI Validation Report. Hart Nurse Ltd, "Validation of the Extractive Industries Transparency Initiative in Zambia." May 2011. (Uploaded question 2.2B.020.a)

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**2.2B.020.j4: Special taxes (e.g. withholding taxes, excise taxes, excess earning taxes, charged on extractive companies)**

**Score:** A B C  D E

**Comments:**

See comment for question 2.2B.020.b

**References:**

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

Ministry of Mines and Mineral Development Website <http://www.zambiamining.co.zm>

ZEITI Validation Report. Hart Nurse Ltd, "Validation of the Extractive Industries Transparency Initiative in Zambia." May 2011. (Uploaded question 2.2B.020.a)

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**2.2B.020.j5: Dividends**

**Score:** A B C  D E

**Comments:**

See comment for question 2.2B.020.b

**References:**

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

Ministry of Mines and Mineral Development Website <http://www.zambiamining.co.zm>

ZEITI Validation Report. Hart Nurse Ltd, "Validation of the Extractive Industries Transparency Initiative in Zambia." May 2011. (Uploaded question 2.2B.020.a)

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**2.2B.020.j6: Bonuses**

**Score:** A B C  D E

**Comments:**

See comment for question 2.2B.020.b

**References:**

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

Ministry of Mines and Mineral Development Website <http://www.zambiamining.co.zm>

ZEITI Validation Report. Hart Nurse Ltd, "Validation of the Extractive Industries Transparency Initiative in Zambia." May 2011. (Uploaded question 2.2B.020.a)

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**2.2B.020.j7: License fees**

**Score:** A B C  D E

**Comments:**

See comment for question 2.2B.020.b

**References:**

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

Ministry of Mines and Mineral Development Website <http://www.zambiamining.co.zm>

ZEITI Validation Report. Hart Nurse Ltd, "Validation of the Extractive Industries Transparency Initiative in Zambia." May 2011. (Uploaded question 2.2B.020.a)

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**2.2B.020.j8: Acreage fees**

**Score:** A B C  D E

**Comments:**

See comment for question 2.2B.020.b

**References:**

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

Ministry of Mines and Mineral Development Website <http://www.zambiamining.co.zm>

ZEITI Validation Report. Hart Nurse Ltd, "Validation of the Extractive Industries Transparency Initiative in Zambia." May 2011. (Uploaded question 2.2B.020.a)

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**2.2B.020.j9: Other (Explain in 'comments' box.)**

**Score:** A B C D  E

**Comments:**

MMMD does not publish any other information that is not specifically outlined in earlier questions.

**References:**

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

Ministry of Mines and Mineral Development Website <http://www.zambiamining.co.zm>

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ZEITI Validation Report. Hart Nurse Ltd, "Validation of the Extractive Industries Transparency Initiative in Zambia." May 2011. (Uploaded question 2.2B.020.a)

## 2.2B Quality of reports

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### 2.2B.021: Are periodical reports containing information on revenue generation published by the Ministry of the extractive sector understandable?

Score: A B C  D E

#### Comments:

The Ministry (MMMD) does not publish any information on a regular basis. Under terms of MDAs mining companies are supposed to present a quarterly report that is a comprehensive financial report to MMMD but this does not happen on a regular basis and if it does they are not released to the public. This is essentially an informal/voluntary reporting systems, the Ministry passively receives information it does not actively request it. Formal systems atrophied under the previous government, The new government is trying to fix that, with DFID and NORAD, trying to empower specifically the Zambian Revenue Authority with greater auditing and monitoring capacity. The MMMD is extremely low capacity. This low capacity and lack of information is clear from the MMMD website. Finally the ZEITI validation report notes that the MMMD makes no mention of the EITI process or government commitment to the process and as of May 2011 a promised (by the MMMD) amendment to the Mines and Mineral Development Act making it mandatory for mining companies to provide information to the EITI Reconciler had not been passed.

#### References:

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

Ministry of Mines and Mineral Development Website <http://www.zambiamining.co.zm>

ZEITI Validation Report. Hart Nurse Ltd, "Validation of the Extractive Industries Transparency Initiative in Zambia." May 2011. (Uploaded question 2.2B.020.a)

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### 2.2B.022: How often are the periodical reports containing information on revenue generation published by the Ministry of the extractive sector?

Score: A B C  D E

#### References:

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

Ministry of Mines and Mineral Development Website <http://www.zambiamining.co.zm>

ZEITI Validation Report. Hart Nurse Ltd, "Validation of the Extractive Industries Transparency Initiative in Zambia." May 2011. (Uploaded question 2.2B.020.a)

## 2.2C.020 Does a Regulatory Agency publish information on revenue generation?

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### 2.2C.020.a: Reserves

**Score:** A B C D **(E)**

**Comments:**

There is no regulatory agency that regulates the mining industry outside of the MMMD. The MMMD, Ministry of Finance and the Bank of Zambia are accounted for in other portions of the questionnaire. According to Professor Fraser the Ministry of Labor provides some oversight in terms of mine safety and union relations but no general oversight function.

**References:**

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

ZEITI First Reconciliation Report: Zambia Extractive Industries Transparency Initiative. Independent Reconciliation Report of Year End December 2008. PricewaterhouseCoopers. February 2011. (Uploaded Questions 1.1.002)

ZEITI Validation Report. Hart Nurse Ltd, "Validation of the Extractive Industries Transparency Initiative in Zambia." May 2011. (Uploaded question 2.2B.020.a)

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**2.2C.020.b: Production volumes**

**Score:** A B C D **(E)**

**Comments:**

There is no regulatory agency that regulates the mining industry outside of the MMMD. The MMMD, Ministry of Finance and the Bank of Zambia are accounted for in other portions of the questionnaire. According to Professor Fraser the Ministry of Labor provides some oversight in terms of mine safety and union relations but no general oversight function.

**References:**

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

ZEITI First Reconciliation Report: Zambia Extractive Industries Transparency Initiative. Independent Reconciliation Report of Year End December 2008. PricewaterhouseCoopers. February 2011. (Uploaded Questions 1.1.002)

ZEITI Validation Report. Hart Nurse Ltd, "Validation of the Extractive Industries Transparency Initiative in Zambia." May 2011. (Uploaded question 2.2B.020.a)

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**2.2C.020.c: Information on prices**

**Score:** A B C D **(E)**

**Comments:**

There is no regulatory agency that regulates the mining industry outside of the MMMD. The MMMD, Ministry of Finance and the Bank of Zambia are accounted for in other portions of the questionnaire. According to Professor Fraser the Ministry of Labor provides some oversight in terms of mine safety and union relations but no general oversight function.

**References:**

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

ZEITI First Reconciliation Report: Zambia Extractive Industries Transparency Initiative. Independent

Reconciliation Report of Year End December 2008. PricewaterhouseCoopers. February 2011. (Uploaded Questions 1.1.002)

ZEITI Validation Report. Hart Nurse Ltd, "Validation of the Extractive Industries Transparency Initiative in Zambia." May 2011. (Uploaded question 2.2B.020.a)

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### 2.2C.020.d: Value of resource exports

**Score:** A B C D **E**

**Comments:**

There is no regulatory agency that regulates the mining industry outside of the MMMD. The MMMD, Ministry of Finance and the Bank of Zambia are accounted for in other portions of the questionnaire. According to Professor Fraser the Ministry of Labor provides some oversight in terms of mine safety and union relations but no general oversight function.

**References:**

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

ZEITI First Reconciliation Report: Zambia Extractive Industries Transparency Initiative. Independent Reconciliation Report of Year End December 2008. PricewaterhouseCoopers. February 2011. (Uploaded Questions 1.1.002)

ZEITI Validation Report. Hart Nurse Ltd, "Validation of the Extractive Industries Transparency Initiative in Zambia." May 2011. (Uploaded question 2.2B.020.a)

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### 2.2C.020.e: Estimates of investment in exploration and development

**Score:** A B C D **E**

**Comments:**

There is no regulatory agency that regulates the mining industry outside of the MMMD. The MMMD, Ministry of Finance and the Bank of Zambia are accounted for in other portions of the questionnaire. According to Professor Fraser the Ministry of Labor provides some oversight in terms of mine safety and union relations but no general oversight function.

**References:**

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

ZEITI First Reconciliation Report: Zambia Extractive Industries Transparency Initiative. Independent Reconciliation Report of Year End December 2008. PricewaterhouseCoopers. February 2011. (Uploaded Questions 1.1.002)

ZEITI Validation Report. Hart Nurse Ltd, "Validation of the Extractive Industries Transparency Initiative in Zambia." May 2011. (Uploaded question 2.2B.020.a)

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### 2.2C.020.f: Production costs

**Score:** A B C D **E**

**Comments:**

There is no regulatory agency that regulates the mining industry outside of the MMMD. The MMMD, Ministry of Finance and the Bank of Zambia are accounted for in other portions of the questionnaire.



According to Professor Fraser the Ministry of Labor provides some oversight in terms of mine safety and union relations but no general oversight function.

**References:**

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

ZEITI First Reconciliation Report: Zambia Extractive Industries Transparency Initiative. Independent Reconciliation Report of Year End December 2008. PricewaterhouseCoopers. February 2011. (Uploaded Questions 1.1.002)

ZEITI Validation Report. Hart Nurse Ltd, "Validation of the Extractive Industries Transparency Initiative in Zambia." May 2011. (Uploaded question 2.2B.020.a)

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**2.2C.020.g: Names of companies operating in country**

**Score:** A B C D **E**

**Comments:**

There is no regulatory agency that regulates the mining industry outside of the MMMD. The MMMD, Ministry of Finance and the Bank of Zambia are accounted for in other portions of the questionnaire. According to Professor Fraser the Ministry of Labor provides some oversight in terms of mine safety and union relations but no general oversight function.

**References:**

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

ZEITI First Reconciliation Report: Zambia Extractive Industries Transparency Initiative. Independent Reconciliation Report of Year End December 2008. PricewaterhouseCoopers. February 2011. (Uploaded Questions 1.1.002)

ZEITI Validation Report. Hart Nurse Ltd, "Validation of the Extractive Industries Transparency Initiative in Zambia." May 2011. (Uploaded question 2.2B.020.a)

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**2.2C.020.h: Production data by company and/or block**

**Score:** A B C D **E**

**Comments:**

There is no regulatory agency that regulates the mining industry outside of the MMMD. The MMMD, Ministry of Finance and the Bank of Zambia are accounted for in other portions of the questionnaire. According to Professor Fraser the Ministry of Labor provides some oversight in terms of mine safety and union relations but no general oversight function.

**References:**

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

ZEITI First Reconciliation Report: Zambia Extractive Industries Transparency Initiative. Independent Reconciliation Report of Year End December 2008. PricewaterhouseCoopers. February 2011. (Uploaded Questions 1.1.002)

ZEITI Validation Report. Hart Nurse Ltd, "Validation of the Extractive Industries Transparency Initiative in Zambia." May 2011. (Uploaded question 2.2B.020.a)

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**2.2C.020.i: Cost of subsidies or social investments paid by mineral revenue****Score:** A B C D **E****Comments:**

There is no regulatory agency that regulates the mining industry outside of the MMMD. The MMMD, Ministry of Finance and the Bank of Zambia are accounted for in other portions of the questionnaire. According to Professor Fraser the Ministry of Labor provides some oversight in terms of mine safety and union relations but no general oversight function.

