

HIPC COPPERBELT PROVINCE REPORT

1.0 Executive Summary

The 4th HIPC tracking and monitoring exercise by the independent HIPC Tracking and Monitoring Team commenced on the 23rd of September 2003.

About 120 projects were inspected and evaluated and a separate list has been given in this report to give an indication of the depth of the tracking and monitoring done.

A number of issues surfaced regarding the disbursement, receipt, utilisation and accountability for the HIPC resources.

The tracking and monitoring exercise utilised meetings and discussions with the Provincial and District Heads of government departments involved in the dispensing of HIPC resources. In addition interviews were undertaken with accounting, auditing, administrative staff and sector experts like water and road engineers and building officers.

Like in the visitation to the Northern Province, the provincial and district meetings provided an insight as to how the HIPC funds and programmes were being managed before the Team could assume field work. Significant to note were the meetings with the District Administrators who are coordinating the district development programmes and projects.

All the district and provincial departments which had received HIPC funds from 2001 up to 2003 were visited and these included, Education, Roads, Health, Agriculture and Cooperatives, Judiciary, Energy and Water, Community Development and Social Welfare, Prisons, Land Resettlement, Communication and Transport, Local Government and Housing, Science and Technology and indeed the Office of the Vice President; Provincial Administration.

This report is in two parts; **Technical Evaluations (Physical Inspections) and Financial Evaluations (Audits)** and details the salient findings of the Team regarding utilisation of HIPC resources on the Copperbelt Province.

Some major cases warranting further investigations by other relevant government authorities are highlighted in the synopsis of key findings section.

In as much as the HIPC resources are targeted towards poverty alleviation amongst the poor communities and capacity building in various government and quasi-government institutions, the same intended target beneficiaries were not greatly speaking involved in the project identification process.

It was further noted that, a great number of the District Administrators and communities were not aware of the poverty reduction programmes funded under the HIPC initiative, especially those under the Ministry of local

Government and Housing which programmes were in fact being remotely managed from the headquarters in Lusaka.

The overall review of the situation on the ground is that implementation of the HIPC projects left much to be desired due to the fact that there is general lack of uniform guidelines on utilisation of HIPC funds and this led to different interpretations in various executing ministries, departments and institutions.

There was further poor supervision and control in the usage of funds by the provincial administration headquarters. This lack of focus and commitment has compounded the problems that are being experienced today.

There was generally a lack of awareness of HIPC procedures and processes even with the HIPC sensitisation seminars conducted by Ministry of Finance and National Planning and the HIPC Tracking and Monitoring Team.

For example, where as, Roads and other departments' financial resources are channeled through the Provincial Administration Headquarters and specifically through the office of the Permanent Secretary, Health, Prisons, Police and Education were dealing directly with their line Ministries or institution headquarters without the provincial administration's notification. This bespeaks a lack of standardized remittance procedures and introduces a lot of problems in ensuring accountability. For example the Provincial Education Office and the local project Committee procure all building materials for rehabilitation works on schools but with little close scrutiny, consultation and supervision by other relevant authorities like the Ministry of Works and Supply; Provincial Buildings Department and Ministry of Energy and Water Development; Provincial Water Affairs Department.

Although tender procedures in government are standardized, in some instances they were grossly flouted as evidenced in some cases where individuals or business organizations were allotted contracts arbitrarily and some times specifications were not done as in the case of road rehabilitation works. Worse still variations to some contracts were also done without prior authority from relevant authorities at provincial or national level.

In addition there were unacceptable delays in the tender process, which process is said to be very laborious. The tender thresholds are also very low for some institutions (especially for institutions which catered for the entire nation like prisons) and the preparation of tender documents was not up to standard.

All the signed contracts the Team looked through were silent among other vital clauses like the availability of advance payments, performance bonds, and retention bonds to contractors. However it was found that advance payments at varying percentages were given to contractors. No specific procedure was followed to determine which contractor got the advance and at what percentage.

It was further noted that there was undue influence from politicians on the appointment of some road contractors. The consequence of this is that the performance of some contractors left much to be desired.

Furthermore some members of the tender committees took advantage of their positions and got involved in "insider dealings" and thereby awarded themselves contracts through their 'fronts' – companies owned by their relatives or friends.

Generally, there was no independent review of the bills of quantities, costings on the roads, and bridges rehabilitation and construction contracts entered into with bidders. It is the opinion of the Team that the costings were arbitrary and were not checked for reasonableness and accuracy for the job to be undertaken.

It was observed that certification of the projects particularly the roads, bridges and culverts were being done even when the works were unsatisfactory. It is important that certification of projects should also be independently verified by qualified and competent authorities to ensure that they are in accordance with the contract terms.

It is the considered view of the Team that, apart from the aforesaid and other issues raised in this report, the implementing agencies at the districts do not seem to have the capacity to undertake supervision of HIPC projects in addition to their normal duties.

The Provincial Administration Headquarters also have operational problems of their own hence their temptation to divert HIPC funds for their own operational requirements as evidenced in our report.

The Team therefore recommends that borrowing of HIPC resources should be discontinued as it impinges on the expeditious completion of projects. This is supported by the fact that some monies are being borrowed from the HIPC account and although repayments were made there was in some cases a time lag of over 3 months.

Projects contracted to VAT registered companies carry tax obligations as they are liable to pay VAT and later reclaim the VAT from the Ministry of Finance through the refund scheme for Government Departments. At the time of the Team's visit in September 2003, there had been no VAT refund made to projects paid for.

It was also uncovered that government and HIPC resources were in some cases mixed up in one account to the extent that tracking of the same became difficult.

Other than the problems highlighted above the HIPC funds disbursed to the Copperbelt Province from 2001 up the time of visit of the Team in September 2003, had on the average impacted positively on the poverty of the people, especially in Health, Education, Water and Sanitation, except of course in the Road rehabilitation, Forestry, Land Resettlement, Community Development and Social Welfare where the impact has been below expectation given the resources which were disbursed but misapplied or abused.

This has been highlighted in the synopsis of key findings in the next section of this report.

2.0 SYNOPSIS OF KEY FINDINGS

2.1 Office of the President (Copperbelt Provincial Headquarters)

The Copperbelt Provincial Administration Headquarters in Ndola was funded with a total of **ZMK 5 billion** as at 31st December 2002. Further funding was received during the year 2003 as follows: -

| | |
|-----------|---------------------|
| July | 300 million |
| August | 450 million, and in |
| September | 200 million |

This has brought the total funding for the province to **K5.950 billion**. This funding was mainly for three Departments namely; Roads, Land Resettlement and Forestry.

It was further observed that during the year 2001 over **K400 million** of HIPC funds were used for non-HIPC activities such as: -

| | |
|---------------------------------------|----------------|
| ▪ Transfers to RDC account | ZMK145,000,000 |
| ▪ Purchase of Motor Vehicle | ZMK195,000,000 |
| ▪ Purchase of Furniture and Computers | ZMK 44,630,595 |
| ▪ Imprest | ZMK 17,000,000 |

As of 3rd October 2003 (the time of our audit) records indicated that only **K180 million** of these funds have so far been reimbursed as follows: -

| | |
|-----------------|----------------|
| ▪ November 2001 | ZMK50,000,000 |
| ▪ April 2002 | ZMK30,000,000 |
| ▪ July 2003 | ZMK100,000,000 |

Due to the above mentioned misapplication of funds most of the activities on Bee-keeping were not done during that period as there were no funds to accommodate the expenditure.

a) Fuel Usage

The following amounts of fuel were bought during 2001 and 2002 for the purpose of working on feeder roads in the province: -

| <u>Date</u> | <u>Cheque No.</u> | <u>Payee</u> | <u>Amount</u> | <u>Litres</u> |
|-------------|-------------------|--------------------------|---------------|---------------|
| 03/08/01 | 0011 | President Avenue Station | 31,290,000 | 10,000 |
| 30/08/01 | 0036 | President Avenue Station | 5,000,000 | 1,598 |
| 24/08/01 | 0024 | President Avenue Station | 20,000,000 | 6,349 |
| 04/09/01 | 0079 | President Avenue Station | 46,935,000 | 15,000 |
| 13/09/01 | 0072 | President Avenue Station | 46,935,000 | 15,000 |
| 13/09/01 | 0057 | Accra Road Serv. Station | 20,000,000 | 6,389 |
| 11/10/01 | 0110 | President Avenue Station | 10,951,500 | 3,500 |
| 21/06/02 | 0159 | Ndola/Luanshya Station | 40,000,000 | 12,949 |

| | | | | |
|--------------|------|-------------------------|---------------------------|-----------------------|
| 29/07/02 | 0202 | Ndola/Luanshya Station | 20,000,000 | 6,171 |
| 16/08/02 | 0213 | Ndola/Luanshya Station | 39,137,000 | 12,075 |
| 28/08/02 | 0224 | Murundu Transport | 30,000,000 | 11,499 |
| 28/08/02 | 0227 | Mobile Chingola Service | 30,000,000 | 11,499 |
| 16/09/02 | 0238 | Ndola/Luanshya Station | 20,000,000 | 6,171 |
| 11/11/02 | 0255 | Ndola/Luanshya Station | 10,000,000 | 3,086 |
| 05/10/02 | 0293 | Ndola/Luanshya Station | <u>10,000,000</u> | <u>3,086</u> |
| Total | | | <u>380,248,500</u> | <u>124,372</u> |

From a sample of 48768 litres tested 16815 litres were not incurred for the purpose of the HIPC giving projects 34%. Therefore when extrapolated this gives a loss of K 129.1 million. We highlight some of the abuses below:

Funeral.

| <u>Date</u> | <u>Vehicle No.</u> | <u>fuel (Litres)</u> |
|---------------------|--------------------|----------------------|
| 04/10/2002 | GRZ 153 BN | 20 |
| 05/10/2002 | ACE 40 | 40 |
| 05/10/2002 | AAP 7435 | 40 |
| 05/10/2002 | GRZ 971 BH | 30 |
| 05/10/2002 | GRZ 297 BE | 15 |
| 05/10/2002 | GRZ 985 BJ | 15 |
| 05/10/2002 | GRZ 920 BN | 20 |
| 05/10/2002 | GRZ 552 BP | 50 |
| 05/10/2002 | other GRZ | <u>90</u> |
| <u>Total</u> | | <u>320</u> |

Zambia Police Fuel Usage for Riot Operations in Luanshya.

| | | |
|---------------------|-----------|-------------------|
| 02/10/2002 | ZNS 495 | 100 |
| 02/10/2002 | ZP 1054 | 40 |
| 02/10/2002 | ZP 1508 | 20 |
| 02/10/2002 | ZP 1479 | 40 |
| 02/10/2002 | ZP 1478 | 40 |
| 02/10/2002 | other GRZ | <u>368</u> |
| <u>Total</u> | | <u>608</u> |

Field Day at the Republican President's Farm.

| | | |
|---------------------|------------|-------------------|
| 10/10/2002 | GRZ 971 BH | 180 |
| 10/10/2002 | GRZ 994 BM | 20 |
| 10/10/2002 | GRZ 909 BG | 40 |
| 10/10/2002 | GRZ 719 BL | 50 |
| 10/10/2002 | other GRZ | <u>190</u> |
| <u>Total</u> | | <u>480</u> |

District Administrators Trips.

| | | |
|--------------|-------------|-------------------|
| 04/08/2001 | D A Ndola | 87 |
| 07/08/2001 | D A Masaiti | 130 |
| 09/08/2001 | D A | 140 |
| 06/09/2001 | D A Masaiti | 120 |
| 29/09/2002 | ACE 7635 | 93 |
| 07/10/2002 | ACE 7635 | 20 |
| 12/10/2002 | ACE 7635 | <u>50</u> |
| Total | | <u>640</u> |

Normal Administrative Movements.

| | | |
|--------------|------------|---------------------|
| 08/10/2002 | GRZ 909 BG | 40 |
| 10/09/2001 | AAV 8925 | 51 |
| 10/09/2001 | GRZ 972 | 76 |
| 01/10/2001 | GRZ 889 BN | 30 |
| 24/10/2001 | GRZ 153 BP | 81 |
| 17/08/2001 | GRZ 153 BP | 121 |
| 16/08/2001 | GRZ 994BM | 40 |
| 23/08/2001 | GRZ 994 BM | 50 |
| 27/08/2001 | GRZ 994 BM | 70 |
| 28/08/2001 | GRZ 994 BM | 76 |
| 04/09/2001 | GRZ 994 BM | 70 |
| 04/09/2001 | GRZ 153 BP | 110 |
| 06/09/2001 | GRZ 153 BP | 72 |
| 08/09/2001 | GRZ 153 BP | 40 |
| 13/09/2002 | AAT 155 | 58 |
| 13/09/2002 | GRZ 417 BR | 52 |
| 29/9/2002 | GRZ 936 BP | 70 |
| 03/10/2002 | GRZ 971 BH | <u>15</u> |
| Total | | <u>1,122</u> |

Other questionable usage includes fueling ten vehicles in a day going for roads inspections and also fueling for inspections on daily basis. For instance on 10/09/2001 the following vehicles fueled all for the purpose of supervision:-

Vehicle No. Litres

| | |
|------------|------------------|
| GRZ 909BG | 70 |
| ACE 7635 | 74 (for the D A) |
| ZNS 410 B | 60 |
| GRZ 748 BM | 50 |
| GRZ 994 BM | 60 |
| GRZ 909BG | 40 |
| ACE 7681 | 120 |

| | |
|---------------------|-------------------|
| GRZ 697 BN | 50 |
| AAV 8925 | 51 |
| GRZ 972 | 76 |
| GRZ 309 BG | 40 |
| ACE 7395 | 60 |
| GRZ 154 BP | 50 |
| <u>Total</u> | <u>801</u> |

No satisfactory explanations were given for this type of fuel misuse.

b) Road contractors

Only 8 signed contracts were presented to us for scrutiny and these were as follows: -

| <u>Date signed</u> | <u>Contractor</u> | <u>Road</u> | <u>Amount</u> |
|---------------------------|--------------------------|------------------------|-----------------------------|
| 08/10/02 | Gomes Haulage | Kalengwa | 350,000,000 |
| 24/09/01 | L.M Engineering | ZCCM Farm road | 62,000,000 |
| 13/09/02 | Gomes Haulage | Sungabukanda | 170,000,000 |
| 13/09/02 | I E T (Z) Ltd | Machiya | 160,000,000 |
| 13/09/02 | Status Freight | Kasununu | 150,682,881 |
| 13/09/02 | Pempula | Musakashi/Council farm | 126,611,900 |
| 18/09/02 | Joes Motors | Fungulwe | 207,381,625 |
| 11/10/02 | ZNS | Kanenga | <u>100,000,000</u> |
| | TOTAL | | <u>1,326,676,406</u> |

Some of the files for road contracts were not seen as they were reported to have been taken by the Anti-Corruption Commission Copperbelt Regional office in Kitwe we list these below:-

| <u>Contractor</u> | <u>Road</u> | <u>Amount(ZMK)</u> |
|--------------------------|--------------------------------|---------------------------|
| Darmco Engineering | Chimfushi and Kamenza | 89,980,000 |
| Gilpher Enterprises Ltd | Kafulufuta sidings | 115,000,000 |
| Toolmans General | Bulaya | 104,910,000 |
| JP and C Trading | Cedric farm | 58,200,000 |
| Jobar Enterprises | Five Ace/Flamingo/Kambilombilo | 76,200,000 |
| Shibwa Enterprises | Duben St Anthony | 111,000,000 |
| A M C Contractors | Chembe East | 179,319,149 |
| RZ and MCM Ltd | Ipafu prison | 14,100,000 |

It was also observed that officers at the provincial headquarters do not follow certain procedures on road contracts. A particular case is where the contract with Lufwanyama Multi Purpose to clear and light grade ZCCM road farm was cancelled. The work done by the same contractor was valued without the knowledge of the contractor. To date, the completion certificate/ valuations certificate has only been signed by the road engineer and the contractor's

part is still blank. At the time of our visit the contractor was still not paid his balance. It will not be surprising if this contractor takes up the matter to court.

This matter has been brought to the attention of the office of the Provincial Permanent Secretary.

c) Advance Payments

All the signed contracts the Team looked through were silent on the availability of advance payments to contractors. However it was found that advance payments at varying percentages were given to contractors. No specific procedure was followed to determine which contractor got the advance and at what percentage. Some of the advances given were as follows: -

| <u>Date</u> | <u>Contractor</u> | <u>Percentage given</u> | <u>Amount</u> |
|-------------|----------------------------|-------------------------|---------------|
| 13/09/01 | Damco Engineering | 10 % | 8,998,000 |
| 17/09/01 | Gomes Haulage | 10 % | 14,000,000 |
| 16/10/01 | Toolsmans Gen. Contractors | 20 % | 20,982,000 |
| 17/10/01 | A M C | 10 % | 35,863,829 |
| 20/09/02 | I E T (Z) Ltd | 50% | 80,000,000 |

It was further observed that advance payment given to RZ and MCM Limited of **K14.1 million** on 26/10/01 was not officially requested. This advance was requested using a simple piece of paper with no name of the company or its directors. It's surprising that the Permanent Secretary's office approved such a request.

d) Arrears

The provincial headquarters has in most times experienced budget overruns at the end of each year. This is against HIPC requirements as all HIPC projects are fully funded. Some of the outstanding bills for 2002 that were paid out of the funds received in 2003 were as follows: -

| <u>Date</u> | <u>Cheque No.</u> | <u>Payee</u> | <u>Amount</u> |
|-------------|-------------------|-------------------|---------------|
| 28/7/03 | 340 | A M C Ltd | 20,000,000 |
| 28/01/03 | 334 | Jobar Enterprises | 25,000,000 |
| 04/03/03 | 338 | Jobar Enterprises | 45,000,000 |
| 28/01/03 | 335 | Vivid Enterprises | 20,000,000 |
| 07/08/03 | 341 | I E T (Z) Ltd | 50,000,000 |
| 12/09/03 | 341 | I E T (Z) Ltd | 20,000,000 |
| 22/09/03 | 341 | I E T (Z) Ltd | 132,240,000 |

e) General Imprest

It was observed that imprest was not being retired as per the accounting requirements of such funds.

Out of a sample of 36 payees during 2001 and 2002 which amounted to **K98, 221,880**, only 8 payees retired their imprest totaling **K14, 311,800**. If these figures are extrapolated it will show that 14 % of the total funds given as imprest are retired, leaving 86 % unaccounted for. This is becoming a big problem in all the audit areas.

2.2 Ministry of Local Government - Luanshya Municipal Council

It is a normal practice of the external monitoring team to follow-up payments made directly from ministerial Headquarters in Lusaka to contractors in the Provinces or Districts.

Two payments which require further investigations were unveiled in Luanshya Municipal Council where a firm known as Transan Engineering received the following payments:

| <u>Chq No.</u> | <u>Amount</u> |
|----------------|------------------|
| 931 | 228,630,325.00 |
| 1509 | 114,315,162.00 |
| | ----- |
| | K 345,945,487.00 |
| | ===== |

Upon enquiry in Luanshya none of the official knew anything about the payment or where the contractual works were undertaken in the District.

It is the Teams view that the payment may have been irregular and will require to be followed up from the Ministry of Housing and local Government Headquarters.

2.3 Mpongwe – Machiya Road

A contract for grading and maintenance of Mpongwe Machiya road was on 12TH September 2002 was awarded to Messrs International Engineering and Trade Limited. The contract at the cost of K160 million Kwacha was to cover a drainage of 40 Km. The Mpongwe – Machiya road has a drainage of 74 Km. The contractor only managed a distance of 25 Km and work stopped.

Permission was then sought from the Provincial Tender Committee by the Provincial Road Engineer for authority to conduct selective tenders for the remaining stretch of the Mpongwe-Machiya Road.

The following companies were short listed for selective tender procedure;

1. International Trade Engineering and Trade (Z) Limited
2. Joes Motors
3. Gomes Haulage
4. Sietico (Z) Ltd
5. Blackwood Hodge

Observations

We observed that the Provincial administration decided to vary the earlier contract by more than more 126% (paid additional K202,240,000) without going through the above selective tender process or seeking prior authority from Ministry of works and supply but instead treated the variation as a second certificate. It appears as though the contractor did not use the earlier K160 million with due economy and efficiency.

Award of Contracts

Observations

We observed that some senior members of the provincial administration and tender committee took advantage of their positions and influenced the appointments of some road contractors. A few examples are as set below;

- i) The four contracts to LM Engineering Limited a company which the current Permanent Secretary Mr Richard Salivaji has interests were awarded as follows;
 - Chimfushi and Kamenza road at a cost of K97.3 million and ZCCM farm road at the cost of K62 million. All these three roads are in Chililabobwe.
 - On 30th October 2001 the then Permanent Secretary Mr Geoffrey Mukala wrote to LM Engineering to provide a quote to carry out works on Miteta road without going through any form of tender process. The quote for K30 million was submitted on 6th November 2001. On 19th May 2003, 18 months after the quote, a letter from the Provincial Roads Engineer (PRE) copperbelt wrote the Permanent Secretary requesting for the payment of K30 million to Messrs LM Engineering Ltd under very questionable circumstances from the 2003 HIPC releases. This was followed up by another letter from PRE on 4th

June 2003 indicating that the works undertaken were satisfactory. There was no clear certification.

- ii) A contract of K140 million for maintenance works of Mpongwe – Shingwa Road and Mpongwe – Chowa roads was to Mitondo Contractors a firm in which the then District Secretary for Mpongwe District Council, Mr G Namulambe had interests. Mr G Namulambe is currently the Permanent Secretary of North Western Province.
- iii) A contract to Vivid Enterprises for works on St Joseph road in Kalulushi District was highly suspicious. The firm Vivid Enterprises is operated by a Mr Sinkamba, the husband to the Provincial procurement officer. A check through the Tender Committee minutes which meeting was the basis for the contract award did not reveal that Mrs Sinkamba declared interest in this matter. A letter from Director Engineering Services Kalulushi dated 12th October 2001 to Vivid Enterprises indicates concern at the poor progress on the works.

2.4 Ndola District Health Management Team

The District Board received a total of **K44.0 million** during 2001 and 2002 for improvement of infrastructures in various rural health centers.

Projects

The board undertook to rehabilitate 5 Nurses housing units in Twapia compound. The project was undertaken by Bobbys Enterprises at a total cost of **K11, 135,000**.

The other project was for the construction of 3 placenta pits in three clinics.

This was done by **Chimpepengwe General Contractors** at a total cost of **K18, 351,250**. The same constructor also did the Septic tank at Chipulukusu clinic at a cost of **K3, 657,960**.

Observations:

It was observed that the job done by Chimpepengwe General Construction was not of good quality. Non genuine (forged) quotations were used together with the one for Chimpepengwe. Further investigations revealed that Chimpepengwe General Contractor was the one who was using other people's company's documents without their knowledge or consent to support his company's bid documents. Unfortunately the project committee could not detect this at the time of approval although the figures and the handwriting on documents were obviously suspicious.

Recommendations:

The Project Committee should ensure that they are alert in future and detect these anomalies.

2.5 Mpongwe High School

Mpongwe High School received a total of **ZMK220 million** on 6th January 2003 for the improvement of school infrastructure. The school deposited this money in a HIPC interest earning account. As at 30th August 2003 interest earned totaled K4, 015,143. This translates to about a return of 2.75% over the eight months period.

The Team found that there were no bank reconciliations being done as the Bursar of the school was not familiar with it. However all other records were kept properly together with their payment vouchers.

Project

The school undertook to construct 4 teachers' houses. The Contracts for labour were awarded to Mpongwe Buildings Supplies and Contractors for two houses and Jayrex Contractors for the other two houses. All materials were to be bought by the school. At the time of our visit, the projects were not completed yet.

Observations:

The contracts awarded to the two companies did not specify the rate at which they will be paid for their labour.

Further investigations also revealed that the owners or relatives of the owners of these companies were part of the Project Committee that approved the awarding of the contracts. At the time of awarding the contracts the people connected to these companies did not declare any interest. The interest earned on the deposit is unreasonably low compared to the prevailing market rates.

Recommendation:

The awarding of contracts to companies whose owners are members of the approving project committee is a pure case of "insider dealing".

2.6 Chati High School**Funding**

Chati High School received an allocation of **K205, 356,688** in October 2002. The funds were directed towards the construction of 5 staff houses.

Records

The cashbook and Bank statements were well maintained.

Accountability

- (i) Almost all payments were not properly supported. Either there were no invoices attached or wrong invoices were attached. The blame was being heaped on the senior internal Auditors office in Ndola who had taken the file for audit at the instigation of the District Administrator of Kalulushi.
- (ii) We came across some substantial purchases of burnt bricks from places as far as Masaiti.

| <u>Date</u> | <u>Payee</u> | <u>Cheque No.</u> | <u>Amount</u> |
|-------------|----------------------------------|-------------------|---------------|
| 09/11/02 | Rest Haven Lodge (8000 bricks) | 122 | K 9 million |
| 11/11/02 | Chimusi D & C (10,000 bricks) | 123 | K 12 million |
| 15/11/02 | Panadza (Transportation 2 trips) | 133 | K 4.4 million |
| 23/01/03 | Panadza (Transportation trip) | 162 | K 2.0 million |

We feel it would have been a better economic consideration to procure these bricks from Zambia Clay Industries, which was within the District and bakes high quality bricks at very competitive prices.

- (iii) Further there were a number of cash withdrawals in individuals' names without supporting retirement documents.

| <u>Date</u> | <u>Payee</u> | <u>Purpose</u> | <u>Cheq No.</u> | <u>Amount</u> |
|-------------|---------------|----------------|-----------------|---------------|
| 01/10/02 | Chiwele T.C | Transportation | 102 | 5,000,000 |
| 10/01/03 | Chiwele T.C | Burnt bricks | 159 | 2,000,000 |
| 20/01/03 | B.M Chipasha | Burnt bricks | 160 | 3,000,000 |
| 30/01/03 | Chiwele T.C | Burnt bricks | 165 | 2,400,000 |
| 10/02/03 | B.M. Chipasha | Burnt bricks | 167 | 2,400,000 |

Chiwele T.C is a staff member of the school and BM Chipasha is Treasurer of the Project Management Committee.