**References:**

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

ZEITI First Reconciliation Report: Zambia Extractive Industries Transparency Initiative. Independent Reconciliation Report of Year End December 2008. PricewaterhouseCoopers. February 2011. (Uploaded Questions 1.1.002)

ZEITI Validation Report. Hart Nurse Ltd, "Validation of the Extractive Industries Transparency Initiative in Zambia." May 2011. (Uploaded question 2.2B.020.a)

2.2C.020.j Does a Regulatory Agency publish information on disaggregated revenue streams?

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**2.2C.020.j1: Production streams value****Score:** A B C D **E****Comments:**

There is no regulatory agency that regulates the mining industry outside of the MMMD. The MMMD, Ministry of Finance and the Bank of Zambia are accounted for in other portions of the questionnaire. According to Professor Fraser the Ministry of Labor provides some oversight in terms of mine safety and union relations but no general oversight function.

**References:**

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

ZEITI First Reconciliation Report: Zambia Extractive Industries Transparency Initiative. Independent Reconciliation Report of Year End December 2008. PricewaterhouseCoopers. February 2011. (Uploaded Questions 1.1.002)

ZEITI Validation Report. Hart Nurse Ltd, "Validation of the Extractive Industries Transparency Initiative in Zambia." May 2011. (Uploaded question 2.2B.020.a)

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**2.2C.020.j2: Government s share in PSC****Score:** A B C D **E****Comments:**

There is no regulatory agency that regulates the mining industry outside of the MMMD. The MMMD, Ministry of Finance and the Bank of Zambia are accounted for in other portions of the questionnaire. According to Professor Fraser the Ministry of Labor provides some oversight in terms of mine safety and union relations but no general oversight function.

**References:**

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

ZEITI First Reconciliation Report: Zambia Extractive Industries Transparency Initiative. Independent Reconciliation Report of Year End December 2008. PricewaterhouseCoopers. February 2011. (Uploaded Questions 1.1.002)

ZEITI Validation Report. Hart Nurse Ltd, "Validation of the Extractive Industries Transparency Initiative in Zambia." May 2011. (Uploaded question 2.2B.020.a)

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**2.2C.020.j3: Royalties**

**Score:** A B C D  E

**Comments:**

There is no regulatory agency that regulates the mining industry outside of the MMMD. The MMMD, Ministry of Finance and the Bank of Zambia are accounted for in other portions of the questionnaire. According to Professor Fraser the Ministry of Labor provides some oversight in terms of mine safety and union relations but no general oversight function.

**References:**

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

ZEITI First Reconciliation Report: Zambia Extractive Industries Transparency Initiative. Independent Reconciliation Report of Year End December 2008. PricewaterhouseCoopers. February 2011. (Uploaded Questions 1.1.002)

ZEITI Validation Report. Hart Nurse Ltd, "Validation of the Extractive Industries Transparency Initiative in Zambia." May 2011. (Uploaded question 2.2B.020.a)

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**2.2C.020.j4: Special taxes (e.g. withholding taxes, excise taxes, excess earning taxes, charged on extractive companies)**

**Score:** A B C D  E

**Comments:**

There is no regulatory agency that regulates the mining industry outside of the MMMD. The MMMD, Ministry of Finance and the Bank of Zambia are accounted for in other portions of the questionnaire. According to Professor Fraser the Ministry of Labor provides some oversight in terms of mine safety and union relations but no general oversight function.

**References:**

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

ZEITI First Reconciliation Report: Zambia Extractive Industries Transparency Initiative. Independent Reconciliation Report of Year End December 2008. PricewaterhouseCoopers. February 2011. (Uploaded Questions 1.1.002)

ZEITI Validation Report. Hart Nurse Ltd, "Validation of the Extractive Industries Transparency Initiative in Zambia." May 2011. (Uploaded question 2.2B.020.a)

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**2.2C.020.j5: Dividends**

**Score:** A B C D **(E)**

**Comments:**

There is no regulatory agency that regulates the mining industry outside of the MMMD. The MMMD, Ministry of Finance and the Bank of Zambia are accounted for in other portions of the questionnaire. According to Professor Fraser the Ministry of Labor provides some oversight in terms of mine safety and union relations but no general oversight function.

**References:**

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

ZEITI First Reconciliation Report: Zambia Extractive Industries Transparency Initiative. Independent Reconciliation Report of Year End December 2008. PricewaterhouseCoopers. February 2011. (Uploaded Questions 1.1.002)

ZEITI Validation Report. Hart Nurse Ltd, "Validation of the Extractive Industries Transparency Initiative in Zambia." May 2011. (Uploaded question 2.2B.020.a)

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**2.2C.020.j6: Bonuses**

**Score:** A B C D **(E)**

**Comments:**

There is no regulatory agency that regulates the mining industry outside of the MMMD. The MMMD, Ministry of Finance and the Bank of Zambia are accounted for in other portions of the questionnaire. According to Professor Fraser the Ministry of Labor provides some oversight in terms of mine safety and union relations but no general oversight function.

**References:**

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

ZEITI First Reconciliation Report: Zambia Extractive Industries Transparency Initiative. Independent Reconciliation Report of Year End December 2008. PricewaterhouseCoopers. February 2011. (Uploaded Questions 1.1.002)

ZEITI Validation Report. Hart Nurse Ltd, "Validation of the Extractive Industries Transparency Initiative in Zambia." May 2011. (Uploaded question 2.2B.020.a)

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**2.2C.020.j7: License fees**

**Score:** A B C D **(E)**

**Comments:**

There is no regulatory agency that regulates the mining industry outside of the MMMD. The MMMD, Ministry of Finance and the Bank of Zambia are accounted for in other portions of the questionnaire. According to Professor Fraser the Ministry of Labor provides some oversight in terms of mine safety and union relations but no general oversight function.

**References:**

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

ZEITI First Reconciliation Report: Zambia Extractive Industries Transparency Initiative. Independent Reconciliation Report of Year End December 2008. PricewaterhouseCoopers. February 2011. (Uploaded

Questions 1.1.002)

ZEITI Validation Report. Hart Nurse Ltd, "Validation of the Extractive Industries Transparency Initiative in Zambia." May 2011. (Uploaded question 2.2B.020.a)

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### 2.2C.020.j8: Acreage fees

Score: A B C D  E

#### Comments:

There is no regulatory agency that regulates the mining industry outside of the MMMD. The MMMD, Ministry of Finance and the Bank of Zambia are accounted for in other portions of the questionnaire. According to Professor Fraser the Ministry of Labor provides some oversight in terms of mine safety and union relations but no general oversight function.

#### References:

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

ZEITI First Reconciliation Report: Zambia Extractive Industries Transparency Initiative. Independent Reconciliation Report of Year End December 2008. PricewaterhouseCoopers. February 2011. (Uploaded Questions 1.1.002)

ZEITI Validation Report. Hart Nurse Ltd, "Validation of the Extractive Industries Transparency Initiative in Zambia." May 2011. (Uploaded question 2.2B.020.a)

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### 2.2C.020.j9: Other (Explain in 'comments' box.)

Score: A B C D  E

#### Comments:

There is no regulatory agency that regulates the mining industry outside of the MMMD. The MMMD, Ministry of Finance and the Bank of Zambia are accounted for in other portions of the questionnaire. According to Professor Fraser the Ministry of Labor provides some oversight in terms of mine safety and union relations but no general oversight function.

#### References:

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

ZEITI First Reconciliation Report: Zambia Extractive Industries Transparency Initiative. Independent Reconciliation Report of Year End December 2008. PricewaterhouseCoopers. February 2011. (Uploaded Questions 1.1.002)

ZEITI Validation Report. Hart Nurse Ltd, "Validation of the Extractive Industries Transparency Initiative in Zambia." May 2011. (Uploaded question 2.2B.020.a)

## 2.2C Quality of reports

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### 2.2C.021: Are periodical reports containing information on revenue generation published by the Regulatory Agency understandable?

Score: A B C D  E

**Comments:**

There is no regulatory agency that regulates the mining industry outside of the MMMD. The MMMD, Ministry of Finance and the Bank of Zambia are accounted for in other portions of the questionnaire. According to Professor Fraser the Ministry of Labor provides some oversight in terms of mine safety and union relations but no general oversight function.

**References:**

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

ZEITI First Reconciliation Report: Zambia Extractive Industries Transparency Initiative. Independent Reconciliation Report of Year End December 2008. PricewaterhouseCoopers. February 2011. (Uploaded Questions 1.1.002)

ZEITI Validation Report. Hart Nurse Ltd, "Validation of the Extractive Industries Transparency Initiative in Zambia." May 2011. (Uploaded question 2.2B.020.a)

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**2.2C.022: How often are the periodical reports containing information on revenue generation published by the Regulatory Agency?**

**Score:** A B C D **(E)**

**Comments:**

There is no regulatory agency that regulates the mining industry outside of the MMMD. The MMMD, Ministry of Finance and the Bank of Zambia are accounted for in other portions of the questionnaire. According to Professor Fraser the Ministry of Labor provides some oversight in terms of mine safety and union relations but no general oversight function.

**References:**

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

ZEITI First Reconciliation Report: Zambia Extractive Industries Transparency Initiative. Independent Reconciliation Report of Year End December 2008. PricewaterhouseCoopers. February 2011. (Uploaded Questions 1.1.002)

ZEITI Validation Report. Hart Nurse Ltd, "Validation of the Extractive Industries Transparency Initiative in Zambia." May 2011. (Uploaded question 2.2B.020.a)

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**2.2D.020 Does the Central Bank publish information on revenue generation?****2.2D.020.a: Reserves**

**Score:** A B C **(D)** E

**Comments:**

The Bank of Zambia produces information fortnightly, quarterly and annually, which includes production and export volumes, % change in these and overall contribution to GDP. This seems to be the only information they publish. It is not part of the Central Bank's mandate to publish information on reserves.

**References:**

Bank of Zambia, Fortnightly Economic Statistics 2012, Table 10: Mineral Production and Exports, [http://www.boz.zm/economicstatistics\\_fortnight\\_2012.htm](http://www.boz.zm/economicstatistics_fortnight_2012.htm)

Bank of Zambia, Quarterly Financial and Statistical Review, Third Quarter 2011, July-September, <http://www.boz.zm/StatisticalReview/Quarterly%20Review%20Report%20-%20Q3%202011.pdf>

Bank of Zambia, Annual Report 2010, <http://www.boz.zm/AnnualReports/BOZAnnualReport2010.pdf>  
(too large to upload)

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### 2.2D.020.b: Production volumes

Score:  A  B  C  D  E

**Comments:**

The Bank of Zambia produces information fortnightly, quarterly and annually, which includes production and export volumes, % change in these and overall contribution to GDP. This seems to be the only information they publish.

**References:**

Bank of Zambia, Fortnightly Economic Statistics 2012, Table 10: Mineral Production and Exports, (Uploaded Question 2.2D.020.a)

Bank of Zambia, Quarterly Financial and Statistical Review, Third Quarter 2011, July-September, (Uploaded Question 2.2D.020.a)

Bank of Zambia, Annual Report 2010, <http://www.boz.zm/AnnualReports/BOZAnnualReport2010.pdf>  
(too large to upload)

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### 2.2D.020.c: Information on prices

Score:  A  B  C  D  E

**Comments:**

The Bank of Zambia produces information fortnightly, quarterly and annually, which includes production and export volumes, % change in these and overall contribution to GDP. The Quarterly data provides information on the price of cobalt and copper per metric ton.