Such huge cash withdrawals could be tempting and abuse cannot be ruled out.

- (iv) For whatever reasons given we found it rather queer that works to build 5 houses could be awarded to 5 different contractors. In such circumstances there are high chances of picking on some incompetent contractors. This is evidenced by the fact that while some contractors had completed the houses others were still struggling. It is most likely that HIPC funds were applied uneconomically in this respect.

There is need to carry out a thorough review of the composition and operations of the project management committee and take appropriate action.

2.7 Chingola School for Continuing Education

The school received **K65.0 million** on the 29th of October 2001. These funds were paid to F S Musonda Trading for the supply of the following: -

| <u>Item</u> | <u>Quantity</u> | <u>Amount</u> |
|-------------------|-----------------|--------------------------|
| Computers | 05 | 30,000,000 |
| Four plate Stoves | 03 | 7,500,000 |
| Sewing Machines | 05 | 7,500,000 |
| School Desks | 100 | 15,000,000 |
| Fridges | 02 | <u>5,000,000</u> |
| Total | | <u>65,000,000</u> |

At the time of our visit, it was found that 2 of the 5 computers bought were dysfunctional and there was no guarantee. It was also found that the desks supplied were of poor quality.

Further enquiry into the procedure used to purchase these items revealed that a committee was set up to source for these school requirements.

Apparently Mr. F S Musonda the owner of F S Musonda Trading was a committee member which approved the acquisition of these items from his company without getting any comparative prices from anywhere else.

2.8 Copperbelt University

Funding

The Copperbelt University received **K 500 million** for rehabilitation of campus premises. The project had to be undertaken in phases due to large scale of works, starting with the most dilapidated buildings. Phase 1 identified the ablution blocks in the student hostels section as the most dilapidated.

The University instead of tendering for a contract for these works, decided to engage the Built Environment (under the Institute of Consultancy and Applied Research - ICARO) to undertake consultancy work involving these rehabilitation works. It must be stated here that the consultants were full time University staff.

The consultants carried out technical surveys of what was to be repaired, replaced and general refurbishments under phase 1 of the rehabilitation.

Findings:

1) Payments to consultants

The consultants in their memorandum dated 12th December 2002 to the Registrar of the University decided firstly to base their fees not on the amount received from HIPC (i.e. K500 million) but on the contract sum of K819, 541,011. Secondly, instead of using 5% allowable as administration costs under HIPC, the consultants levied **10%** which worked out to be **K81, 954,101**. These payments which totaled to **K36,685,648** at the date of audit are questionable since all those involved are University staff who undertook the consultancy during official working hours and were at the same time being remunerated by the University. The schedule of disbursements for the consultants was as follows;

- (a) Pre-feasibility Stage - 15%
- (b) Feasibility Stage - 15%
- (c) Production Stage - 20%
- (d) Tender Evaluation - 10%
- (e) Supervision Stage - 40%

The payments were made to the following people;

(a) First Payments based on K500 million HIPC Funds

| NAME | CHQ NO. | AMOUNT ZMK |
|-----------------------------------|---------|--------------|
| Mr. B Diama (Architect) | 00611 | 550,000.00 |
| Mr. S Simushi (Quantity Surveyor) | 00610 | 3,200,000.00 |
| Mr. Mhango (Electrical) | 00609 | 550,000.00 |
| Mr. J K Mwanza (Roads) | 00608 | 550,000.00 |
| Mr. C H Longwe (Structural) | 00607 | 550,000.00 |
| Mr. D Banda (Water) | 00606 | 550,000.00 |
| Mr. B C Mabo (Architect) | 00605 | 2,650,000.00 |
| Mr. M Chimuka (Quantity Surveyor) | 00604 | 1,650,000.00 |
| Mr. J Chisulo | 00100 | 1,200,000.00 |
| Ms E Mwenda | 00099 | 500,000.00 |

| | | |
|---------------|-------|----------------------|
| 4No. Students | 00613 | 450,000.00 |
| TOTAL | | 12,500,000.00 |

The above payments were made net of tax. The tax liability of ZMK5, 357142.86 is to be borne by the HIPC funds and see comment under note 4 below. The payments above were in respect of pre-feasibility stage, feasibility stage and production stage.

The payments to the students were not specific. It is not known which students benefited since a cheque was raised in the name of Peter Tembo an official at the University. We were not availed any documentation to indicate that the students actually obtained the money. What was puzzling was that despite the limited resources the consultants engaged two architects, two quantity surveyors and even more baffling was the engagement of a roads consultant for ablution block rehabilitation.

As indicated in Appendix 11 students were paid **K780, 000.00** which was released under cheque number 00615 for facilitating the tender process. All amounts were signed for by the students concerned.

(b) Additional Payments based on Contract sum

| NAME | CHQ NO. | AMOUNT ZMK |
|-----------------------------------|---------|---------------------|
| M. B Dioma (Architect) | | 399,426.00 |
| Mr. S Simushi (Quantity Surveyor) | 00632 | 3,463,168.00 |
| Mr. Mhango (Electrical) | 00625 | 399,426.00 |
| Mr. J K Mwanza (Roads) | 00624 | 399,426.00 |
| Mr. C H Longwe (Structural) | 00623 | 399,426.00 |
| M. D Banda (Water) | 00635 | 399,426.00 |
| Mr. B C Mabo (Architect) | 00617 | 3,063,742.00 |
| Mr. M Chimuka (Quantity Surveyor) | 00622 | 1,082,185.00 |
| TOTAL | | 9,606,225.00 |

The additional payments included honorary payments to the following;

| NAME | CHQ NO. | AMOUNT ZMK |
|---------------|---------|---------------------|
| Mr. J Chisulo | | 525,000.00 |
| Ms E Mwenda | 00619 | 490,000.00 |
| Mr. M Zimba | 00629 | 105,000.00 |
| Mr. R Mwamba | 00628 | 70,000.00 |
| TOTAL | | 1,190,000.00 |

It is not known why the honorary payments were made and what these staff members contributed to the rehabilitation works.

(c) Payments for supervision

| NAME | CHQ NO. | AMOUNT ZMK |
|-----------------------------------|----------------|----------------------|
| Mr. B C Mabo (Architect) | 00637 | 1,450,000.00 |
| Mr. S Simushi (Quantity Surveyor) | 00636 | 399,426.00 |
| Mr. B C Mabo (Architect) | 00643 | 5,000,000.00 |
| Mr. S Simushi (Quantity Surveyor) | 00644 | 5,000,000.00 |
| TOTAL | | 11,849,426.00 |

We further observed that performance of the consultants under supervision was not satisfactory. This is evidenced by the following;

- i) Delays in the completion of the contract which the consultants attributed to the following;
 - Non availability of specified and recommended plumbing materials
 - Structural faults not apparent earlier at the time of technical surveys. When the contractor moved on site and opened up the cracks, it was in several instances discovered that the walls needed to be demolished and rebuild B Block, H Block, and A Block.
 - Slow progress by contractor in in carrying out their work.
- ii) The contract sum had to be increased by 6.8% due to increased scope of work.
- iii) Some items included in the contract were not carried out due to increased costs. These were mainly the boilers and geysers.

2) VAT Payments

The University made payments of **K782, 795,781** to the contractor and the consultants during this phase of the rehabilitation works. We noted that the University has not claimed back the VAT due to it amounting approximately to K100, 827,968. We further noted that the University does not submit VAT returns.

3) Advance payment recoveries

On 26th October 2002, the contractor **Messrs EMSWORTH INVESTMENTS LIMITED** applied for an advance payment of **K 163,908,202** on condition that the recovery would be completed in the first and second certification. This was not effected as the fourth certificate still shows that the advance payment is still at 85% recovery.

4) **Personal Tax Obligations**

In their memorandum to the Vice Chancellor, the consultants indicated that 50% of the consultancy fees will cover running costs and all tax obligations. We feel that this was irregular as the consultants were shifting their own tax obligations in this matter to HIPC funds thereby reducing the available project funds.

Banking arrangements

The University did not open a separate account for the HIPC monies. Although the funds were commingled in the University Capital account, the operations of the account were satisfactory as most information was recorded in the cashbook and could be traced as being HIPC expenditure. The University also prudently invested the HIPC funds and **earned interest** amounting to **K23, 330,273**.

- 1) We question the wisdom of the consultants who are permanent and pensionable University staff who in the first place awarded themselves the consultancy contract without any form of competitive tender and secondly undertook this assignment during their official hours for which they were also paid salaries.
- 2) All monies paid out on this consultancy should be paid back to the University or alternatively this money be paid to ICARO.
- 3) Otherwise law enforcement agencies should investigate further this alleged abuse of authority.
- 4) The University should ensure that it submits VAT returns and claims back input VAT. Alternatively, the University should register with Ministry of Finance for VAT exemption.
- 5) All advance payments should be recovered as stated in the contract or as negotiated between the parties to the contract.
- 6) All tax obligations due under this contract must be borne by the individual consultants.

2.8 Luanshya School for Continuing Education

Funding

The school received a direct funding of **K84 million** in November 2001. The DEO's office was not aware about this funding and expressed concern that in such situations it was difficult for them to monitor projects being undertaken in the District.

The funds were applied towards setting up a computer lab, buying computers, sewing machines and desks.

Records

The records were not properly maintained. There was no cashbook in place.

Accountability

- (i) In some instances there were no invoices to support the payments being made. We list some of these below;-

| <u>Date</u> | <u>Payee</u> | <u>Cheque No.</u> | <u>Amount</u> |
|-------------|--------------|-------------------|---------------|
| 19/11/01 | G. Bwalya | 3 | 5,000,000 |
| 23/11/01 | G. Bwalya | 7 | 11,000,000 |
| 13/11/03 | Banda AC | | 5,170,000 |
| 23/11/01 | Simbeye C | | 1,500,000 |

G. Bwalya is an employee of the school and should have made an effort to retire the funds. There were no cheque numbers indicated on the payment vouchers for Banda AC and Simbeye C.

- (ii) The highest outlay was a payment of **K60, 000,000 to Chinyangasha General Dealers for 10 computers and 5 printers**. This procurement was not subject to provincial tender procedures but was merely agreed upon by the Principal and the board. Even then there are no minutes in place to affirm the meeting between the principal and the board.

In the absence of transparency over the procurement process, there is a possibility that the school may not have gotten good value for assets acquired. At the time of our visit 2 of the computers were not working. They were said to have broken down barely 3 months after installation. There was no evidence of guarantee from the supplier.

Banking

HIPC funds were combined with normal government grants contrary to HIPC regulations.

3.0 Part I: TECHNICAL EVALUATIONS AND ANALYSES

3.1 Meetings

Introduction

The Copperbelt Province tracking and monitoring commenced on the 23rd September 2003, with a call on the provincial administration – office of the Deputy Minister of the province.

However the Team could not meet the Deputy Minister and his Permanent Secretary as both were engaged with His Honour the Vice-President, Dr. Nevers Mumba who was touring the Copperbelt Province at the time.

The Deputy Permanent Secretary, Mr. M. Mulonda however was assigned to welcome the Team to the province and through him a meeting with all Heads of Government Departments was arranged.

Prior to the visit to the province, the Team through the Accountant General's office sent its programme for tracking and monitoring to the Provincial Permanent Secretary and indeed through the same communication the Team requested for specific information to be made available from the Provincial and District Heads of Government Departments and also to facilitate meetings with the same heads of departments.

3.1.1 Meeting with Provincial Heads of Government Departments

In attendance were some Heads of Departments or their representatives.

The Team leader briefly informed the meeting of the Team's mission in the province which was basically to carry out audits and physically inspect the HIPC funded projects.

Furthermore, and more importantly, the Team shared with every one else in the meeting the core issues at hand relating to the management of the HIPC funded projects given the Team's experiences from the tracking and monitoring of projects.

The core issues at hand, being; Project Identification, Project costing, Procurement, Project Supervision, Certification of Works and Payments.

The greater part of the meeting was the presentations made by each Head of Government Department or representative, outlining their experiences and problems encountered in the management of the HIPC funded projects and programmes and also to make recommendations for better performance.

3.1.2 Roads Department

The Provincial Road Engineer (PRE) reported in the meeting that he was a new person in the Department as he had just been transferred to the province in December 2002.

He however told the meeting that he could not give details of the feeder roads undertaken since 2001 as the Anti-corruption Commission Regional Office in Kitwe had collected all the files pertaining to the HIPC funded feeder roads for investigations.

3.1.3 Water Affairs Department

The Provincial Water Engineer (PWE) told the meeting that she was also a new person in the province as she had just taken up the office in March 2003.

She told the meeting that there were two dams which were build and completed: The Kalumbwa Dam in Lufwanyama done by AMC of Mufulira and the Chilesi Dam in Masaiti done by GOMES Haulage of Ndola.

She further informed the meeting that this year (2003) the Ministry of water and Energy headquarters in Lusaka was making arrangement to transfer about ZMK400 million.

However the PWE raised the following issues:

- There were problems of how to incorporate supervision costs into projects as HIPC guidelines did not provide for supervision costs but was aware that 5% was being worked out by government for the same.
- The disbursements of funds from Lusaka took long.
- The department needed to undertake ground water exploration but had no suitable laboratory equipment to ascertain the citing of boreholes.
- Rehabilitation of Dams required first and foremost a survey to be carried out. This is one point which is hampered by lack of equipment.

3.1.4 Education

The Provincial Educational Officer (PEO) was represented by a junior officer who told the meeting that he was not in a position to give any information and let alone share the PEO's experiences in managing HIPC funds.

3.1.5 Health

The Provincial Health Officer (PHO) and most of his staff had gone to Lusaka for some meeting and the representative present in the meeting could not provide any information regarding the utilisation of HIPC funds received in the province.

3.1.6 Prisons

The representative of the regional commander for the Copperbelt informed the meeting that the Department accessed funds from its headquarters in Kabwe but that the regional commander's office sourced the suppliers from the province.

That, three (4) boreholes had been sunk in:

- Ndola,
- Luanshya,
- Chingola and
- Mufurila respectively at a total cost of ZMK310 million.

However he bemoaned that the electric pots were not yet installed since their delivery from Kabwe to the Kansenshi State Prison.

3.1.7 Zambia Police

The Provincial representative of the Copperbelt Police Command informed the meeting that the management of the HIPC funded projects were centralised in Lusaka at the Police Headquarters.

HIPC funds were used to drill boreholes throughout the province.

He cited boreholes drilled in Ndola as :

- one (1) in Chifubu camp,
- two(2) in Kansenshi,
- two (2) in Peter Singogo camp,
- one(1) in Masala,
- One at Rayton, although not yet completed - not electrified

He lamented that the 6000 litre capacity Tanks were not adequate given a population of 200 houses in Kansenshi for instance.

Further, he reported that the contractor; Drill Africa were fully paid by the Police Headquarters in Lusaka and that he was not so sure how many boreholes were done.

The provincial commanding Office merely processed the papers, and the PWE engineer certified the works, some police communities were not happy with the performance of some boreholes.

3.1.8 Provincial Accounting Office (PACO)

The Chief Accountant was present in the meeting and gave an update of the flow of the HIPC funds and their re-disbursements to the projects in the province.

He reported that in 2001 which he said was an election year the province through his office received ZMK2 billion for feeder roads rehabilitation and the same funds were received late towards the end of the year and beginning of rainy season.

PACO's office only participated in the management process of HIPC resources through paper work only during 2001

According to the Chief Accountant, the Tender Procedures were cumbersome and that there was need to revise them so as to quicken the process and increase the thresholds for approval from district through the province to the national level.

Further, he said a lot of roads were ambitiously picked for rehabilitation just for Political expediency but with little money at hand .This led to some roads not having been done.

An overrun of ZMK400 million was therefore made on the K2 billion the province received which by 2003 of September had been cleared.

In 2002 the province further received ZMK 2 billion for feeder roads rehabilitation and because of the over spill from 2001 i.e. the unpaid contracts, the number of roads were reduced and the quality of works were compromised.

During this time the Provincial Permanent Secretary appointed an independent team to physically be inspecting projects.

It was also disclosed to the meeting that the Bee-Keeping Project had its allocation diverted to pay contractors out of the spill over of 2001.The Department of environment only utilised 38.2 % of that fund.

This denied the golden chance for the honey industry in the province to flourish as it had more potential to generate income for the bee-keepers in most rural areas.

In closing his presentation the Chief Accountant told the meeting that his office had all the information the Team would wish to access.

He appealed for early release of funds for feeder road rehabilitation to enhance smooth implementation.

The Team leader in closing the meeting cautioned the HODs or their representatives to once more acquaint themselves with the HIPC guidelines to avoid mismanagement of the HIPC resources meant for the poverty reduction and that the issues raised of late release of funds, supervision costs, variations of contracts, tender procedures, arrears on HIPC funded projects etc were certainly going to be reflected in the report.

3.1.9 Meeting with Provincial Land Resettlement Officer

The Provincial land Resettlement Officer was not present in the meeting and the Team visited him in his office to get an overview of how the Department had featured in the land resettlement projects under HIPC funds.

He gave the sectors which his department had earmarked for poverty reduction in the resettlement areas occupied by retirees, retrenchedes and other rural residents earning a living through mainly subsistence agricultural farming. The sectors earmarked were as follows :-

- Feeder roads
- Schools
- Water supply
- Health

He informed the Team that in 2002 the department received ZMK 150 million and concentrated on feeder roads in the Lukanga North Resettlement in Mpongwe District.

About 20-30 km of the road was graded in the rainy season.

Six (6) concrete culverts which were constructed on the Lukanga North Feeder road before the grading of the road was done.

It was further stated that the grader and vehicles from the Roads Department were used to execute the road rehabilitation and transport the concrete culverts. Fuel was provided for use of the Grader and vehicles owned by Roads Department.

For other roads in Kafubu Resettlement area, graders from the Roads Department were also used and bulldozers from Zambia National Service with the same fuel were used.

Drill Africa were contracted to do four (4) boreholes in Kambilombilo Resettlement Area, in Lufwanyama District and the works were completed and certified by Water Affairs Department Engineers.

There are stocks of materials like cement and concrete culverts held in stores which were intended to do a further 30kms in Lukanga North Resettlement Area but due to the increase in fuel prices this became expensive and was not done.

It was lamented however that the HIPC funds (ZMK150 million) were received late and released funds fell short of the budgeted (ZMK300 million).

The focus for 2003 was to get four (4) boreholes drilled in Masaiti at a cost of K250 million and rehabilitate the 'UNIP' road.

The biggest problem the settlers in Kambilombilo were facing was that Dar Farms had bought some portions of land next to the resettlement and had blocked off the access to the school and clinic as these were inside their land.

Almost 800 people are affected by this problem and are more than willing to contribute their labour in the development of the social infrastructure in their resettlement area.

3.1.9.1 Meeting with the Provincial Education Officer (PEO)

The PEO did not attend the meeting the Team had with HODs of Government. We met him at his office to get the overall provincial picture on the utilisation of HIPC funds meant for:

- School desks
- Rehabilitation of classroom blocks for middle and basic schools including water and sanitation articulation
- Building of teachers houses
- Rehabilitation of higher education institutions including secondary schools, and colleges
- School requisites including, mattresses, text books, note books, pens, pencils, chalk etc

The PEO was happy to state that the progress was good so far and gave an example of the rehabilitation of the Copperbelt Secondary School Teachers' College as a big achievement as without the HIPC funds the institution was almost being condemned for closure due to the dilapidated status especially of the Mansion hostel which was almost collapsing.

He explained that there were two methods of funding for education and these were:

- a. Direct funding to institutions for specific use like rehabilitation of classroom blocks
- b. Indirect funding to institutions through his office for books, desks, mattresses, etc

He also disclosed that some HIPC funds were apportioned among schools for administering practical examinations and this he said was done according to the sizes and nature of the examinations.

3.1.9.2 Problems encountered in managing HIPC funds

- There was no information to his office or District Administrators(DAs) or even District Education Officers (DEOs) on funds sent from the Ministry Headquarters in Lusaka directly to institutions in the province
- Expenditure to the same institutions therefore could not be monitored although emphasis on the utilisation was on community involvement through project committees set up by the Ministry of Education Headquarters issued guidelines
- Some districts still had disagreements over the utilisation of funds and therefore delays in the implementation of projects
- That there were no provision for absorption of supervision costs in the HIPC guidelines before but now that there is the 5 % ,the PEO wanted also to have a share of the same to enable his office to monitor the implementation of projects

Recommendations:

- Funding out of the HIPC initiative should go straight to institutions
- There should be timely releases of funds from the Ministry of Finance and National Planning Headquarters in Lusaka as delays caused some projects not to be completed in good time.
- There should be adequate funding i.e. budgeted amounts should be released in full otherwise inadequate funding leads to the spreading of the resources too thinly.
- Setting of priorities and prescription for funding utilisation should involve the local communities together with the managers of the institutions
- The Copperbelt Province was the first to pilot school management boards and therefore funds for sensitizing the stakeholders should be made available for thorough understanding of the HIPC guidelines.

3.2 DISTRICT FIELD INSPECTIONS

3.2.1 NDOLA DISTRICT

3.2.1.1 Chifubu High School Board

The Team visited the school and met with the Deputy Head Teacher Mr. Kapenda who said that the school had received ZMK 17 million for requisites.

The school bought;

- A four plate cooker for the home economics
- Various text-books
- Chemicals for the science laboratory

The school had also received 10 double desks from the PEO's office.

As the Head Teacher and the procurement were away the Team could not verify the records but inspected the four plate cooker in the home economics class and also the desks received.

Impact:

The few text books procured had improved the stock of text books in each department of the school and indeed the chemicals for the science laboratory had given an opportunity to the students to practically appreciate the physical properties of the chemicals other than just the theoretical teaching.

The desks also had gone a long way in improving the sitting capacity for students in the classrooms which did not have enough desks.

The Team was informed there were plans to access the HIPC funds to improve on the home economics class room structure and also the procurement of:

- Sewing machine
- Refrigerators
- Kitchenware like pots and crockery.

Recommendation:

The school should be encouraged to access the HIPC funds to improve on its Mother craft and Home Management and Cookery subjects as these are life skills which can enable the students to engage in some income generating activities like food production – baking and cooking and thereby creating employment and altogether alleviate poverty.

3.2.1.2 Dzikomo Basic School

The Team visited the school which is located in Itawa Township near to the Ndola Airport and found the Head Teacher and his Deputy away.

However two teachers who were part of the projects committee were at hand to assist with the physical inspections.

The school, the Team heard was built in 1972 caters for both boys and girls and has about one thousand pupils with grades one up to nine.

In 2001 the school had received ZMK 9.478 million for the rehabilitation of the ablution blocks and formed a projects committee represented by all stakeholders as per guidelines from the Ministry of Education Headquarters in Lusaka.

The Team heard that the PEO sourced and selected the contractor, when this should have been the responsibility of the P.M.C.

The school had also received some requisites like text books, exercise books, chalk, erasers, pencils etc

Upon inspection the Team found that the staff and pupil toilets were rehabilitated and the works involved:

- Mounting hand basins
- Mounting toilet cisterns
- Painting
- Plumbing by way of putting new water pipes
- Fitting new mirrors

Observations:

1. The staff toilets were well done
2. The boys' ablution block had no hand basins fitted –all the ten hand basins were fitted in the girls ablution block
3. The girls' ablution block had water leakages from the new pipes fitted to the hand basins
4. Most of the toilet bowls in both the boys and girls ablution blocks were not flushing including the newly mounted
5. In the boys toilets maggots were found despite the school having a lot of water.
6. Generally speaking the pupils' ablution blocks were filthy even though the school had employed a sanitary worker.

Recommendations:

1. The Team recommends strongly that the Head Teacher takes the lead to ensure that the broken pipes which were done out of HIPC funds be fitted tightly to stop the leakages in the toilet areas
2. That the contractor is recalled to re-do the toilet bowls so that they can be flushing.
3. The school management takes keen interest in ensuring that the school children have hygienic conditions in the toilet areas as the school had a lot of water and had in-fact employed a sanitary worker. Otherwise there is bound to be an outbreak of diseases that may cost lives of the pupils
4. The PEO should visit the school to see for himself some shoddy works carried out

3.2.1.3. Mawilo Basic School

The Team visited the school and met with Mr. Zimba the Deputy Head Teacher who said that he was just a few month old at the school and he could not give details of how the HIPC funds in the total amount of ZMK 9.478 million were utilised.

The Head Teacher was away at the time of the visit.

Observations:

The Team observed that:

1. The school had a new coat of paint inside the classrooms and outside
2. There were new doors fitted on some classrooms and staff offices
3. Some broken window panes had been replaced
4. Burglar bars and grill doors were fitted on most windows and doors to classrooms respectively
5. The two ablution blocks were also painted

However upon asking the Deputy whether all the works were done out of HIPC funds, the Team was informed that there had been other funds used from Micro Projects Units and BESSIP.

Therefore it was difficult to determine the extent of the works done from HIPC funds.

3.2.1.4 Kansenshi High School Board

The school was visited by the Team as it had received ZMK225 million for the rehabilitation works.

The Team head that the funds were sent directly from the office of the Permanent Secretary to the school from the Ministry of Education headquarters in Lusaka.

The school had constituted a project committee involving all stakeholders and had identified the areas which needed attention and sourced and procured materials and just hired a contractor to provide the skilled labour.

The works involved:

- Replacing of a roof on the school hall
- Repairing and replacing some hand basins and pillar taps in the girls and boys ablution blocks
- Fitting of security lights around the school
- Painting of the school building – outside some parts of the inside

Observation:

Generally speaking the school management had utilised the HIPC funds very well as the works done were not only quality and good but also the quantum of works were commensurate with the funds made available to the school.

Benefits:

1. The impact of the HIPC funds were felt by the intended target recipients – the students and teachers as the rehabilitated hall was no longer leaking and students and teachers could use the same for examinations and other artistic activities like drama which are part of a rich curriculum and consequently making the pupils acquire more knowledge
2. The ablution blocks are hygienically usable as the toilet bowls can flush, the hand basins and pillar taps are all in working conditions, thereby minimising the risk of the spread of diseases.
3. The security lights mounted have made the school secured, as previously there were a lot of vandalism and burglaries.