**References:**

Bank of Zambia, Quarterly Financial and Statistical Review, Third Quarter 2011, July-September, (Uploaded Question 2.2D.020.a)

**Peer Review Comments:**

Price information is provided on a historical basis for average monthly prices for Cobalt and Copper as reported by the London Metal Exchange.

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### 2.2D.020.d: Value of resource exports

Score:  A  B  C  D  E

**Comments:**

The Bank of Zambia produces information fortnightly, quarterly and annually, which includes production and export volumes (and value), % change in these and overall contribution to GDP. This seems to be the only information they publish.

**References:**

Bank of Zambia, Fortnightly Economic Statistics 2012, Table 10: Mineral Production and Exports, (Uploaded Question 2.2D.020.a)

Bank of Zambia, Quarterly Financial and Statistical Review, Third Quarter 2011, July-September, (Uploaded Question 2.2D.020.a)

Bank of Zambia, Annual Report 2010, <http://www.boz.zm/AnnualReports/BOZAnnualReport2010.pdf> (too large to upload)

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### 2.2D.020.e: Estimates of investment in exploration and development

Score: A B C  D E

**Comments:**

The annual report records "investment pledges" by sector including mining.

**References:**

Bank of Zambia, Annual Report 2010, <http://www.boz.zm/AnnualReports/BOZAnnualReport2010.pdf> (too large to upload)

**Peer Review Comments:**

In my opinion, "Investment Pledges" do not constitute a reliable measure of actual investment undertaken. Zambia Development Agency monitor pledges versus actual investment undertaken. Discussions with the ZDA staff reveal that there is a large backlog of cases to be reviewed so there is little evidence to show whether pledges are close to actual investment. In those cases that have been monitored, there appears to be a large gap between then two.

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### 2.2D.020.f: Production costs

Score: A B C  D E

**Comments:**

The Bank of Zambia produces information fortnightly, quarterly and annually, which includes production and export volumes, % change in these and overall contribution to GDP. This seems to be the only information they publish. No information on production costs.

**References:**

Bank of Zambia, Fortnightly Economic Statistics 2012, Table 10: Mineral Production and Exports, (Uploaded Question 2.2D.020.a)

Bank of Zambia, Quarterly Financial and Statistical Review, Third Quarter 2011, July-September, (Uploaded Question 2.2D.020.a)

Bank of Zambia, Annual Report 2010, <http://www.boz.zm/AnnualReports/BOZAnnualReport2010.pdf> (too large to upload)

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### 2.2D.020.g: Names of companies operating in country

Score: A B C  D E

**Comments:**

The Bank of Zambia produces information fortnightly, quarterly and annually, which includes production and export volumes, % change in these and overall contribution to GDP. They do not provide the names of companies operating in the country.

**References:**

Bank of Zambia, Fortnightly Economic Statistics 2012, Table 10: Mineral Production and Exports,



(Uploaded Question 2.2D.020.a)

Bank of Zambia, Quarterly Financial and Statistical Review, Third Quarter 2011, July-September,  
(Uploaded Question 2.2D.020.a)

Bank of Zambia, Annual Report 2010, <http://www.boz.zm/AnnualReports/BOZAnnualReport2010.pdf>  
(too large to upload)

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### 2.2D.020.h: Production data by company and/or block

Score: A B C  D E

**Comments:**

The Bank of Zambia produces information fortnightly, quarterly and annually, which includes production and export volumes, % change in these and overall contribution to GDP. They do not provide production data by block or company.

**References:**

Bank of Zambia, Fortnightly Economic Statistics 2012, Table 10: Mineral Production and Exports,  
(Uploaded Question 2.2D.020.a)

Bank of Zambia, Quarterly Financial and Statistical Review, Third Quarter 2011, July-September,  
(Uploaded Question 2.2D.020.a)

Bank of Zambia, Annual Report 2010, <http://www.boz.zm/AnnualReports/BOZAnnualReport2010.pdf>  
(too large to upload)

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### 2.2D.020.i: Cost of subsidies or social investments paid by mineral revenue

Score: A B C  D E

**Comments:**

The Bank of Zambia produces information fortnightly, quarterly and annually, which includes production and export volumes, % change in these and overall contribution to GDP. They do not provide information on subsidies or social investments paid by mineral revenue.

**References:**

Bank of Zambia, Fortnightly Economic Statistics 2012, Table 10: Mineral Production and Exports,  
(Uploaded Question 2.2D.020.a)

Bank of Zambia, Quarterly Financial and Statistical Review, Third Quarter 2011, July-September,  
(Uploaded Question 2.2D.020.a)

Bank of Zambia, Annual Report 2010, <http://www.boz.zm/AnnualReports/BOZAnnualReport2010.pdf>  
(too large to upload)

2.2D.020.j Does the Central Bank publish information on disaggregated revenue streams?

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### 2.2D.020.j1: Production streams value

Score: A B C  D E

**Comments:**

The Bank of Zambia produces information fortnightly, quarterly and annually, which includes production and export volumes, % change in these and overall contribution to GDP. They do not provide information on production streams value.

**References:**

Bank of Zambia, Fortnightly Economic Statistics 2012, Table 10: Mineral Production and Exports, (Uploaded Question 2.2D.020.a)

Bank of Zambia, Quarterly Financial and Statistical Review, Third Quarter 2011, July-September, (Uploaded Question 2.2D.020.a)

Bank of Zambia, Annual Report 2010, <http://www.boz.zm/AnnualReports/BOZAnnualReport2010.pdf> (too large to upload)

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**2.2D.020.j2: Government s share in PSC**

**Score:** A B C D  E

**Comments:**

No PSCs.

**References:**

Bank of Zambia, Fortnightly Economic Statistics 2012, Table 10: Mineral Production and Exports, (Uploaded Question 2.2D.020.a)

Bank of Zambia, Quarterly Financial and Statistical Review, Third Quarter 2011, July-September, (Uploaded Question 2.2D.020.a)

Bank of Zambia, Annual Report 2010, <http://www.boz.zm/AnnualReports/BOZAnnualReport2010.pdf> (too large to upload)

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**2.2D.020.j3: Royalties**

**Score:** A B C  D E

**Comments:**

The Bank of Zambia produces information fortnightly, quarterly and annually, which includes production and export volumes, % change in these and overall contribution to GDP. They do not provide information on royalties.

**References:**

Bank of Zambia, Fortnightly Economic Statistics 2012, Table 10: Mineral Production and Exports, (Uploaded Question 2.2D.020.a)

Bank of Zambia, Quarterly Financial and Statistical Review, Third Quarter 2011, July-September, (Uploaded Question 2.2D.020.a)

Bank of Zambia, Annual Report 2010, <http://www.boz.zm/AnnualReports/BOZAnnualReport2010.pdf> (too large to upload)

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**2.2D.020.j4: Special taxes (e.g. withholding taxes, excise taxes, excess earning taxes, charged on extractive companies)**

**Score:** A B C  D E

**Comments:**

The Bank of Zambia produces information fortnightly, quarterly and annually, which includes production and export volumes, % change in these and overall contribution to GDP. The annual report provides a little information on tax revenues but not specific enough to answer this question.

**References:**

Bank of Zambia, Fortnightly Economic Statistics 2012, Table 10: Mineral Production and Exports, (Uploaded Question 2.2D.020.a)

Bank of Zambia, Quarterly Financial and Statistical Review, Third Quarter 2011, July-September, (Uploaded Question 2.2D.020.a)

Bank of Zambia, Annual Report 2010, <http://www.boz.zm/AnnualReports/BOZAnnualReport2010.pdf> (too large to upload)

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**2.2D.020.j5: Dividends**

**Score:** A B C  D E

**Comments:**

The Bank of Zambia produces information fortnightly, quarterly and annually, which includes production and export volumes, % change in these and overall contribution to GDP. They do not provide information on dividends.

**References:**

Bank of Zambia, Fortnightly Economic Statistics 2012, Table 10: Mineral Production and Exports, (Uploaded Question 2.2D.020.a)

Bank of Zambia, Quarterly Financial and Statistical Review, Third Quarter 2011, July-September, (Uploaded Question 2.2D.020.a)

Bank of Zambia, Annual Report 2010, <http://www.boz.zm/AnnualReports/BOZAnnualReport2010.pdf> (too large to upload)

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**2.2D.020.j6: Bonuses**

**Score:** A B C  D E

**Comments:**

The Bank of Zambia produces information fortnightly, quarterly and annually, which includes production and export volumes, % change in these and overall contribution to GDP. They do not provide information on bonuses.

**References:**

Bank of Zambia, Fortnightly Economic Statistics 2012, Table 10: Mineral Production and Exports, (Uploaded Question 2.2D.020.a)

Bank of Zambia, Quarterly Financial and Statistical Review, Third Quarter 2011, July-September, (Uploaded Question 2.2D.020.a)

Bank of Zambia, Annual Report 2010, <http://www.boz.zm/AnnualReports/BOZAnnualReport2010.pdf> (too large to upload)

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**2.2D.020.j7: License fees**

**Score:** A B C  D E

**Comments:**

The Bank of Zambia produces information fortnightly, quarterly and annually, which includes production and export volumes, % change in these and overall contribution to GDP. They do not provide information on license fees.

**References:**

Bank of Zambia, Fortnightly Economic Statistics 2012, Table 10: Mineral Production and Exports, (Uploaded Question 2.2D.020.a)

Bank of Zambia, Quarterly Financial and Statistical Review, Third Quarter 2011, July-September, (Uploaded Question 2.2D.020.a)

Bank of Zambia, Annual Report 2010, <http://www.boz.zm/AnnualReports/BOZAnnualReport2010.pdf> (too large to upload)

**2.2D.020.j8: Acreage fees**

**Score:** A B C  D E

**Comments:**

The Bank of Zambia produces information fortnightly, quarterly and annually, which includes production and export volumes, % change in these and overall contribution to GDP. They do not provide information on acreage fees.

**References:**

Bank of Zambia, Fortnightly Economic Statistics 2012, Table 10: Mineral Production and Exports, (Uploaded Question 2.2D.020.a)

Bank of Zambia, Quarterly Financial and Statistical Review, Third Quarter 2011, July-September, (Uploaded Question 2.2D.020.a)

Bank of Zambia, Annual Report 2010, <http://www.boz.zm/AnnualReports/BOZAnnualReport2010.pdf> (too large to upload)

**2.2D.020.j9: Other (Explain in 'comments' box.)**

**Score:**  A B C D E

**Comments:**

The only other information the central bank provides on is the % contribution of the mining sector to GDP and the % change in that contribution overtime.

**References:**

Bank of Zambia, Fortnightly Economic Statistics 2012, Table 10: Mineral Production and Exports, (Uploaded Question 2.2D.020.a)

Bank of Zambia, Quarterly Financial and Statistical Review, Third Quarter 2011, July-September, (Uploaded Question 2.2D.020.a)

Bank of Zambia, Annual Report 2010, <http://www.boz.zm/AnnualReports/BOZAnnualReport2010.pdf> (too large to upload)

**Peer Review Comments:**

While the central bank does provide GDP contribution, it is likely that the GDP estimates for the mining

sector are incorrect in some cases.

Source: Conrad, Robert (2011) "Zambia's Mineral Fiscal Regime" Currently unpublished.

## 2.2D Quality of reports

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### 2.2D.021: Are periodical reports containing information on revenue generation published by the Central Bank understandable?

Score: A  B C D E

**Comments:**

The reports generally lack a methodology section (although there are notes on the financial statements in the annual report) but are generally comprehensive.

**References:**

Bank of Zambia, Fortnightly Economic Statistics 2012, Table 10: Mineral Production and Exports, (Uploaded Question 2.2D.020.a)

Bank of Zambia, Quarterly Financial and Statistical Review, Third Quarter 2011, July-September, (Uploaded Question 2.2D.020.a)

Bank of Zambia, Annual Report 2010, <http://www.boz.zm/AnnualReports/BOZAnnualReport2010.pdf> (too large to upload)

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### 2.2D.022: How often are the periodical reports containing information on revenue generation published by the Central Bank?

Score:  A B C D E

**Comments:**

The Bank of Zambia produces some report which includes mineral production and export data as often as every two weeks as well as quarterly reviews, annual reports and annual audited financial statements. Annual report and audited financial statements available online are from 2010 while quarterly and fortnightly data is updated from Q3 of 2011 and March 2012 respectively. For the fortnightly data there is a month lag in mineral production and export data.

**References:**

Bank of Zambia, Fortnightly Economic Statistics 2012, Table 10: Mineral Production and Exports, (Uploaded Question 2.2D.020.a)

Bank of Zambia, Quarterly Financial and Statistical Review, Third Quarter 2011, July-September, (Uploaded Question 2.2D.020.a)

Bank of Zambia, Annual Report 2010, <http://www.boz.zm/AnnualReports/BOZAnnualReport2010.pdf> (too large to upload)

**Peer Review Comments:**

Historical production volume data is revised. Revisions often occur for the preceding three months of data.

## 2.2E.020 Does any other government agency or entity publish information on revenue generation?

---

**2.2E.020.a: Reserves****Score:** A B C **(D)** E**Comments:**

The EITI 2012 report, which assesses revenues for the 2009 fiscal year, is scored here. Comments are also provided on the 2010 Committee Report from the Economic Affairs and Labour Committee of the Zambian Parliament. This report was devoted to the impact of the mining industry on the economy. It includes some of the relevant information asked about in this questionnaire and so is included as the "other" entity to provide information on resource revenue. It shows they have access to this information. Information on reserves is not included.

In addition, the Central Statistical Office (CSO) produces a monthly bulletin which includes information on the value of mineral exports. According to the Central Statistics Office website there is an Industrial Production Branch of the CSO which conducts a quarterly survey of industrial production, which covers all the major mining and quarrying establishments. There is no information about this branch on the website and efforts to contact for more information via a general inquiry number and email address were unsuccessful but it is possible more detailed information compiled by this quarterly survey is available if one goes to CSO in person, was unable to confirm. These questions are therefore answered based on the information in the monthly bulletin only. This Monthly Bulletin can be found here: <http://www.zamstats.gov.zm/media.php?id=7> an example is attached above but the decision was made by the researcher to include the Economic Affairs and Labour Committee Report instead as the "other" document because it had more information on the mining sector.

**References:**

EITI report published in March 2012 assessing reporting revenues for the fiscal year 2009:  
<http://eiti.org/files/Zambia-2009-EITI-Report.pdf>

National Assembly of Zambia, Report of the Committee on Economic Affairs and Labour for the Fifth Session of the Tenth National Assembly, Appointed on 23 September 2010.

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**2.2E.020.b: Production volumes****Score:** **(A)** B C D E**Comments:**

The Committee report includes information on production volumes up to 2010 and historical. See question 2.2E.020.a for detailed comments.

The EITI report does not publish information on production volumes.

**References:**

EITI report published in March 2012 assessing reporting revenues for the fiscal year 2009:  
<http://eiti.org/files/Zambia-2009-EITI-Report.pdf>

National Assembly of Zambia, Report of the Committee on Economic Affairs and Labour for the Fifth Session of the Tenth National Assembly, Appointed on 23 September 2010 uploaded question (2.2E.020.a)

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**2.2E.020.c: Information on prices****Score:** A **(B)** C D E**Comments:**

Price information not included in the committee report.  
The EITI report includes prices on copper only.

**References:**

EITI report published in March 2012 assessing reporting revenues for the fiscal year 2009:  
<http://eiti.org/files/Zambia-2009-EITI-Report.pdf>

National Assembly of Zambia, Report of the Committee on Economic Affairs and Labour for the Fifth Session of the Tenth National Assembly, Appointed on 23 September 2010 uploaded question (2.2E.020.a)

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**2.2E.020.d: Value of resource exports**

**Score:** A  B C D E

**Comments:**

EITI report: "The mining sector contributed US\$ 822 million to total exports." p.7

The committee report includes information on export earning from the sector 1995- 2009. See question 2.2E.020a for detailed comments.

**References:**

EITI report published in March 2012 assessing reporting revenues for the fiscal year 2009:  
<http://eiti.org/files/Zambia-2009-EITI-Report.pdf>

National Assembly of Zambia, Report of the Committee on Economic Affairs and Labour for the Fifth Session of the Tenth National Assembly, Appointed on 23 September 2010 uploaded question (2.2E.020.a)

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**2.2E.020.e: Estimates of investment in exploration and development**

**Score:**  A B C D E

**Comments:**

Not published in the EITI report.

The Committee report includes data on foreign direct investment in the mining sector 2005-2010. See question 2.2E.020a for detailed comments.

**References:**

EITI report published in March 2012 assessing reporting revenues for the fiscal year 2009:  
<http://eiti.org/files/Zambia-2009-EITI-Report.pdf>

National Assembly of Zambia, Report of the Committee on Economic Affairs and Labour for the Fifth Session of the Tenth National Assembly, Appointed on 23 September 2010.

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**2.2E.020.f: Production costs**

**Score:** A B C  D E

**Comments:**

The committee report and EITI report do not include information on production costs. See question 2.2E.020a for detailed comments.

**References:**

EITI report published in March 2012 assessing reporting revenues for the fiscal year 2009:  
<http://eiti.org/files/Zambia-2009-EITI-Report.pdf>

National Assembly of Zambia, Report of the Committee on Economic Affairs and Labour for the Fifth Session of the Tenth National Assembly, Appointed on 23 September 2010.

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### 2.2E.020.g: Names of companies operating in country

Score: A  B C D E

**Comments:**

The EITI report publishes the names of companies reporting payments to the government.

This information is not included in the committee report. See question 2.2E.020a for detailed comments.

**References:**

EITI report published in March 2012 assessing reporting revenues for the fiscal year 2009:  
<http://eiti.org/files/Zambia-2009-EITI-Report.pdf>

National Assembly of Zambia, Report of the Committee on Economic Affairs and Labour for the Fifth Session of the Tenth National Assembly, Appointed on 23 September 2010.

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### 2.2E.020.h: Production data by company and/or block

Score: A  B C D E

**Comments:**

The EITI report provides financial data by company. Production can be found with amount of taxes paid.

This information is not included in the committee report. See question 2.2E.020a for detailed comments.

**References:**

EITI report published in March 2012 assessing reporting revenues for the fiscal year 2009:  
<http://eiti.org/files/Zambia-2009-EITI-Report.pdf>

National Assembly of Zambia, Report of the Committee on Economic Affairs and Labour for the Fifth Session of the Tenth National Assembly, Appointed on 23 September 2010.

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### 2.2E.020.i: Cost of subsidies or social investments paid by mineral revenue

Score: A  B C D E

**Comments:**

The EITI report provides information on social payments made by company - p. 39

This information is not included in the committee report. See question 2.2E.020a for detailed comments.

**References:**

EITI report published in March 2012 assessing reporting revenues for the fiscal year 2009:  
<http://eiti.org/files/Zambia-2009-EITI-Report.pdf>

National Assembly of Zambia, Report of the Committee on Economic Affairs and Labour for the Fifth Session of the Tenth National Assembly, Appointed on 23 September 2010.



2.2E.020.j Does any other government agency or entity publish information on disaggregated revenue streams?

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**2.2E.020.j1: Production streams value**

**Score:** A  B C D E

**Comments:**

Information reported in the EITI report

This information is not included in the committee report. See question 2.2E.020a for detailed comments.

**References:**

EITI report published in March 2012 assessing reporting revenues for the fiscal year 2009:  
<http://eiti.org/files/Zambia-2009-EITI-Report.pdf>

National Assembly of Zambia, Report of the Committee on Economic Affairs and Labour for the Fifth Session of the Tenth National Assembly, Appointed on 23 September 2010.

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**2.2E.020.j2: Government s share in PSC**

**Score:** A B C D  E

**Comments:**

No PSC.

**References:**

EITI report published in March 2012 assessing reporting revenues for the fiscal year 2009:  
<http://eiti.org/files/Zambia-2009-EITI-Report.pdf>

National Assembly of Zambia, Report of the Committee on Economic Affairs and Labour for the Fifth Session of the Tenth National Assembly, Appointed on 23 September 2010.

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**2.2E.020.j3: Royalties**

**Score:** A  B C D E

**Comments:**

The EITI report includes information on royalties.

The committee report includes mineral royalty data 2000-2009

**References:**

EITI report published in March 2012 assessing reporting revenues for the fiscal year 2009:  
<http://eiti.org/files/Zambia-2009-EITI-Report.pdf>

National Assembly of Zambia, Report of the Committee on Economic Affairs and Labour for the Fifth Session of the Tenth National Assembly, Appointed on 23 September 2010.

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**2.2E.020.j4: Special taxes (e.g. withholding taxes, excise taxes, excess earning taxes, charged on extractive companies)**

**Score:** A  B C D E

**Comments:**

Information published in the EITI report.

The committee report includes dis-aggregated tax information for 2000-2009

**References:**

EITI report published in March 2012 assessing reporting revenues for the fiscal year 2009:  
<http://eiti.org/files/Zambia-2009-EITI-Report.pdf>

National Assembly of Zambia, Report of the Committee on Economic Affairs and Labour for the Fifth Session of the Tenth National Assembly, Appointed on 23 September 2010.

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**2.2E.020.j5: Dividends**

**Score:** A  B C D E

**Comments:**

EITI report p.22

This information is not included in the committee report. See question 2.2E.020a for detailed comments.

**References:**

EITI report published in March 2012 assessing reporting revenues for the fiscal year 2009:  
<http://eiti.org/files/Zambia-2009-EITI-Report.pdf>

National Assembly of Zambia, Report of the Committee on Economic Affairs and Labour for the Fifth Session of the Tenth National Assembly, Appointed on 23 September 2010.

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**2.2E.020.j6: Bonuses**

**Score:** A B C  D E

**Comments:**

This information is not included in the committee or EITI report. See question 2.2E.020a for detailed comments.