3.2.1.5 Fatima Girls High School

The Team visited the school to check on the school materials procured using the HIPC funds (about ZMK11 million) and was met by the Head, Sister Christine Mwale and the Deputy Head.

The Team was informed and shown documentary evidence in the form of invoices and receipts about the materials bought and these were:

- School Text books
- Science laboratory chemicals
- Reading Books
- Dictionaries
- Examination Revision Papers

3.2.1.5.1. Issues over allocation of HIPC resources

The Head of the school complained that there seemed to be a bias towards government schools as opposed to missionary managed schools and that Fatima girls High School had tried at several for a with the PEO and indeed with the Permanent Secretary to see how the school could access more HIPC funds but to no avail. The teachers houses were in a deplorable state and required to be rehabilitated.

She said the same was true for other Catholic schools in particular like Ibenga Girls School and Ndola Convent High School.

She further said that the school and its staff were most of the times excluded from education seminars and workshops and gave an example of the Project management Workshop recently held in Ndola by the PEO where they were not invited.

The Team advised the Head to raise their concerns with the Permanent Secretary at the Ministry of Education and also to involve their Education Secretary at the Catholic Secretariat in Lusaka.

Recommendation:

The Ministry of Education Headquarters in Lusaka through the office of the Permanent Secretary should review the procedure for allocation of funds to the missionary managed schools and also take deliberate efforts to increase funding to areas involving infrastructure upgrading as the school pupils are Zambians who should benefit from the poverty reduction programmes under the HIPC Initiative.

3.2.1.6 Arthur Davison Hospital

The Team visited the hospital, which caters for children only and met with Dr. S. M. Phiri the Executive Director and later on Mr. Mulinda the Support Services took the Team around to physically check on the rehabilitation works carried out.

The Team was informed that there was a committee formed to specifically manage the utilisation of HIPC funds so as to promote accountability and transparency and comprised all Heads of Departments in the Hospital who had identified the areas for rehabilitation and that in most cases the hospital bought the materials and only hired labour to carry out the works.

The Executive Director informed the Team that in May of 2003 the hospital received HIPC funds amounting to ZMK 175 million instead of the budgeted figure of ZMK 250 million and that the same was put in the main account instead of opening a separate HIPC account and that the Provincial Health Officer never objected.

An amount totalling ZMK 51 556 400 was borrowed from HIPC funds and was not reimbursed. The purpose for which the funds were borrowed was established.

The Team also heard through discussions with the Executive Director that the procurement unit was involved in the sourcing of materials and also that the stocks out of HIPC funds were not clearly marked.

However, the rehabilitation works carried out of the ZMK 173 million included:

- Painting of the hospital, especially the outside and some parts of the inside at a total cost of ZMK 43 142 197 but only paid K25 million.
- Sinking of a second borehole of beyond 30 metres at the hospital at a cost of ZMK 65 921 787 9 (a submersible pump was procured by the hospital and installed by in-house maintenance staff).
- Rehabilitating of the staff nurses hostels.
- Rehabilitation of the old House on Lupili Road to be used as staff nurse accommodation.
- Rehabilitating of some X-ray equipment and incubators.
- Purchase of booster pump and installation of the same at Highland house-Doctors Residence.
- Purchase of a new PBX digital telephone system with up to 45 extension lines and installed direct lines to Directors (HODs) at a cost of ZMK 25 850 000
- Carpentry, Plumbing, and electrical fittings and roof and ceiling board consolidation(done by in-house maintenance staff)

At the time of the visit the Team heard that another ZMK 150 million had just been received by the hospital.

Observations:

1. The hospital had been budgeted for ZMK 1 billion from HIPC funds but had only received ZMK 223 million. The shortfall had led to some rehabilitation works not completed especially the painting of the inside of the hospital and the consolidation of the roof on the staff Nurses hostel and general rehabilitation
2. The painting contract was done by the PHO but not very good works were done by the contractor even though the Public Works Department was involved
3. The second borehole sunk by Drill-Tech was not working due to the failure of the pump. The pump was bought by the hospital from the Drill-Tech and installed by the Maintenance Officer. The same was certified by the Water affairs Department. Apparently no guarantee was secured.
4. The staff nurses had the ground water tank fabricated and a booster pump installed to take water up to the second floor.
5. The Doctors Residence had the overhead tank and booster pump installed and pipes laid.

6. The old house on Lupili road was housing one of the long serving staff nurse with 27 years of service at the servants quarters where conditions were not fit for human habitation. However the old main house was found being rehabilitated by the hospital maintenance staff.

Impact of the HIPC funds:

- On the average the outlook of the hospital was much better as it had not been painted for a long time –the new look gave a better feeling of being at a hospital
- The staff nurses hostel which was dilapidated was much better and the nurses were at least happy and could be retained at the hospital as now the next stage was to consolidate the leaking roof
- The rehabilitation of the newer machine has not really improved the x-ray a service as the old machines not rehabilitated perform better. However the hospital has been boosted with donations of yet some new machines from other donors and this has resulted in the efficiency in providing doctors with timely and clear x-ray pictures of the patients
- The boosting of the staff nurses hostel water system has made life easier for them as previously they had to walk out of the hospital premises to draw water for their use
- The two repaired incubators in the Gamma Ward had yet again the premature born babies with more warm facilities to sustain their growth and thereby reduce the infant mortality out of pre-mature births

- Although the booster pump and overhead tank had been installed at Highland House (Doctors Residence), which has four storeys the water pressure from Kafubu Water Company was still low.

Recommendations:

1. The use of in-house personnel in carrying out basic rehabilitation works like carpentry, plumbing, electrical repairs and fitting should be encouraged so as to economise on the financial resources.
2. The faulty submersible pump bought from Drill-Tech should be repaired so that the hospital could have the two boreholes to further boost the water articulation.
3. The permanent solution to the persistent water shortages at the Highland House-the residence for doctors, should be to sink a borehole on the same premises if water can be sited.
4. The overall management of the HIPC funded works should involve all experts at the hospital including procurement and accounting staff
5. The hospital management should take keen interest in participating in the provincial tendering process involving their planned works which are above their institutional threshold.
6. Hospital management should stop using HIPC funds for purposes other than those prescribed under the guidelines. For instance the procurement of telephone systems.

3.2.1.7 Ndola Central Hospital Board of Management

The Team commenced the visit to the hospital by having a meeting with the Deputy Executive Director, Dr. Chilengwe, and the Acting Maintenance Manager, Mr. Chileshe and the Stores and Purchasing officer.

The Team was informed that the hospital had received ZMK 150 million in 2002 out of the budgeted figure of ZMK 250 million.

Management had organised all the stakeholders in the hospital into committees which prioritised, ranked and costed the rehabilitation interventions required to uplift the dilapidated infrastructure.

A tender committee was also put in place and so was the monitoring committee.

The thrust of the works were basically:

- Water and sanitation

- Rehabilitation of some wards
- Rehabilitation of the access road at the rear of the hospital
- Plumbing, carpentry and electrical fitting repairs
- Rehabilitation of some Laundry machines and equipment

The major works were sourced out through the Provincial Tender Committee.

However the Team heard that there were some problems faced in the accessing and utilisation of the funds and these were:

- Inadequate funding
- Shoddy works being certified by government officers
- Overrun on the received funds causing arrears on some works
- Contractors not having working capital to continuously carry out works and hence delays in completion
- Contractors literally being supervised by the hospital maintenance staff

Observations:

Upon inspecting the works the Team observed the following:

1. **Two boreholes had been sunk**; one at the School of Nursing and Midwifery-which was not yet in operation but had its water tested and certified fit for use. A 5000 litre tank was mounted and pipes already fitted together with the pump and switches.

Another borehole was sunk near to the staff nurse hostels but was not yet operation as it needed to be cleaned first then only could the other materials like pipes ,fabrication of tank stands be procured but that the hospital had some old overhead tanks which were going to be used.

2. **In the Laundry room** the Team found a rehabilitated roller iron used for pressing linen .The machine was 30 years old and it was the only one now working. The other pressers were awaiting attention, as there were not enough financial resources. The only washing machine of 80 kg capacity was also being overworked

3. **The Boiler** was found to be in good working condition and the team was informed that this was fairly new and it was just five years old.

4. **Inside the hospital** three wards were rehabilitated with

- Some new hand basin taps replaced,
- Broken window panes replaced,
- Some toilet cisterns replaced, and window latches fixed.
- Floors tiles were in three wards were being replaced
- Some beds and side patient cupboards were painted

However the Team heard that the lighting fittings, floor tiles and the painting of the inside of the three wards and beds and side cupboards were done by the hospital maintenance team and the works were better than those done by the contractor.

Furthermore the contractor-HADDFAY was selected by the Provincial Tender Committee and the hospital management did not participate in the tender process and altogether did not have a copy of the Bills of Quantities to guide them over the supervision of works. Most of the carpentry and plumbing works were not up to the standard, the Team observed that some were not just completed e.g. some broken ceramic tiles in bathrooms were not replaced and old cisterns were being fixed with old parts. The Team heard that the contractor was operating below standard and hence was recommended for termination by the Task force committee.

5. **Pump House**-The Team found a new water pump bought and installed out of HIPC funds. It cost ZMK 14 million but that it required a starter to boost water. The pump house operated on a 24 hour basis and had ground water reservoirs from which water was pumped to the tanks mounted on top of the hospital. The pump house also houses the standby generator for supplying electricity to strategic wards in case of power failure from the ZESCO lines.

6. **Pharmacy**- Coolers were fitted to help in storing Anti-Retroviral (ARV) drugs for HIV/AIDS patients. Cooler temperatures prolong the life of the drugs. Shelves were also fitted and the room painted using HIPC funds.

7. **Kitchen** – In this area the Team found that the benches and the industrial food warmers were painted and one cold room was rehabilitated by Drake & Gorham.

8. **Hospital Roof** – The Team found evidence of leakages in the kitchen areas ,out patient department, and some wards and that during the rainy season the leakages were a big problem as the bitumen cracks in hot season.

9. **Roof mounted water tanks**- The Team found that one tank on top of the hospital roof was rehabilitated –painted inside and outside and sealed.

Impact of HIPC funded Projects:

- With the sinking of an additional borehole, installation of a bigger water pump, and the rehabilitation of the water tank on top of the hospital roof, the water supply has improved thereby enhancing the hygienic conditions of the patients and members of staff.

- The rehabilitation of the infrastructure through painting, plumbing, carpentry works and electrical fittings has generally improved the outlook of the hospital except of course in some areas where the contractor did some shoddy works.
- The installation of coolers in the pharmacy for the storage of ARVs for HIV/AIDS patients is certainly helping in making the drugs easily available and going a long way in prolonging lives of Aids patients as it were.
- The rehabilitated roller iron for pressing in the laundry has increased the hygienic drying of the hospital linen and has led to patients having clean linen continuously.
- The Cold room rehabilitated in the main Kitchen has led to the hygienic storage of fresh foods.

3.2.1.8 Meeting with Ndola District Health Management Board

The Team met with Dr. Lembalemba the Executive Director of the Ndola District Health Management Board offices situated in Kanini area and his accounting officer Mr .Katebe.

The Team was told, the Board has 18 clinics catering for about 400,000 people and only 5 ambulances.

The Team was informed that since 2001 the district had received ZMK 44 million and further in 2003 another ZMK 10 million had just been received in the month of October against the expected amount of ZMK 180 million, among other things, for the construction of an ablution block.

However the Executive Director bemoaned that the funds were not adequate and never were predictive in the flows and this made the planning for them very difficult.

The Team learnt that experts from the buildings department were not consulted in the works which were carried out at the clinics which had benefited from the HIPC funds and further more the district management board sourced and awarded contracts for the construction works.

3.2.1.9 Chifubu Clinic

The Team, after meeting with the District Health Management Board proceeded to visit some Ndola urban clinics which had utilized the HIPC funds.

At Chifubu Clinic, the Team inspected the placenta pit which was constructed together with the structure- the building and a roof and the same is situated at the back of the clinic.

The placenta pits are used for disposing off placentas from the maternity ward.

Sister Kalinso explained to the Team that bio-degradable chemicals were put in the pits and lime added to kill the bad smell from the decomposition of placentas.

The Team also heard that previously the placentas used to be incinerated and this caused pollution in the neighbourhood as the clinic is in the middle of the houses in Chifubu Township.

Benefits:

The clinic has had an improved method of disposing off through the placenta pit constructed as opposed to the burning of the placentas.

Recommendation:

The Team however recommends that placenta pit needed a well ventilated structure to get the carbon dioxide from the decomposing placenta to easily escape in the air and furthermore there should be continuous availability of bio-degradable chemicals which accelerate the decomposition with out much smell.

3.2.1.10 Masala Clinic

The Team also extended its visit to Masala clinic to check on the construction of the placenta pits. The Team found a similar structure like that at Chifubu clinic, built with a deep pit.

The Team was informed by the Senior Midwifery Sister Chembo that they supervised the disposal of the placenta and indeed the cleaning.

She further said the Environment Health Technologist administered the mixing and use of chemicals meant for the placenta pit.

Basically, the benefits of the placenta pits are the same as those outlined above at Chifubu Clinic.