**References:**

EITI report published in March 2012 assessing reporting revenues for the fiscal year 2009:  
<http://eiti.org/files/Zambia-2009-EITI-Report.pdf>

National Assembly of Zambia, Report of the Committee on Economic Affairs and Labour for the Fifth Session of the Tenth National Assembly, Appointed on 23 September 2010.

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**2.2E.020.j7: License fees**

**Score:** A  B C D E

**Comments:**

Published in the EITI report.

This information is not included in the committee report. See question 2.2E.020a for detailed comments.

**References:**

EITI report published in March 2012 assessing reporting revenues for the fiscal year 2009:  
<http://eiti.org/files/Zambia-2009-EITI-Report.pdf>

National Assembly of Zambia, Report of the Committee on Economic Affairs and Labour for the Fifth Session of the Tenth National Assembly, Appointed on 23 September 2010.

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**2.2E.020.j8: Acreage fees**

Score:  A  B  C  D  E

**Comments:**

"Ground rent" published in the EITi report.

The committee report includes data on property rate fees which are collected by local governments from 2007 through 2010.

**References:**

EITI report published in March 2012 assessing reporting revenues for the fiscal year 2009:  
<http://eiti.org/files/Zambia-2009-EITI-Report.pdf>

National Assembly of Zambia, Report of the Committee on Economic Affairs and Labour for the Fifth Session of the Tenth National Assembly, Appointed on 23 September 2010.

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**2.2E.020.j9: Other (Explain in 'comments' box.)**

Score:  A  B  C  D  E

**Comments:**

The EITI report the state-owned company ZCCM-IH payments.

The committee report provides through 2009 data on the mining sector's contribution to employment and GDP.

**References:**

EITI report published in March 2012 assessing reporting revenues for the fiscal year 2009:  
<http://eiti.org/files/Zambia-2009-EITI-Report.pdf>

National Assembly of Zambia, Report of the Committee on Economic Affairs and Labour for the Fifth Session of the Tenth National Assembly, Appointed on 23 September 2010.

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**2.2E Quality of reports**

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**2.2E.021: Are periodical reports containing information on revenue generation published by any other government agency or entity understandable?**

Score:  A  B  C  D  E

**Comments:**

The EITI report contains:

- a) a summary with key findings and revenue totals
- b) clear indication of what currencies and units of measurement are used
- c) written explanation of key findings and recommendations
- d) a clear definition of terms

The committee report is understandable but do not include information on methodology.

**References:**

EITI report published in March 2012 assessing reporting revenues for the fiscal year 2009:  
<http://eiti.org/files/Zambia-2009-EITI-Report.pdf>

National Assembly of Zambia, Report of the Committee on Economic Affairs and Labour for the Fifth Session of the Tenth National Assembly, Appointed on 23 September 2010.

**Peer Review Comments:**

The Committee did publish information, but this is not on a periodical basis. Committees usually meet on an ad hoc basis to investigate particular issues.

---

**2.2E.022: How often are the periodical reports containing information on revenue generation published by the any other governmental agency or entity?**

Score: A B  C D E

**Comments:**

An EITI report was published in 2010 assessing payments in the fiscal year 2008. Another one was published in March 2012 assessing payments for the 2009 fiscal year. Zambia aims to publish one every year.

The Economic Affairs and Labour Committee Reports are published at least annually but because this particular report was focused on the mining sector its unknown if all the reports provide this level of detail on the sector but it shows the committee has access to the information.

**References:**

EITI report published in March 2012 assessing reporting revenues for the fiscal year 2009:  
<http://eiti.org/files/Zambia-2009-EITI-Report.pdf>

National Assembly of Zambia, Report of the Committee on Economic Affairs and Labour for the Fifth Session of the Tenth National Assembly, Appointed on 23 September 2010.

**Peer Review Comments:**

The comments are correct, the committee reports focused on the mining sector are not done on a regular basis but rather when particularly concerns arise.

---

**2.2 Public sector balance****2.2.023: Does the government include the SOC financial balance (its assets and liabilities) within the public sector balance or overall balance of general government in reports to the legislature?**

Score: A B C  D E

**Comments:**

The government does not disaggregate to include the SOC (ZCCM-IH) assets and liabilities in its balance statements. This may also be because of ZCCM-IH's status as a registered public investment entity and not a Government Agency.

**References:**

Bank of Zambia, Quarterly Financial and Statistical Review, Third Quarter 2011, July-September, (Uploaded Question 2.2D.020.a)

Bank of Zambia, Annual Report 2010, <http://www.boz.zm/AnnualReports/BOZAnnualReport2010.pdf> (too large to upload)

ZEITI First Reconciliation Report: Zambia Extractive Industries Transparency Initiative. Independent Reconciliation Report of Year End December 2008. PricewaterhouseCoopers. February 2011. (Uploaded Questions 1.1.002)

Lusaka Times, "2012 Full Budget Address Speech by Finance Minister Alexander Chikwanda." November 11, 2011. (Accessed April 10, 2012) <http://www.lusakatimes.com/2011/11/11/2012-full-budget-address-speech-finance-minister-alexander-chikwanda/>

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**2.2.024: Does the government include projections of transactions, accounts of actual spending by the natural resource funds, and their assets and liabilities, within the public sector balance or overall balance of general government in reports to the legislature?**

**Score:** A B C D **E**

**Comments:**

There is no natural resource fund that concentrates revenue from the extractive industry.

**References:**

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

Eduardo Levy, "Exhaustible Resources and Fiscal Policy: Copper Mining in Zambia." The World Bank. March 2010. Uploaded question 3.2.1.050.

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**2.2.025: Does the government provide information on the non resource fiscal balance in its budget proposal?**

**Score:** A **B** C

**Comments:**

This answer is based on the Preliminary Central Government Fiscal Operations, Third Quarter 2011 chart in the Quarterly Financial and Statistical Report.

**References:**


Bank of Zambia, Quarterly Financial and Statistical Review, Third Quarter 2011, July-September, (Uploaded Question 2.2D.020.a)

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# Zambia - RWI Index Questionnaire

## Legal Framework and Practices

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Indicator	Score
2.3 Legal Framework and Practices	86 

### 2.3 Legal Framework and Practices

#### 2.3.026: In the legal framework, what government agencies have authority to collect taxes and payments from resource companies?

Score:  A  B  C  D  E

##### Comments:

The Zambian Revenue Authority collects all taxes and royalties from mining. The MMMD collects license fees, annual operating permit fees, area charges and environmental protection fund fees. Local councils collect local business fees and property rates.

##### References:

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

Zambia Revenue Authority, Taxes Administered <http://www.zra.org.zm/TaxesAdministered.php>

Zambia Extractive Industries Transparency Initiative. Independent Reconciliation Report of Year End December 2008. PricewaterhouseCoopers. February 2011. (Uploaded Questions 1.1.002)

##### Peer Review Comments:

ZRA administers taxes. Actual payments of cash are made to the Bank of Zambia.

#### 2.3.027: Are all resource related revenues, including those collected by state owned companies, regulatory agencies, ministries, special funds or by the tax authority placed in the national treasury?

Score:  A  B  C  D  E

##### Comments:

According to Professor Fraser, all resource revenues are placed in the national treasury. This information seems confirmed by ZEITI reports and World Bank Scoping Report that all taxes and royalties are collected by ZRA and go from ZRA to the treasury and are reported to the legislature. The World Bank scoping report indicates that the ZRA also makes assessments of corporate tax and mining royalties they have collected from mining companies, these assessments are, in turn, scrutinized by the Office of the Auditor General, which reviews the revenues received and collected by the ZRA, this is then scrutinized by the Parliamentary Public Accounts Committee. The larger issue may be under reporting/under payment by mining companies (Fraser).

##### References:

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of

Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

ZEITI First Reconciliation Report: Zambia Extractive Industries Transparency Initiative. Independent Reconciliation Report of Year End December 2008. PricewaterhouseCoopers. February 2011. (Uploaded Questions 1.1.002)

### Peer Review Comments:

Information on local government payments are opaque. During my ODI Fellowship, I was unable to ever find information on how much, if any, payments were made to local government institutions.

## 2.3.028: Are government officials with a role in the oversight of the oil, gas or mining sector required to disclose information about their financial interest in any extractive activity or projects?

Score:  A  B  C

### Comments:

There are laws governing general disclosure of information by government officials.

Part III of the The Parliamentary and Ministerial Code of Conduct Act (1995), which applies only to Ministers, Deputy Ministers and the Speaker of Parliament requires these officers to submit to the Chief Justice an annual declaration of assets, liabilities and income. This provision does not apply to back-bench MPs which means it does not apply to every Parliamentarian on the Economic Affairs committee which oversees energy and minerals. Transparency International Zambia considers a serious flaw because "it is an open secret that being a Member of Parliament is currently the fastest route to gaining wealth in Zambia." In addition the law does not require disclosure of assets held by spouses or children under 18 of MPs or Ministers and extremely weak monitoring mechanisms.

Section 5 of the Parliamentary and Ministerial Code of Conduct Act bars any Member from speaking in the National Assembly or in a Committee thereof unless he or she has disclosed the nature of that interest to the Assembly or Committee. Section 6 of the Act requires Members of Parliament who have an interest in government contracts to make a declaration to the Chief Justice of their interest in relation to the contract, specifying the nature and extent of their interest. Three Ministers and one MP have so far lost their parliamentary seats after they were found guilty of stealing public funds by judicial tribunals set up by the Chief Justice under the Parliamentary and Ministerial Code of Conduct Act.

None of the provisions above apply in a blanket fashion to all public officials who might have a role in oversight of the resources and extraction. Section 13 of the Anti-Corruption Commission Act provides that if any person is present at a meeting of the Commission or any Committee at which any matter is under consideration, and in which matter that person or his spouse is directly interested in a private capacity, that person shall declare such interest and shall not, unless the Commission or the Committee otherwise directs, take part in any consideration or discussion of, or vote on, any question touching such matter. Acts including The Zambia Revenue Authority Act and the The Bank of Zambia Act have similar provisions.

The Privatisation Act has provisions which are a replica of section 13 of the ACC Act. In addition, the Act requires political leaders and public officers to publicly disclose their intention to bid for the purchase of shares in a state owned enterprise.

### References:

A.W.Chanda "Position Paper on Disclosure Laws in Zambia." Transparency International Zambia. February 2005.

Republic of Zambia, Laws of the Republic of Zambia (1995 Edition), Parliamentary and Ministerial Code of Conduct Act, <http://unpan1.un.org/intradoc/groups/public/documents/cafrad/unpan004740.pdf>

Republic of Zambia, Anti-Corruption Commission Act,  
[http://www.tizambia.org.zm/download/uploads/The\\_Anti\\_Corruption\\_Commission\\_Act.pdf](http://www.tizambia.org.zm/download/uploads/The_Anti_Corruption_Commission_Act.pdf)

**2.3.029: Is there independent external validation of internal controls of agencies in charge of receiving payments from resource companies with the objective of providing assurances of integrity of public funds and sound financial management?**

**Score:** A (B) C D E

**Comments:**

Articles 114 -121 of the Constitution defines the financial management roles of the President as the head of the executive wing of government, the Minister responsible for finance and the Auditor General.