3.2.1.11 Ndola Central Hospital Board Access Road

The Access road to the Nursing Training School was contracted to GM International at a contract sum of approximately K62m. The scope of works comprised rehabilitation of a 100m stretch of bituminous surface and patching of pot holes on the ring road within the Central hospital.

The works on roads were satisfactorily done except that potholes have appeared next to those that were patched by the contractor.

After patching the pot holes, the contractor was to do a single surface in order to protect them. But this was not done due to insufficient funds.

Impact:

The hospital access road has made it easier for vehicles to access the staff nurses hostels and the midwifery and school of nursing schools thereby increasing the mobility of both pedestrians and vehicles.

3.2.1.12 Minsundu Dairy Farms Road

This feeder road was done on force account (in house) by the Roads Department through the Provincial Roads Engineer for the province. The scope of works included light and heavy grading and the work was satisfactorily carried out and covered a stretch of 25km.

The road passes through the Minsundu dairy farming area which supplies dairy products to Ndola district.

On the same road one 600mm ring culvert was constructed by the roads department.

Observations:

1. The feeder road was found in a fairly good condition.
2. The culvert was not appropriately done as more than one culvert was required and also the stone pitching was not up to standard as in case of a lot of water the flow would not easily go through one ring culvert and may end up overflowing over the road.
3. The culvert was also raised up the road literally making a hump and this would easily expose the culvert to be in physical contact with the traffic on the road and consequently weaken and eventually get the culvert to break.

Recommendations:

The PRE should go back and re-do the culvert especially the leveling of the hump created by the culvert.

Funds permitting there should be another 600mm concrete ring culvert put to make more room for water to flow without causing a lot pressure to the side walls of the culvert.

Impact on Farming Community:

Minsundu area being a farming community has greatly benefited from the rehabilitation of the feeder road as the farmers can easily transport their

farming inputs and outputs efficiently and thereby increasing their income generating activities.

3.2.1.13 U-7 Kavu road

This feeder road was rehabilitated using HIPC funds by the PRE in 2001 and a stretch of 4.5 km was covered.

The road is located near to the Fatima High School and links up with Rural Health Centre, Police station, a basic school and an agricultural storage shed.

The works carried out involved:

- Vegetation clearing
- Light/Heavy Grading
- Opening drainage lines
- Spot re-gravelling

The Team inspected the road and found it in a fairly good condition except for some portions which needed spot re-gravelling and the clearing of the drainage lines on the sides.

Impact:

The road is a link between the farming community and other social facilities like the schools, clinic and police. It is also providing an efficient form of physical transportation of farming inputs and outputs and thereby boosting agricultural activities. This has benefited the smaller and commercial farmers who are located in the area.

3.2.1.14 Kansenshi Police Camp Boreholes.

The Team visited Kansenshi Police Camp to check on the two boreholes which were sunk and had pumps installed.

Inspector Chipasha assisted the Team in physically locating the two boreholes sunk.

One borehole was sunk by Drill Africa and is located at the senior officers mess just some few metres away from the police station and services the mess and few houses nearby. It has a capacity of 5000-6000litres.

The police camp sited the borehole.

The second borehole is located the senior staff houses compound. The water from this borehole is drawn directly from the pipe coming from the mounted tank. It has a also no connections to the existing piping system in the camp.

The camp has almost 200 houses in the old and new camp.

Observations:

1. The two boreholes and the tanks are not adequate to serve the whole police camp.
2. The Officers mess is not fully benefiting from the borehole as it takes almost three hours for the mounted water tank to get full.
3. There are only two houses benefiting from the borehole as these have just taken the initiative to connect their houses using the rubber hosepipes.
4. There has been no piping done to the other houses to reticulate water into staff houses.
5. The Kafubu water company has not enough pressure to pump water into the camp through the existing pipes.
6. Police officers and their families are therefore drawing water for all their purposes from the tap at the police station or from Kalewa Barracks and this is dangerous as the road has heavy traffic.

Recommendations:

1. The camp needs at least 4 boreholes to cater for the old and new camp.
2. 20,000 liter capacity tanks are needed and not 6000 litre capacity as is the case now.
3. The boreholes need to be connected to the existing piping system in the camp.

3.2.1.15 Peter Singogo Police Camp Boreholes

The Team went to inspect the two boreholes in Peter Singogo Police Camp and found out that one borehole near to the Ndola Remand Prison was not operational as the officer in-charge had closed it due to some vandalism to the tap by the some residents of the camp.

The other borehole was found in good working condition except that it had a broken tank and was leaking heavily when switched on.

Impact:

The water problem in Peter Singogo Police camp had been minimized with the sinking of the two boreholes and this has improved the hygienic standards in the camp.

Water from the boreholes is connected to the pipes in homes and the residents are happy even though it is rationed in intervals.

The Kafubu Water Company also supplies water to the camp complementing the boreholes.

3.2.1.16 Masala Police Camp Borehole

Upon arrival at the police camp the Team was received by the office in-charge Chief inspector E M Banda who led the Team to the location of the only borehole which is in the Senior Staff house compound a few metres from the police station.

The borehole was sunk by Drill Africa and is connected to the existing water pipes in the camp.

Masala police camp has a total of 99 houses in the main camp and 66 houses in the old camp.

The Team was informed that the borehole was working properly and was supplying water to the police station including the police cells and that the water supply was scheduled in terms of opening and closing time for households to use.

Impact:

- The police camp has some water flowing from the sunken borehole and servicing 39 junior officers' houses and 5 senior staff houses. Before the sinking of the borehole the camp experienced water problems as the Kafubu Water company had cut off water supplies for non payment of bills
- The water is also reticulating the sewer lines in the said homes and thereby improving on the sanitation.
- The inmates in the police cells have also benefited as water is flowing and can at least bath and use the water for drinking.

However the Team was informed that 66 houses have not benefited as their houses cannot receive the water from the borehole as the capacity of the tank is small.

Recommendation:

Another borehole should be sunk to cater for the 66 houses which have not benefited and the capacity for the water should be more than 6000 liter.

3.2.1.17 Chifubu Police Camp Borehole

The Team visited the camp and was received by the officer in-charge who informed the Team that there was no problem with the borehole as it was working satisfactorily.

The camp has a population of about 400 people and was sharing with 9 households of officers from the prisons department in the district.

The borehole has been connected to the old piping system in the camp including the police station and indeed the police cells.

Benefits:

The borehole has improved the water situation tremendously in the camp and both police officers and inmates in the police cells have benefited. The sewer line is also reticulated by the flow of water thereby uplifting the hygienic standards in the camp and police station.

3.2.1.18 Rayton Police Camp Borehole

Upon visiting the camp the Team interviewed the residents who showed the Team the drilled borehole but has not had the pump installed due to the non availability of electricity at the time of sinking the borehole.

The Team found that ZESCO had connected the electricity to the camp at the time of the visit.

The residents complained that they were facing serious water problems as even the water from the Kafubu Water Company was not available as most of the pipes were rotten and worse still the pressure was too low.

Almost all the time the residents go to the nearby industrial area to draw water for their household purposes but that sometimes they faced the problem of not getting a chance to draw water as they were deemed to be drawing water illegally.

Recommendation:

Now that ZESCO had supplied electricity to the camp the Division Police Command should ask the contractor to install the water pump and mount the water tank as the borehole had already been funded.

3.2.1.19 Meeting with the Copperbelt Division Prison Commander

The Team paid a courtesy call on the Copperbelt Commanding Officer for the prisons Mrs. D P Nalupya before commencing the inspections on the boreholes at the Kansenshi State Prison and Ndola Remand Prison.

The Team was informed that the borehole drilling for all the prisons in all the districts was going on quite well except for Kamfinsa Prison which did not benefit.

Furthermore the Team heard that Kansenshi State prison had also received 4 electric pots for use in preparing prisoners' meals but that the same had not been fitted due lack of space in the existing kitchen which had electrical lines ready for connection.

Mrs. Nalupya also reported that the Chondwe Prison borehole was not working as there was still no electrical power connected at the prison and so was the Chingola Prison borehole which also needed an upgrade of the power from single phase to three phases.

3.2.1.20 Kansenshi State Prison Borehole.

The Team inspected the borehole at the prison and found it not in working condition as the pump had broken down a few months after installation by Drill-Tech and the same company had been requested to repair the pump as funds had been secured. The pump had a short circuit caused by the prison warders.

The capacity of the water tank mounted was approximately 5000litres. However there was also an underground tank which was built from other funds and was located outside the prison in the vegetable garden.

The prison therefore has no water except for the female section which has two small boreholes sunk by the Catholic Church and worse still the staff houses are also completely with no water and the households trek to the nearby Kansenshi Police Camp to draw water and sometimes the prisoners are used to draw water for the households. The male prisoners also draw their water from the same source.

A visit to the prisoners' kitchen revealed that the 4 electric pots were just lying unused due to limited space, a waste of HIPC resources.

Observation:

There is an acute water shortage of water at the prison as the two small boreholes sunk by the Catholic Church are not enough to supply the whole prison and the also the staff houses.

Recommendations:

1. The prison authorities should quickly get the broken water pump repaired so as to boost the water supply in the prison and avert any out break of diseases in the prison due to the lack of water.
2. The Kitchen for the prisoners also requires extension so as to provide enough space to install the four electric pots which will go along way in making the preparation of meals faster and cheaper than firewood.

3.2.1.21 Ndola Remand Prison Borehole

During the visit to the Ndola Remand prison the Team inspected the borehole sunk in the staff compound which is located in Peter Singogo police camp.

The borehole was found to be in good working condition and the Team had the pleasure to operate it by switching on the pump and there was good pressure.

Impact:

The prisoners at the Ndola Remand Prison now have plenty of water for their use:

- Bathing
- Cooking
- Sanitation.

Previously, there used to be persistent water shortages.

The prison officers living nearby the prison have also benefited as they have water running in their homes for their households needs.

3.2.1.22 Chifubu Local Court

A visit by the Team to the Chifubu Local Court to check on the utilization of the HIPC funds was facilitated by the Clerk in-charge, Mr. E. Sambewabo.

The Team heard from the Clerk in-charge that in 2003 he was initially informed by the Provincial Local Court Officer that the court was to be rehabilitated using the HIPC funds and was further requested to identify the areas which needed attention and that the Provincial Buildings Officer also complimented by carrying out the condition survey of the court.

A Bill of Quantities (BOQ) was then prepared and the Provincial Tender Committee awarded Mr. Mumba as a contractor for the rehabilitation works.

The works included the following:

- Painting(inside and outside) the court building and Offices
- Fitting burglar bar to window and doors
- Replacing door locks
- Fitting of electrical items – sockets, switches, bulbs, circuit breakers etc
- Replacing broken window panes
- Fitting new cisterns in toilets for staff and the public

Furthermore the Team was informed that the court received ten(10) benches and a filing cabinet.

However the Clerk in-charge was categorical to state that as stakeholder they did not participate in the supervision of the works or let alone the evaluation and awarding of the contract and that the certification was done by the Public Works Engineer.

Observations:

1. The Court required new furniture (tables, shelves, filing cabinets, chairs etc) in the court building and offices as the existing pieces were old and broken.
2. The Electrical fitting, especially the circuit breakers needed to be secured with some burglar bars as they were outside the buildings and the court did not have a fence around it.
3. The case records need more than one filing cabinet as the case records were just put on shelves in the records room since the only safe had its keys lost.
4. On the whole the Team was satisfied with the works carried out.

Impact:

The rehabilitation works carried out on the Court building and offices had really improved the working environment of court officials and more importantly the parties to the court proceedings can now comfortably seek justice.

3.2.1.23 Meeting with the Provincial Forestry Officer

Since the Forestry Department was not represented in the meeting with the Provincial Heads of Government which took place at the Provincial Administration Headquarters-the Office of the Deputy Minister, the Team sought audience with the Provincial Forestry officer (PFO), Mr. J. Mulombwa at his office.

The PFO stated that he was happy that the Team had taken the opportunity to accord him a chance to share his experiences and exchange information pertaining to the management of the HIPC funds meant for uplifting the living standards of Zambians.

He reiterated that Poverty Reduction Programmes were very important for the country as the levels of poverty were deteriorating than before.

He informed the Team that his department had a budgeted figure of ZMK 300 million in the yellow book for 2002. The Provincial Administration had met over the accessing and utilization of the HIPC funds and identified Bee-keeping for the purposes of producing honey, as a viable and sustainable

project- a Beekeeping Developmental Project Document for the Copperbelt Province.

The thrust of the project was to mobilize local communities in the rural and urban areas of the Copperbelt province to take up beekeeping activities to produce honey and beeswax and generate income for themselves.

The potential per annum for honey stood at 100 metric tones and 10 metric tones for beeswax and that currently, the prices on the world market was better than that of copper.

The overall objectives of the project are stated as follows:

1. To exploit the honey bee as a potential harvester of floral foods from forest resources.
2. To establish a beekeeping industry for rural and peri-urban households on the Copperbelt
3. To enhance improved house-hold food security for the rural and peri-urban communities of the Copperbelt province.

While the development objectives are indicated as:

- To endeavor to change from the traditional beekeeping methods to modern movable frames hives.
- To rehabilitate beekeeping infrastructure at Mwekera Honey Processing Plant.
- To repair 7 broken down vehicles for beekeeping extension
- To evaluate the socio-economic and cultural potentials for the adoption of modern beekeeping by small scale production farmers especially women.
- To establish small scale production and processing centers of honey and bees-wax at community level.
- To assist marginalized Beekeepers on the Copperbelt Province, increase their productivity through improved management techniques and maximize their income from honey and beeswax through the development of a strong rural and peri-urban market network.

The budgeted activities of the project were centered on the following:

1. Repairing of 7 vehicles
2. Five day training courses for beekeepers
3. Extension services and formation of Beekeepers' Satellite Groups
4. Rehabilitation of the Mwekera Beekeeping infrastructure
5. Honey and Bees-wax procurement
6. Beekeeping equipment procurement
7. Establishment of the Beekeeping Revolving Fund Project by the Forestry Department

However only ZMK 127 363 919 was released in December of 2002 with a balance of ZMK 172 636 081 remaining.

Zambia has two honey-cropping seasons; April-May and October-November and therefore the funds were released late and actually delayed.

The actual expenditure from the same released funds in 2002 was as follows:

- Training K 38 025 000
- Fuel K 55 000 000
- Vehicle repairs K 30 000 000
- Honey buckets K 2 870 000
- Ropes (200 metres) K 1 280 000

The Team was informed that so far 450 people have been trained representing 45 in each district and that since then no beekeeping has been done as the trainees have no beehives, some equipment and protective clothing to carry out beekeeping and eventually produce honey and beeswax as there had been no funds released by the Provincial Permanent Secretary's office.

Efforts to explain the non-availability of the balance of the funds for the project had not yielded anything and even the Provincial Development Co-ordinating Committee (PDDC) had failed to provide information on the same.

In the meantime, the trained communities were anxious to start bee-keeping activities for income generating and hoping to alleviate their poverty.

Observations:

1. The Provincial Forestry Department had spent quite some substantial amounts of money on fuels and vehicle repairs as opposed to spending on beehives, protective clothing and equipment for beekeepers to enable them start the production of honey and bees-wax.
2. The Provincial Administration through the Permanent Secretary who is the controlling officer of the funds had diverted the Beekeeping funds to the payment of other suppliers of goods and services and thereby denying the project the balance of funds to entirely execute the projects. Surprisingly as the Team arrived in the Province, the Provincial Forestry Department received about ZMK 92 million for the purchase of protective clothing and beehives.

Recommendation:

The Office of the Permanent Secretary should be censured for diverting the funds meant for beekeeping and consequently production of honey and bees-

wax as that has not only denied the chance for the trained beekeeping communities to generate income from the beekeeping activities and thereby reduce their poverty but also has delayed the project which has the potential to contributing to the turning round of the economy of the Copperbelt Province.

3.2.1.24 Meeting with Provincial Agricultural Officer

The Team also met with the Provincial Agricultural Officer Dr Mulenga who had to come back to his office from his field visit in Chililabombwe just to come and share with the Team his department's experiences in the management of the accessed and utilized HIPC funds.

He said that he had been Head of the Department in the province since 2001 and that after the exhaustion of the funds from the Rural Investment Fund (RIF) financed by some donors, some agricultural projects remained uncompleted and hence the HIPC funds were being sought to complete the RIF's projects.

Some donor organization like CARE and SHAPE have expressed willingness to assist in the completion of some farmers' group storage sheds but they need an assessment of the uncompleted structures to be done first before giving the assistance.

However, the Copperbelt Province, the Team was informed did not receive substantial HIPC funds as compared to other provinces like the Northern to be able to carry out needs assessment as per request of the said donors and therefore up to the time of the visit by the Team the sheds were still incomplete and being vandalized.

In 2002, the Department put up project proposals for irrigation in the province to be executed from Chapula Farmers Training Centre with the view of accessing the HIPC funds but could not get an allocation for the same.

Furthermore, a request to get the HIPC funds for corridor disease control in the province and the project proposal for empowering women farmers group in management have altogether not taken off because of non allocation of the HIPC funds.

Dr. Mulenga informed the Team that from 2002 up to 2003 there has not been any HIPC funding to the province.

Finally the Team was requested to independently investigate the office of the National Coordinator of the Rural Investment Fund Headquarters in Lusaka on the rationale used to allocate HIPC funds for RIF's projects on the Copperbelt

Recommendation:

The Team strongly recommends that the National Coordinator of the Rural Investment Fund explain the non allocation of HIPC funds to most of the uncompleted RIF projects which are meant for the various farmers' groups on the Copperbelt Province as they also are in need of some socio-economic empowerment through the uplifting of the agricultural infrastructure which will consequently lead to productivity and thereby alleviate poverty.

3.2.1.25 Main Masala storage shed (RIF)

The Team visited a storage shed being constructed under the Rural Investment Fund project which has been boosted with HIPC funds to have it completed and this is located at the Main Masala Market.

The Chairman of the Peasant Farmers Association of the greater Ndola rural, MR. Jethro Chihota was at hand to receive the Team and facilitated the physical inspection of the shed. He briefed the Team that the Association had about 60 active members and most of them are based in the Masaiti District of formerly Ndola rural and some as far as Kalweo near Kapiri- Mposhi.

The main objective of the Association to secure the shed for storage purposes was to get the peasant farmers' members to directly access the urban markets for their agricultural produce other than going through middlemen who they say exploit them by buying on credit and at lower prices and sometimes defaulted in paying in good time as agreed.

The Team also heard from the Chairman that the Association had faced a legal obstacle over the title to the land where the storage shed has been built as one Kelvin Mutefu claimed that the Ndola City Council had offered him the same land and therefore the matter went to court and it was ruled in favour of the Association. This led to the delay in the works to complete the shed.

To raise money for the Association towards the completion of the shed and invest in other income generating activities for self sustaining of the shed, the members are charged minimum fees for the use of the shed.

Observations.

1. The Team found that the construction of the building was basically complete.
2. Maize seed was found being sold from the shed.
3. The sewer line to the building was not connected as the Association had failed to pay Kafubu Water Company for connection to the main sewer line.
4. The building had space for offices, storeroom, cold room, toilets, and night rest rooms.

5. The shed did not have electricity but a telephone line had already been secured for use by members at a cost, when connected.
6. The Team also found some building sand, aggregate stone and cement at the shed for construction of shower-rooms and fee paying toilet facilities.
7. On the whole the Team was satisfied with the utilization of the HIPC funds by the Peasant Farmers' Association as the members were benefiting greatly from the use of the shed as a wholesale point of their agricultural produce which gave them income from the sales and indeed a secured place for conducting their business in a professional manner.

3.2.2 MPONGWE DISTRICT

3.2.2.1 Meeting with Mpongwe District Heads of Government Departments

Upon arrival in the District the Team paid a courtesy call on the District Administrator and as usual requested for a meeting with the District Heads of Departments or their representatives.

The District Administrative Officer (DAO) Mr. Jacob Musukwa welcomed the Team to the District and informed the Team that the District Administrator was away to a meeting.

3.2.2.2 Mpongwe District Administration Office

The DAO raised the following issues regarding HIPC funded projects:

- HIPC funded projects were identified for the district from Lusaka and the district did not participate in the process and gave an example of the Lukanga North Road, which passes through the resettlement area.
- In 2001 the contractors were selected from the Provincial Administration Office in Ndola to undertake rehabilitation works on feeder roads and were not supervised by the district but that the Director of Works at the District Council was merely asked to certify.
- Instead of doing other feeder roads apart from the Shingwa, Chowa, and St Anthony feeder roads which were under HIPC funds the District decided to also do the Machiya Road as it was a main road in Mpongwe and that some officers at the council expressed displeasure at the quality of works by the contractor.
- The water and sanitation works at the main market in the district were carried out by the HIPC funds sent directly to the district from the Ministry of Local Government and Housing headquarters in Lusaka.
- Now the District council has been asked to identify the feeder roads which would require rehabilitation

Outlining the logistical problems of the district the DAO informed the Team that some Heads of Government Departments were commuting from other nearby towns like Luanshya and Ndola to go into the district to carry out their official duties. He gave an example of the District Social Welfare Officer, District Forestry Officer, and the district Agricultural Officer.

Furthermore he disclosed that the District Council was using the offices of the Farmers Training Centre of the Department of agriculture as its Civics Centre.

The District had no court building as the Chief's Court which was being used by the Department of Judiciary had collapsed and that a classroom was now being used.

Worse still there was no Police Station but a Police Post and that the crime rate was increasing due to the influx of casual labour immigrants into the district being employed by Mpogwe Development Company.

3.2.2.3 Mpongwe District Health Management Team (MDHMT)

Dr. Tembo the Assistant District Director informed the Team that the District had 2002 received ZMK 15 million for the construction of the District Health Management Board office block and the District Buildings Department staff was used to actually build the structure - the DHMB only bought the building materials.

She further disclosed that the District had also just received another ZMK 10 million September 2003 through the Provincial Health Office in Ndola and that the same funds were to be used for the rehabilitation of the Mpongwe Rural Health Centre for water and sanitation and also to complete the district administrative office block.

However she was quick to point out that the funds were not adequate for the planned works at hand.

3.2.2.4 Department of Community Development

Mrs. Justina Ngoma the District Community Development Officer was happy to report that the District had two women's clubs which had benefited from the HIPC funds and that they were doing very well and had actually empowered themselves and consequently were contributing to poverty alleviation in Machiya area.

The clubs were:

1. **Twesheko Women's Club** in Machiya area which had received ZMK 5 million and is involved in farming and had bought four bulls and had gone into serious farming, developed a shelter from which to sell

agricultural produce and is now purchasing fertilizer for women members to boost their productivity

2. **Fintukwasha Women's Club** in Machiya area which had received ZMK 4.4 million for its tailoring business and had bought 4 sewing machines, iron roofing sheets

She concluded by saying that the Gender in Development Division was also assisting the women through sensitization programmes for women empowerment through income generating activities like farming.

3.2.2.5 Buildings Department

The Buildings Technician who represented the District Buildings Office informed the meeting that the Department was happy that it was being consulted in most of the works being carried out in the district including those being financed from HIPC funds.

He gave an example of the department's involvement in the whole process of the preparation of the project proposals for building of the new administrative office block for the District Health Management Board and indeed the actual building of the structure.

He reiterated that his department had a major role in the construction of buildings under government programmes and that other departments should as much as possible seek guidance and authority even for works done by private contractors in as far as supervision and certification of works was concerned.

3.2.2.6 Education

Mr. Lawrence Chileshe a Teacher represented the District Education Officer who was reported away for a workshop in Kitwe.

He informed the Team that Mpongwe High School had received ZMK 100 million for the general rehabilitation of the school and a further ZMK 220 million was promised to be sent from the Ministry Of Education headquarters in Lusaka for the construction of Teachers' houses but only ZMK 40 million was received and was already exhausted.

3.2.2.7 Department of Agriculture and Cooperatives

Ms Margaret Yawawa led the presentation on behalf of the District Agricultural officer Mr. Kaonga who was also present in the meeting.

She told the meeting that DACO had not accessed the HIPC funds so far and bemoaned that the small scale farmers in the district were facing numerous

problems which needed attention but that the constraint to helping the farmers was finance.

As a way forward to solving some of the problems the DACO had taken the initiative to submit 8 project proposals previously to the Provincial agriculture Office in Ndola and that the same have not been considered but was not deterred again. In 2003 the same proposals had been re-submitted to the Ministry of Agriculture and Cooperative Headquarters in Lusaka.

She itemized the project proposals as follows:

1. Rehabilitation of the Farmers' Training Centre in the district
2. Articulation of water and sanitation at the camp houses for the Farmers' Training Centre
3. Dissemination of Agricultural information through broadcasting services-the service which is no longer in the district
4. Enhancement of the Extension services programme for farmers
5. Rehabilitation of cattle dipping facilities in Mwinuna area
6. Rehabilitation of the Ibenga fish pond- dam wall which had collapsed and all the water was forced out together with the fish
7. Rehabilitation of the Mwikata-Muyembe feeder road
8. Mending of the Luansobe Dam which was leaking
9. Rehabilitation of the Shilimulilo Dam

She concluded by saying that the DACO was geared to assisting the small scale farmers so as to boost their productivity through the rehabilitation of the agricultural infrastructure which was in deplorable condition and appealed to the team to recommend to the authorities to consider the district when allocating HIPC funds.

3.2.2.8 Forestry Department

The District Forestry Officer Mr.Zenzo Liboma informed the Team that there was a budget of ZMK 300 million for the bee-keeping project on the Copperbelt and that so far only about ZMK 127 million had been released for the province.

Mpongwe District utilized ZMK 3.8 million for the training of 45 beekeepers in three areas of Mulilantambo, Buyantanshyi and Lukanga North and ZMK 5 million for the purchase of fuel meant for the extension services to mobilize the beekeepers

However he lamented that the trained beekeepers in the district were frustrated as up to the time of the Team's visit to the district there was no bee-keeping activity taking place as planned and that an explanation was being sought from the Provincial Administration Office in Ndola by the farmers through the district.