The Public Audit Act of 1980 defines the roles, responsibilities, and reporting obligations of the AG. The Act gives the AG authority to audit books, records and reports of institutions in which government has an interest just as the Finance (Control and Management) Act gives the AG authority to scrutinize the financial affairs of government departments and statutory corporations for audit purposes. However, the Public Audit Act empowers the AG to follow up records of institutions beyond those prescribed in the Finance (Control and Management) Act to include every private institution that receives a government grant, subsidy or subvention in any financial year. Under the Public Audit Act, the AG has authority to request from independent auditors of parastatals any document, reports, or information relating to the accounts of parastatal companies. The AG is further empowered to have access, for the purposes of audit scrutiny, to all contracts involving government or its agencies and enterprises.

According to the World Bank EITI scoping report the Zambia Revenue Authority conducts regular (at least 3 times a year) audits of all mining companies on taxes such as VAT and PAYE. The ZRA also makes assessments of corporate tax and mining royalties based on information provided by mining companies. These assessments are, in turn, scrutinized by the Office of the Auditor General, which reviews the revenues received and collected by the ZRA. The Office of the Auditor General reviews the financial accounts of all mining companies.

According to Transparency International Zambia although the Auditor General (AG)'s report is supposed to be submitted twelve (12) months after the end of each financial year, this has not been the practical case for many years now while follow up action on the findings of the AG is not effective to deter financial malpractices in the institutions and agencies covered in the AG's report. According to Transparency International there is need to have adequate appropriation of finances and other resources to support the activities of watchdog institutions such as the Auditor General and the Anti-Corruption Commission. Reports and schedules available from the Public Accounts Committee which reviews the auditor generals reports seem to support this.

Fraser noted that much in large part ZRA and the MMMD are passive receivers of information from mining companies, the mining companies self report what they choose to and if this is the case then the information the ZRA and thus the auditor general receives is likely incomplete.

**References:**

Roy, N. and N. Stuart, "Public Finance Management and Utilisation Project." Transparency International Zambia, November 2004.

Republic of Zambia, Finance Control and Management Act,  
<http://www.parliament.gov.zm/downloads/VOLUME%2020.pdf>

Republic of Zambia, Public Audit Act,  
<http://www.parliament.gov.zm/downloads/VOLUME%2020.pdf>

World Bank, "Extractive Industry Transparency Initiative Scoping Report for the Republic of Zambia." September 2007.  
[http://siteresources.worldbank.org/INTEXTINDTRAINI/Resources/zambia\\_scoping\\_report.pdf?resourceurlname=zambia\\_scoping\\_report.pdf](http://siteresources.worldbank.org/INTEXTINDTRAINI/Resources/zambia_scoping_report.pdf?resourceurlname=zambia_scoping_report.pdf)



National Assembly of Zambia, Report of the Public Accounts Committee on the Report of the Auditor-General on the Accounts for the Financial Year Ended 31 December 2009, (Uploaded Question 2.3.031)

National Assembly of Zambia, Public Accounts Committee, March 2012 Schedule Meetings, Consideration of Submissions on the Report of the Auditor-General on Accounts for the Financial Year Ended 31 December (Uploaded Question 2.3.031)

---

**2.3.030: Does the national audit office (or similar independent organization) report regularly to the legislature on its findings, including an objective analysis of agencies in charge of managing resource revenues, and are these reports published?**

Score: A  B C D E

**Comments:**

According to Transparency International although the Auditor General (AG)'s report is supposed to be submitted twelve (12) months after the end of each financial year, this has not been the practical case for many years now while follow up action on the findings of the AG is not effective to deter financial malpractices in the institutions and agencies covered in the AG's report. According to Transparency International there is need to have adequate appropriation of finances and other resources to support the activities of watchdog institutions such as the Auditor General and the Anti-Corruption Commission.

**References:**

Roy, N. and N. Stuart, "Public Finance Management and Utilisation Project." Transparency International Zambia, November 2004. Uploaded Question 2.3.029

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**2.3.031: Does a Parliamentary committee scrutinize reports on resource related revenues and, if so, when does this occur?**

Score: A  B C D E

**Comments:**

The World Bank Scoping report the Zambia Revenue Authority regularly reviews information on taxes such as VAT and PAYE collected from mining companies and makes assessments of corporate tax and mining royalties based on information provided by mining companies. These assessments are, in turn, scrutinized by the Office of the Auditor General, which reviews the revenues received and collected by the ZRA. The Office of the Auditor General reviews the financial accounts of all mining companies. This information and these government agencies are all scrutinized by the Parliamentary Public Accounts Committee. Meetings of the PAC for March 2012 indicates that the submissions of the auditor general on the annual financial statements of each ministry (including MMMD, MoFNP and the Treasury) are reviewed. The 2010 financial year was being reviewed in March 2012.

In addition the Committee on Economic Affairs and Labour is directly responsible for the mining industry and its 2011 Committee Report indicates that they do have access to and review revenue from mining as well as on mineral production. However the 2011 report seems to have a special focus on mining in the "post-privatization era" so it is unclear if every years report is comprehensive and Parliament's website only has this years committee reports available online.

**References:**

World Bank, "Extractive Industries Transparency Initiative Scoping Report for the Republic of Zambia." September 2007.

[http://siteresources.worldbank.org/INTEXTINDTRAINI/Resources/zambia\\_scoping\\_report.pdf?resourceurlname=zambia\\_scoping\\_report.pdf](http://siteresources.worldbank.org/INTEXTINDTRAINI/Resources/zambia_scoping_report.pdf?resourceurlname=zambia_scoping_report.pdf)

National Assembly of Zambia, Public Accounts Committee, March 2012 Schedule Meetings, Consideration of Submissions on the Report of the Auditor-General on Accounts for the Financial Year Ended 31 December 2010, [http://www.parliament.gov.zm/?option=com\\_docman&task=doc\\_view&gid=950&Itemid=113](http://www.parliament.gov.zm/?option=com_docman&task=doc_view&gid=950&Itemid=113)

National Assembly of Zambia, Report of the Public Accounts Committee on the Report of the Auditor-General on the Accounts for the Financial Year Ended 31 December.

National Assembly of Zambia, Report of the Committee on Economic Affairs and Labour for the Fifth Session of the Tenth National Assembly, Appointed on 23 September 2010 uploaded question (2.2E.020.a)

---

### 2.3.032: Is this country an EITI candidate or compliant country?

Score:  A  B  C  D  E

#### Comments:

Zambia is EITI compliant since 16 September 2012. It has released 2 reconciliation reports (in Feb. 2011 for 2008 period and in March 2012 for 2009 period) and 1 validation report.

#### References:

ZEITI First Reconciliation Report: Zambia Extractive Industries Transparency Initiative. Independent Reconciliation Report of Year End December 2008. PricewaterhouseCoopers. February 2011. (Uploaded Questions 1.1.002)

ZEITI Validation Report. Hart Nurse Ltd, "Validation of the Extractive Industries Transparency Initiative in Zambia." May 2011. (Uploaded question 2.2B.020.a)

ZEITI Independent Reconciliation Report For the year 2009: <http://eiti.org/files/Zambia-2009-EITI-Report.pdf>

"Decisions on EITI Validation of Mozambique, Tanzania and Zambia." <http://eiti.org/news-events/decisions-eiti-validation-mozambique-tanzania-zambia>

#### Peer Review Comments:

ZEITI reports including the latest Reconciliation report are available from the ZEITI website: [http://www.zambiaeiti.org.zm/index.php?option=com\\_docman&Itemid=78](http://www.zambiaeiti.org.zm/index.php?option=com_docman&Itemid=78)

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Indicator		Score
3.1.1	Context	78 
3.1.1 Context		

### 3.1.1.033: Is there a state-owned company? If so, what is its role in the extractive sector?

Score: A  B  C  D  E

#### Comments:

ZCCM-IH is the state owned company for the mineral sector. It is a state investor in private mining ventures operating in Zambia. It sits under the MMMD.

ZCCM-IH is the successor company to Zambia Consolidated Copper Mines (ZCCM) Ltd. The privatisation of ZCCM commenced in 1996, after GRZ and the Boards of ZCCM and the Zambia Privatisation Agency (ZPA) approved the ZCCM Limited Privatisation Report and Plan. Until 31 March 2000, ZCCM Ltd was a 60.3% state-owned mine operating company in which Zambia Copper Investments Ltd (ZCI), an associate company of Anglo American Plc, held 27.3% of shares with the balance of 12.4% of shares held by private investors.

After privatisation of ZCCM was completed in March 2000, the company was transformed from a mine operating entity to an investments holding company with minority interests in privatised mining companies. The newly transformed company changed its name to ZCCM Investments Holdings Plc (ZCCM-IH) in which the Government of the Republic of Zambia (GRZ) holds 87.6% of the shares with the remaining 12.4% held by private investors.

#### References:

ZCCM-IH Official Website, History of ZCCM-IH, [http://www.zccm-ih.com.zm/index.php?option=com\\_content&task=view&id=1&Itemid=22,](http://www.zccm-ih.com.zm/index.php?option=com_content&task=view&id=1&Itemid=22)

ZEITI First Reconciliation Report: Zambia Extractive Industries Transparency Initiative. Independent Reconciliation Report of Year End December 2008. PricewaterhouseCoopers. February 2011. (Uploaded Questions 1.1.002)

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

### 3.1.1.034: How is government ownership of resource companies structured in this country?

Score: A  B  C  D  E

#### Comments:

The government of Zambia is a minority share holder in almost all of the private mining ventures operating in the company via ZCCM-IH which acts as the shareholder for the government in all these ventures. ZCCM-IH's shareholders are the Government of the Republic of Zambia with 87.6% shareholding and private equity holders with 12.4%

#### References:

ZCCM-IH Official Website, Investments Page, [http://www.zccm-ih.com.zm/index.php?option=com\\_content&task=blogcategory&id=3&Itemid=33](http://www.zccm-ih.com.zm/index.php?option=com_content&task=blogcategory&id=3&Itemid=33)

ZEITI First Reconciliation Report: Zambia Extractive Industries Transparency Initiative. Independent Reconciliation Report of Year End December 2008. PricewaterhouseCoopers. February 2011. (Uploaded Questions 1.1.002)

ZEITI Validation Report. Hart Nurse Ltd, "Validation of the Extractive Industries Transparency Initiative in Zambia." May 2011. (Uploaded question 2.2B.020.a)

#### Peer Review Comments:

The government of Zambia, via ZCCM-IH, is a minority shareholder in almost all private mining ventures. ZCCM-IH has 100% ownership of Maamba Collieries and Ndola Lime Company.

---

### 3.1.1.035: Is there more than one state-owned company (SOC) operating in the extractive sector?

Score: A  B C

#### Comments:

ZCCM-IH is the only SOC in the extractive sector. ZCCM-IH acts as the government's vehicle to hold minority shares in private mining ventures. It should be noted that the ZEITI's first reconciliation report there were concerns raised about whether or not ZCCM-IH should be considered a government entity. Although the government holds a majority shareholding in ZCCM-IH, there are also a number of other private investors. ZCCM-IH is a registered public investment entity.

#### References:

ZCCM-IH Official Website <http://www.zccm-ih.com.zm/>

ZEITI First Reconciliation Report: Zambia Extractive Industries Transparency Initiative. Independent Reconciliation Report of Year End December 2008. PricewaterhouseCoopers. February 2011. (Uploaded Questions 1.1.002)

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### 3.1.1.036: Do the roles and responsibilities of the SOC include provision of subsidies or social expenditures (quasi-fiscal activities)?

Score:  A B C

#### Comments:

The ZCCM-IH's only role is to act as the shareholder for the government in joint ventures with private companies.

#### References:

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

ZEITI First Reconciliation Report: Zambia Extractive Industries Transparency Initiative. Independent Reconciliation Report of Year End December 2008. PricewaterhouseCoopers. February 2011. (Uploaded Questions 1.1.002)






ZEITI Validation Report. Hart Nurse Ltd, "Validation of the Extractive Industries Transparency Initiative in Zambia." May 2011. (Uploaded question 2.2B.020.a)

ZCCM-IH Official Website <http://www.zccm-ih.com.zm/>

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Indicator		Score	
3.2.1	Comprehensive reports	67	
3.2.2.038	Does the SOC publish information on revenue generation?	25	
3.2.3.038.j	Disaggregated Revenue Streams	29	
3.2.4	Quality of reports	89	
3.2.5.043	Audited reports	100	

## 3.2.1 Comprehensive reports

### 3.2.1.037: Does the SOC publish comprehensive reports with information about its operations and subsidiaries?

Score: A  B C D E

**Comments:**

The 2010 Annual Report includes information on data on revenue, taxes paid and net income.

**References:**

ZCCM Investment Holdings Plc, Annual Report 2010, [http://www.zccm-ih.com.zm/index.php?option=com\\_docman&task=cat\\_view&gid=8&Itemid=57](http://www.zccm-ih.com.zm/index.php?option=com_docman&task=cat_view&gid=8&Itemid=57)

ZCCM Investment Holdings Plc, Director's Interim Summary Report for Six Month Period Ending 30th Sept. 2011, [http://www.zccm-ih.com.zm/index.php?option=com\\_docman&task=cat\\_view&gid=8&Itemid=57](http://www.zccm-ih.com.zm/index.php?option=com_docman&task=cat_view&gid=8&Itemid=57)

## 3.2.2.038 Does the SOC publish information on revenue generation?

### 3.2.2.038.a: Reserves

Score:  A B C D E

**Comments:**

The ZCCM-IH annual reports include some information on reserves.

**References:**

ZCCM Investment Holdings Plc, Annual Report 2010, uploaded question 3.1.2.037.

ZCCM Investment Holdings Plc, Director's Interim Summary Report for Six Month Period Ending 30th Sept. 2011, uploaded question 3.1.2.037.

### 3.2.2.038.b: Production volumes

**Score:** A B C **(D)** E

**Comments:**

Information on production volume is not included in ZCCM-IH annual reports, only on revenue.

**References:**

ZCCM Investment Holdings Plc, Annual Report 2010, uploaded question 3.1.2.037.

ZCCM Investment Holdings Plc, Director's Interim Summary Report for Six Month Period Ending 30th Sept. 2011, uploaded question 3.1.2.037.

---

**3.2.2.038.c: Information on prices**

**Score:** A B C **(D)** E

**Comments:**

Information on prices is not included in ZCCM-IH annual reports, only on revenue.

**References:**

ZCCM Investment Holdings Plc, Annual Report 2010, uploaded question 3.1.2.037.

ZCCM Investment Holdings Plc, Director's Interim Summary Report for Six Month Period Ending 30th Sept. 2011, uploaded question 3.1.2.037.

---

**3.2.2.038.d: Value of resource exports**

**Score:** A B C **(D)** E

**Comments:**

Total revenue is reported but not export value.

**References:**

ZCCM Investment Holdings Plc, Annual Report 2010, uploaded question 3.1.2.037.

ZCCM Investment Holdings Plc, Director's Interim Summary Report for Six Month Period Ending 30th Sept. 2011, uploaded question 3.1.2.037.

---

**3.2.2.038.e: Estimates of investment in exploration and development**

**Score:** A B C **(D)** E

**Comments:**

Scattered information is present in the annual reports about efforts to raise capital for expansion, new shafts etc but not comprehensive.

**References:**

ZCCM Investment Holdings Plc, Annual Report 2010, uploaded question 3.1.2.037.

ZCCM Investment Holdings Plc, Director's Interim Summary Report for Six Month Period Ending 30th Sept. 2011, uploaded question 3.1.2.037.

---

**3.2.2.038.f: Production costs****Score:** A B C **(D)** E**Comments:**

Information not included.

**References:**

ZCCM Investment Holdings Plc, Annual Report 2010, uploaded question 3.1.2.037.

ZCCM Investment Holdings Plc, Director's Interim Summary Report for Six Month Period Ending 30th Sept. 2011, uploaded question 3.1.2.037.

---

**3.2.2.038.g: Names of companies operating in country****Score:** **(A)** B C D E**Comments:**

The reports provided by ZCCM-IH provide information on revenue by company.

**References:**

ZCCM Investment Holdings Plc, Annual Report 2010, uploaded question 3.1.2.037.

ZCCM Investment Holdings Plc, Director's Interim Summary Report for Six Month Period Ending 30th Sept. 2011, uploaded question 3.1.2.037.

**Peer Review Comments:**

ZCCM-IH annual report provides names of companies in its portfolio. There is no disaggregated financial statement information however, as suggested in the researcher's comments.

---

**3.2.2.038.h: Production data by company and/or block****Score:** A B C **(D)** E**Comments:**

Provides revenue data by company but not production volume.

**References:**

ZCCM Investment Holdings Plc, Annual Report 2010, uploaded question 3.1.2.037.

ZCCM Investment Holdings Plc, Director's Interim Summary Report for Six Month Period Ending 30th Sept. 2011, uploaded question 3.1.2.037.

---

**3.2.2.038.i: Quasi fiscal activities****Score:** A B C D **(E)****Comments:**

ZCCM-IH does not engage in quasi-fiscal activities. There is limited information provided on CSR but that is it.

From the World Bank's EITI scoping report it seems that ZCCM-IH prior to privatization did engage in the provision of social service but after privatization new foreign investors have shown significantly less interest in taking responsibility for the non-core-business services which ZCCM provided to the

population and that the same time the GRZ has in some cases not been able to adequately fill the gap in the provision of social services.

**References:**

ZCCM Investment Holdings Plc, Annual Report 2010, uploaded question 3.1.2.037.

ZCCM Investment Holdings Plc, Director's Interim Summary Report for Six Month Period Ending 30th Sept. 2011, uploaded question 3.1.2.037.

World Bank "Extractive Industries Transparency Initiative Scoping Report for the Republic of Zambia." September 2007

[http://siteresources.worldbank.org/INTEXTINDTRAINI/Resources/zambia\\_scoping\\_report.pdf?resourceurlname=zambia\\_scoping\\_report.pdf](http://siteresources.worldbank.org/INTEXTINDTRAINI/Resources/zambia_scoping_report.pdf?resourceurlname=zambia_scoping_report.pdf)

### 3.2.3.038.j Disaggregated Revenue Streams

---

**3.2.3.038.j1: Production streams value**

**Score:** A B C **(D)** E

**Comments:**

Information not included in ZCCM-IH reports.

**References:**

ZCCM Investment Holdings Plc, Annual Report 2010, uploaded question 3.1.2.037.

ZCCM Investment Holdings Plc, Director's Interim Summary Report for Six Month Period Ending 30th Sept. 2011, uploaded question 3.1.2.037.

---

**3.2.3.038.j2: Government s share in PSC**

**Score:** A B C D **(E)**

**References:**

ZCCM Investment Holdings Plc, Annual Report 2010, uploaded question 3.1.2.037.

ZCCM Investment Holdings Plc, Director's Interim Summary Report for Six Month Period Ending 30th Sept. 2011, uploaded question 3.1.2.037.

**Peer Review Comments:**

Similar to other questions regarding PSC. The government has not PSC agreements, so answer should be 'Not applicable'

---

**3.2.3.038.j3: Royalties**

**Score:** **(A)** B C D E

**Comments:**

Information on royalties paid by ZCCM-IH is indicated in Interim Summary Reports.

**References:**

ZCCM Investment Holdings Plc, Annual Report 2010, uploaded question 3.1.2.037.



ZCCM Investment Holdings Plc, Director's Interim Summary Report for Six Month Period Ending 30th Sept. 2011, uploaded question 3.1.2.037.

**Peer Review Comments:**

Interim Report for March 2012 is also available and has the same information.  
[http://www.zccm-ih.com.zm/index.php?option=com\\_content&task=view&id=63&Itemid=9](http://www.zccm-ih.com.zm/index.php?option=com_content&task=view&id=63&Itemid=9)

---

**3.2.3.038.j4: Special taxes**

**Score:** A B C  D E

**Comments:**

Reports include income tax and royalties paid by ZCCM-IH as a private entity to the government.

**References:**

ZCCM Investment Holdings Plc, Annual Report 2010, uploaded question 3.1.2.037.

ZCCM Investment Holdings Plc, Director's Interim Summary Report for Six Month Period Ending 30th Sept. 2011, uploaded question 3.1.2.037.

---

**3.2.3.038.j5: Dividends**

**Score:**  A B C D E

**Comments:**

The ZCCM-IH reports include information on dividends received and dividends per share although no dividends were declared in respect of the year ended 31 March 2010.

**References:**

ZCCM Investment Holdings Plc, Annual Report 2010, uploaded question 3.1.2.037.

ZCCM Investment Holdings Plc, Director's Interim Summary Report for Six Month Period Ending 30th Sept. 2011, uploaded question 3.1.2.037.

---

**3.2.3.038.j6: Bonuses**

**Score:** A B C  D E

**Comments:**

This information is not included in ZCCM-IH reports.

**References:**

ZCCM Investment Holdings Plc, Annual Report 2010, uploaded question 3.1.2.037.

ZCCM Investment Holdings Plc, Director's Interim Summary Report for Six Month Period Ending 30th Sept. 2011, uploaded question 3.1.2.037.

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**3.2.3.038.j7: License fees**

**Score:** A B C  D E

**Comments:**

This information is not included in ZCCM-IH Reports.

**References:**

ZCCM Investment Holdings Plc, Annual Report 2010, uploaded question 3.1.2.037.

ZCCM Investment Holdings Plc, Director's Interim Summary Report for Six Month Period Ending 30th Sept. 2011, uploaded question 3.1.2.037.

---

**3.2.3.038.j8: Acreage fees**

**Score:** A B C  D E

**Comments:**

This information is not included in ZCCM-IH reports.

**References:**

ZCCM Investment Holdings Plc, Annual Report 2010, uploaded question 3.1.2.037.

ZCCM Investment Holdings Plc, Director's Interim Summary Report for Six Month Period Ending 30th Sept. 2011, uploaded question 3.1.2.037.

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**3.2.3.038.j9: Other (Describe below)**

**Score:** A B C D  E

**References:**

ZCCM Investment Holdings Plc, Annual Report 2010, uploaded question 3.1.2.037.

ZCCM Investment Holdings Plc, Director's Interim Summary Report for Six Month Period Ending 30th Sept. 2011, uploaded question 3.1.2.037.

---

**3.2.4 Quality of reports**

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**3.2.4.039: Are the reports published by the state owned company understandable?**

**Score:**  A B C D E

**Comments:**

The reports are understandable and financial statements include a detailed section on definition of terms.

**References:**

ZCCM Investment Holdings Plc, Annual Report 2010, uploaded question 3.1.2.037.

ZCCM Investment Holdings Plc, Director's Interim Summary Report for Six Month Period Ending 30th Sept. 2011, uploaded question 3.1.2.037.

---

**3.2.4.040: How often are the reports or statistical databases containing information on revenue generation published by the state owned company?**

**Score:** A  B C D E

**Comments:**

Audit reports are produced once a year and un-audited statements are produced mid-year. In the past there have been delays in the release of annual reports but they seem up-to-date now.

**References:**

ZCCM Investment Holdings Plc, Annual Report 2010, uploaded question 3.1.2.037.

ZCCM Investment Holdings Plc, Director's Interim Summary Report for Six Month Period Ending 30th Sept. 2011, uploaded question 3.1.2.037.

ZCCM-IH Press Release on Delay in Publication of Annual Reports and Accounts for 2006, 2007 and 2008, [http://www.zccm-ih.com.zm/index.php?option=com\\_content&task=view&id=49&Itemid=9](http://www.zccm-ih.com.zm/index.php?option=com_content&task=view&id=49&Itemid=9)

---

**3.2.4.041: If the SOC is involved with quasi fiscal activities, does it publish information about them?**

Score: A B  C

**Comments:**

ZCCM-IH has some limited CSR activities that are not quasi-fiscal activities. For example in the 2010 Annual Report: "The Group's focus on meeting its social obligations during the year was mainly undertaken through implementation of programmes under the Copperbelt Environment Project (CEP). In addition, the Group has increased its level of resource contribution in communities where it operates. The Group constructed Environmental Public Information Centres (EPIC's) at Kalulushi and Chambishi during the year under review."

**References:**

ZCCM Investment Holdings Plc, Annual Report 2010, uploaded question 3.1.2.037.

ZCCM Investment Holdings Plc, Director's Interim Summary Report for Six Month Period Ending 30th Sept. 2011, uploaded question 3.1.2.037.

Interview with Alastair Fraser, Faculty Member, Politics and International Studies (POLIS), University of Cambridge, focused on the political economy of southern Africa, Phone Interview, April 6, 2012.

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**3.2.4.042: If there are joint ventures, does the SOC (or government) publish information on its share of costs and revenues deriving from its equity participation in joint ventures?**

Score:  A B C

**Comments:**

ZCCM-IH (the SOC) publishes this information in its annual reports.

**References:**

ZCCM Investment Holdings Plc, Annual Report 2010, uploaded question 3.1.2.037.

ZCCM Investment Holdings Plc, Director's Interim Summary Report for Six Month Period Ending 30th Sept. 2011, uploaded question 3.1.2.037.

**3.2.5.043 Audited reports**

---

**3.2.5.043.a: Is the SOC subject to annual audits conducted by an independent external auditor to ensure that the financial statements represent the financial position and performance of the company?**

**Score:** (A) B C D E

**Comments:**

Annual reports are conducted by an independent auditor, in this case KPMG.

**References:**

ZCCM Investment Holdings Plc, Annual Report 2010, uploaded question 3.1.2.037.

ZCCM Investment Holdings Plc, Director's Interim Summary Report for Six Month Period Ending 30th Sept. 2011, uploaded question 3.1.2.037.

**Peer Review Comments:**

Yes, but it appears there was a substantial back log of annual report publications. Annual reports from 2007 to 2010 are now available on the ZCCM-IH website, and it appears they were only published in May 2011 onwards.

---

**3.2.5.043.b: Are SOC audited reports published?**

**Score:** (A) B C D E

**Comments:**

Audited reports of ZCCM-IH are published annually. There have been delays in the past in the release of reports to make sure that the reports met international accounting standards.

**References:**

ZCCM Investment Holdings Plc, Annual Report 2010, uploaded question 3.1.2.037.


ZCCM Investment Holdings Plc, Director's Interim Summary Report for Six Month Period Ending 30th Sept. 2011, uploaded question 3.1.2.037.

ZCCM-IH Press Release on Delay in Publication of Annual Reports and Accounts for 2006, 2007 and 2008, [http://www.zccm-ih.com.zm/index.php?option=com\\_content&task=view&id=49&Itemid=9](http://www.zccm-ih.com.zm/index.php?option=com_content&task=view&id=49&Itemid=9)

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Indicator	Score
3.3.1 Legal Framework and Practice	83 

## 3.3.1 Legal Framework and Practice

### 3.3.1.044: Does the SOC have a legal obligation to publish financial reports?

Score:  A  B  C

**Comments:**

The SOC's obligation to report is based on Section 173 (3) of the Companies Act of Zambia.

**References:**

ZCCM Investment Holdings Plc, Annual Report 2010, uploaded question 3.1.2.037.

Republic of Zambia, Laws of the Republic of Zambia (1995 Edition), Companies Act, <http://unpan1.un.org/intradoc/groups/public/documents/cafrad/unpan004740.pdf>

### 3.3.1.045: Does the SOC follow internationally recognized accounting standards?

Score:  A  B  C

**Comments:**

The annual report states that ZCCM-IH uses International Financial Reporting Standards. And the delay in releasing the 2006-2008 annual reports was caused by the need to align with International Accounting Standards.

**References:**

ZCCM Investment Holdings Plc, Annual Report 2010, uploaded question 3.1.2.037.

ZCCM-IH Press Release on Delay in Publication of Annual Reports and Accounts for 2006, 2007 and 2008, [http://www.zccm-ih.com.zm/index.php?option=com\\_content&task=view&id=49&Itemid=9](http://www.zccm-ih.com.zm/index.php?option=com_content&task=view&id=49&Itemid=9)

**Peer Review Comments:**

The website suggests that the 2005 Annual report was also delayed in this regard.

See

[http://www.zccm-ih.com.zm/index.php?option=com\\_docman&task=cat\\_view&gid=8&dir=DESC&order=name&limit=5&limitstart=0](http://www.zccm-ih.com.zm/index.php?option=com_docman&task=cat_view&gid=8&dir=DESC&order=name&limit=5&limitstart=0)

[http://www.zccm-ih.com.zm/index.php?option=com\\_docman&task=cat\\_view&gid=8&dir=DESC&order=name&limit=5&limitstart=0](http://www.zccm-ih.com.zm/index.php?option=com_docman&task=cat_view&gid=8&dir=DESC&order=name&limit=5&limitstart=0)

### 3.3.1.046: Do SOC audits include consolidated accounts that cover all of the SOC subsidiaries?

Score:  A  B  C

**Comments:**

Audit reports include subsidiaries.

**References:**

ZCCM Investment Holdings Plc, Annual Report 2010, uploaded question 3.1.2.037.

ZCCM Investment Holdings Plc, Director's Interim Summary Report for Six Month Period Ending 30th Sept. 2011, uploaded question 3.1.2.037.

ZCCM-IH Press Release on Delay in Publication of Annual Reports and Accounts for 2006, 2007 and 2008, [http://www.zccm-ih.com.zm/index.php?option=com\\_content&task=view&id=49&Itemid=9](http://www.zccm-ih.com.zm/index.php?option=com_content&task=view&id=49&Itemid=9)

**3.3.1.047: Are officials of the SOC required to disclose information about their financial interest in any oil, gas or mining projects?**

**Score:** A  B C

**Comments:**

There are laws governing general disclosure of information on wealth, assets and conflict of interest by government ministers outlined in Part 3 and Part 5 of the The Parliamentary and Ministerial Code of Conduct Act (1995). These sections do not apply in a blanket fashion to all public officials but specifically to Ministers and MPs. ZCCM-IH are considered public officials but at the level of civil servant. What does apply to all public officials is section 13 of the Anti-Corruption Commission Act provides that if any person is present at a meeting of the Commission or any Committee at which any matter is under consideration, and in which matter that person or his spouse is directly interested in a private capacity, that person shall declare such interest and shall not, unless the Commission or the Committee otherwise directs, take part in any consideration or discussion of, or vote on, any question touching such matter. Acts including The Zambia Revenue Authority Act and the The Bank of Zambia Act have similar provisions.

The Privatisation Act has provisions which are a replica of section 13 of the ACC Act. In addition, the Act requires political leaders and public officers to publicly disclose their intention to bid for the purchase of shares in a state owned enterprise.

Given this information the researcher selected 'No' because in certain settings they would be required to disclose interests but are not required to do so on a regular basis and could avoid settings in which they were required to do so for example if they owned shares prior to employment and did not buy additional shares while employed they would not be required to disclose this information.

**References:**

A.W.Chanda "Position Paper on Disclosure Laws in Zambia." Transparency International Zambia. February 2005. (uploaded question 2.3.028)

Republic of Zambia, Anti-Corruption Commission Act,  
[http://www.tizambia.org.zm/download/uploads/The\\_Anti\\_Corruption\\_Commission\\_Act.pdf](http://www.tizambia.org.zm/download/uploads/The_Anti_Corruption_Commission_Act.pdf)

Republic of Zambia, Laws of the Republic of Zambia (1995 Edition), Parliamentary and Ministerial Code of Conduct Act, <http://unpan1.un.org/intradoc/groups/public/documents/cafrad/unpan004740.pdf>

Masuzyo Chakwe "Court sentences 2 ZCCM-IH workers for corrupt practices" February 23, 2010. Post Zambia. [http://www.postzambia.com/post-read\\_article.php?articleId=6243](http://www.postzambia.com/post-read_article.php?articleId=6243) (Accessed April 1, 2012)

**3.3.1.048: Does the SOC publish information on the composition of its Board of Directors?**

**Score:**  A B C

**Comments:**

ZCCM-IH does list its Board of Directors and the list is updated to include those appointed in Feb. 2012.

**References:**

ZCCM-IH Board of Directors List from ZCCM-IH website [http://www.zccm-ih.com.zm/index.php?option=com\\_content&task=view&id=47&Itemid=94](http://www.zccm-ih.com.zm/index.php?option=com_content&task=view&id=47&Itemid=94)

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**3.3.1.049: Does the SOC publish information about the rules governing decision making by the Board of Directors?**

Score: (A) B C

**Comments:**

There is a Corporate Governance section of the Annual Report which provides some information on the governance and decision-making structures of ZCCM-IH and the organizational structure. Excerpts from this section include:

"The Company continued to operate by enforcing good corporate governance practices and observing the separation of powers between the Directors and Management and the Chairman of the Board and the Chief Executive Officer. All Directors on the Board are non-executive. Activities were further streamlined by the full utilisation of the existing Audit, Remuneration and Investments Committees of the Board whose membership as at the date of 31 March 2010 is indicated below."

The ZCCM-IH also indicates on its website that the organization adheres to the Code of Corporate Governance for Boards of Directors in Zambia which is largely derived from the guidelines developed by the Commonwealth Association of Corporate Governance. "This code is a basis which regulates the conduct of business in the Company in order to enhance transparency and accountability."

**References:**

ZCCM-IH Official Website, Corporate Governance, [http://www.zccm-ih.com.zm/index.php?option=com\\_content&task=view&id=7&Itemid=28](http://www.zccm-ih.com.zm/index.php?option=com_content&task=view&id=7&Itemid=28).

ZCCM Investment Holdings Plc, Annual Report 2010, uploaded question 3.1.2.037.

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