He finally appealed to the Team to keep the momentum of tracking and monitoring of the HIPC funds so as to deter abuse and misapplication and promote effective and efficient utilization of the resources meant for poverty reduction in Zambia as a whole.

3.2.2.9 Department of National Registration

Mr. Judah Chipelelo the Acting District Registration Officer reported in the meeting that the department was new to the district as the office was just set up in March of 2002 and further stated that HIPC funds have not been accessed.

However he wondered as to whether the Department could access the HIPC funds for the purposes of securing more office space and staff house accommodation which hindering the posting of staff to the district.

3.2.2.10 Mpongwe District Council

The Deputy District Secretary Mr. Hanson Kachenjela informed the meeting that the council did not access any HIPC funds but that as local authorities he had the following observation to make over the HIPC funded projects in the district:

- The Cholwe feeder road was not properly done
- The Mpongwe – Machiya Road required maintenance after its rehabilitation in 2001
- The District Council must be involved in outlining specification, supervision of works and indeed certification.
- Road rehabilitation should not just be mere grading but heavy grading with re-gravelling
- The Government Yellow book this year had reflected ZMK 300 million to be shared with Lufwanyama District Council but nothing had come to Mpongwe District Council and requested the Team to help secure the same funds.

In supporting the Deputy District Secretary about the Council not having accessed the HIPC funds directly, the Director of Works, Mr. Joel Shawa, said that the district was familiar with ZAMSIF and BESSIP funds. Further he informed the Team that the HIPC funds meant for Rural Electrification for the Kanyenda and St. Anthony areas were not received and implored the Team to recommend that HIPC funds for all sectors should be sent directly to districts and that the flow of information about HIPC funds needed improvement.

The Deputy District Secretary however said as a new district, Mpongwe needed its own Civics Centre as it was using the Farmers' Training Centre but that the Council had taken the initiative to site the Civics Centre and had mobilized building sand and aggregate stones. He further revealed that the council's only source of major income was from levying the Mpongwe

Development Company on the agricultural produce which passes through the district.

3.2.2.11 Zambia Police

Inspector Tembo informed the meeting that the Zambia Police in the District had not benefited from the HIPC funds and therefore had no experience on the management of HIPC projects.

He highlighted the problems which he said needed some funding as:

- Building a police Station as at the moment the police were occupying a building belonging to the Farmers' Neighborhood Association which could collapse and was so small and does not accommodate units of the police in the district.
- Building of staff houses as there were also not enough houses for police officers and therefore no postings could be done to the district and this created a shortage of manpower.
- Building of police cells as the suspects were being kept in structures which were not fit for detaining them in as there was no water and sanitation facilities.

In closing the meeting the Team Leader informed the meeting that the Team had appreciated the issues brought out in the discussions and that the same were important in the evaluation of the impact of HIPC funds on poverty reduction programmes.

3.2.2.12 Mpongwe – Machiya Road D468

This road was contracted to International Engineering Trade Limited based in Ndola to do 25 Kilometers at the contract price of One hundred and Sixty Million Kwacha (K160m) .The contractor satisfactorily completed the grading of the whole twenty five Kilometers and spot graveled bad portions within the this section and was paid in two installments.

However prior to the conclusion of the main contract a variation was issued to the contractor to grade about 31.6km at a price of Two hundred and two million Kwacha (K202million). This work was done and paid for therefore it flouted tender regulations in that it was more than what the variation allows for i.e. 25% of the main contract, otherwise it was supposed to be treated as a new contract and all tender formalities followed.

Impact:

Mpongwe District has the potential of becoming Zambia's number one bread basket and the road which was previously bad had been rehabilitated but now requires re-gravelling especially with the coming of the rains this year. The

road is vital in the District for the facilitation of efficient transportation of agricultural inputs and outputs.

The other roads which were done in 2001 in Mpongwe District include:

3.2.2.13 Shingwa- Mpongwe and Mpongwe–Chowa Feeder Roads

These roads had approximately 12km each done and the scope of works was vegetation clearing, light and heavy grading. The contractors were Mitondo Youth Project whose Executive Director is Mr G Namulambe and former District Secretary of Mpongwe District Council and now Permanent Secretary North Western Province. Mr Namulambe did not declare his interest in the matter as he had a conflict of interest (see appendix i). Mr. G.Mukala, the then Provincial Permanent Secretary, approved the contract. This is tantamount to abuse of authority. Both roads were done at a total contract sum of ZMK140m.

The works were certified as complete and full payment was made in October 2001. The road is on the average not very bad but could have been better if at all any heavy grading was done as suggested by the scope of works.

3.2.2.14 Lukanga North Road

This Road branches off from the Chowa-Lukanga North road. This is a new road which has been opened of about 20 – 30 km.

However, though the road has been opened up, the workmanship is unsatisfactory as the road will become muddy and impassable during the coming 2003 rain season and traffic will get stuck.

This road passes through the Lukanga Resettlement area basically allocated for the former ZCCM employees who either retired or were retrenched and now their main stay is farming and fishing.

The Provincial Land Resettlement Office in Ndola organized the rehabilitation of the road by buying fuel, hiring skilled and casual labour and acquiring graders from the PRE's office in Ndola.

3.2.2.15 Lukanga North Road Culverts

Six (6No) x 900mm diameter concrete pipe Culverts have been installed on the Lukanga North road but were not properly done as they are likely to erode within this rain season. The pipes are exposed and the masonry (stone pitching etc) protection was in some cases not done properly.

Observation:

The Provincial Land Resettlement Office did not involve the roads authorities in the designing and implementation of the rehabilitation works but drove the whole process without consultation and hence the shoddy works done on the road including the culverts.

3.2.2.15 Mukumpu Basic School

The Team visited the school which is off the Mpongwe –Machila road, almost 50km from the district headquarters and met the Head Teacher Mr. Nkotami.

The school with 1x2 and 1x3 classroom blocks has a population of about 775 pupils -410 boys and 365 girls with 14 qualified staff and apart from the normal streams, it has also the open class of grade 8 and 9. It is catering for a 40 km radius of villages which has a lot of orphans out of the HIV/AIDS due to the influx of casual labour to the commercial farming activities.

The Head was not aware that the ZMK 9 million which had gone into the rehabilitation of the school and the supplied books and other school pre-requisites were from the HIPC funds as the Team had documentary evidence from the PEO's office in Ndola.

The PEO's office in Ndola bought materials and then hired a contractor which the DEO went to introduce to the school. The works involved:

- Replacing some parts of the roof of one class room with new iron roof sheets. The old were blown away by strong winds
- Mending the classroom walls and floors which were cracked
- Painting of the inside and out side of classrooms
- Replacing of broken glass pens to classrooms and
- Construction of VIP toilets

Observations:

1. The Team found some construction of VIP toilets going on and in the meantime the iron roof sheets were being used on some Staff house which also had its part of the roof blown by strong winds.
2. Some classrooms had altogether 20 new desks bought out of HIPC funds
3. The school had Text books and other school pre-requisites in the stores.
4. Some new iron roof sheets were mounted on one classroom.
5. The 2 boreholes were broken down and an unsafe well was being used by the school and its staff and that clean water was 3 km away.
6. The boys and girls were mixing in using the 5 pit latrines.
7. The school staff were sharing the five houses (2 families in each).
8. The school and the local community had embarked on the self help initiative to build a 1x2 classroom block and already made the blocks and collected sand.

Impact:

The School had received uplift in the outlook of its physical structure out of the rehabilitation works carried out and had now provided a secured and better learning and teaching environment. Other school pre-requisites and desks supplied had just added to the raising of the learning standards. However the water and sanitation situation is not up to standard.

3.2.3 MASAITI DISTRICT

3.2.3.1 Meeting with Heads of Government Departments

The Team met the District Heads of Government Departments or their representatives through the Office of the District Administrator Mr. George Kapu who had been informed by the Provincial Administration that the Team was to call on the district to track and monitor the HIPC funded projects.

The purpose of the meeting was for the Team to appreciate the management of HIPC funded projects by the district and indeed share experiences.

Before inviting the District Heads of Government Department, to share their experiences in the management of the HIPC funded projects, the Team Leader outlined the management process of the HIPC funds and the issues arising there from.

The District Administrator welcomed the Team to the district and stated that the district through his office had not received any HIPC guide lines and looked forward to the Team appraising the District on the same.

3.2.3.2 Forestry Department

In his brief presentation, the District Forestry Officer reported that a total of ZMK 19 million was budgeted but that only ZMK 8.825 million so far had been received for three components indicated in the Copperbelt Beekeeping Project mooted by their province and adopted by the Provincial Administration.

The components were itemized as:

1. Training of beekeepers- 57 farmers were trained and completed training
2. Extension field services – Fuel was bought and used in the mobilization of the bee farming communities
3. Purchase of equipment, tools and protective clothing – Nothing had yet been received from the Provincial Forestry Office in Ndola

3.2.3.3 Zambia Police

The Team through the meeting was informed that the Zambia Police in the District had never received any HIPC funds and therefore has not benefited at all.

After learning that else were the Zambia Police Service had benefited like in Ndola where boreholes were sunk, the Officer In-charge listed their problems and wished that the Team would influence the allocation of HIPC funds to help the following problems faced in the District:

- Transport was inadequate
- There were no female police cells – just improvised some small space
- That there were no lights in the police cells
- That the police cells had blocked sewer lines

Furthermore he informed the meeting that the conditions in the police camp were not as good as water and sanitation articulation needed to be improved as well as accommodation for police officers.

3.2.3.4 District Health Management Team

The Team heard from the representative of the District Board to the meeting that in 2001 HIPC funds were accessed through the PHO and utilized for the following:

- Extension of the Maternity Wing at Njelemanani Rural Health Centre (RHC) which was located on the eastern side of Ndola. The HIPC funds supplemented the efforts of the local community who had initiated the project but the HIPC funds allocated to the project were not adequate and therefore it took almost six months to complete. The Board provided technical assistance as well to the project.
- Construction of the District Drug Stores – currently the district was using a metal container to store drugs. The HIPC funds here also complimented the construction works and again the works were going on very slowly due to inadequate funding.
- The procurement of a water pump at Mishikishi RHC. This was to be done from the recently received ZMK 10 million out of the HIPC funds although initially the same funds were going to be used for completion of the drug store under construction.
- Rehabilitation of the Kamitengo RHC. The local community here also had initiated the works but the HIPC funds complimented the completion of certain works.

3.2.3.4. Issue raised on HIPC funds by Masaiti DHMT

That the individual needs of each local situation should be taken into consideration when allocating the HIPC funds as uniformity misses the effective and efficient of resources.

3.2.3.5 Masaiti District Council

The Director of Works informed the Team through the meeting that the district has never accessed and utilized HIPC funds directly but through other departments.

He said the PRE at one time had requested the council to identify feeder roads which need rehabilitation and obliged but never participated in the actual works which were carried out on the feeder roads out of HIPC funds.

Furthermore the Ministry of Local Government Headquarters in Lusaka had also carried out some works in the district but again the District Council was not involved.

3.2.3.6 Department of National Registration

The meeting heard that the department had not received any HIPC funds and therefore has not benefited in any way at all and that at the moment the department was using mobile registration facilities to reach out the people in the district who were remotely located.

The wish therefore was to access the HIPC funds for the purposes of building office accommodation as the present offices were too small for the purposes at hand.

3.2.3.7 Education

It was reported in the meeting by the Education officer that his department was the biggest recipient of HIPC funds in the district since 2001 but this was indirectly through the Provincial Education Office.

He disclosed that the district had 22 Community Open Schools using temporal structures and 28 regular schools in permanent structures.

He stated that the accessed HIPC funds were utilized for:

- Procurement of school desks
- Procurement of School pre-requisites like text and exercise books, pens, pencils, chalk, science laboratory chemicals

- Rehabilitation of schools and staff house
- Construction of Teachers houses
- Construction of Class room blocks
- Reticulation of water and sanitation

Further more he outlined the institutions which benefited as follows:

1. Chinala Basic School received ZM 21million for general rehabilitation
2. Mushili High School (Mahti-Magandhi) received ZMK 21 million for rehabilitation
3. Chinondo Basic School received ZMK 9.4 million for rehabilitation
4. Mulofwa Basic School received ZMK 9.4 million for rehabilitation

Also there was an amount of ZMK 8.5 million for school pre-requisites for the district which he described as inadequate given the total number of schools and their needs.

In 2002 the following schools received HIPC funds as follows:

1. Mulofwa ; ZMK 24.2 million for the rehabilitation of the 5 staff houses, construction of 5 VIP toilets and a 1x 3 classroom block
2. Chiwala Technical High School; ZMK 222 million for the rehabilitation of the Kitchen, dormitories, articulation of water and the computer room.
3. Mahti-Magandhi; received ZMK 205 million for the construction of 5 staff houses. The school had a balance of ZMK 2.5 million unutilized from the 2001 allocation.

He explained to the meeting that the schools which benefited had formed School Projects Committee comprising some school management officials and the local community to monitor the implementation of the projects and that building experts from other Government Departments like Buildings and Water Affairs were involved in the supervision and certification of works.

Progress reports and returns for the supplied school pre-requisites were documented and forwarded to the PEO.

He said tenders were floated according to the thresholds and sometimes the Ministry of Education Headquarters was used to procure goods and services for the projects.

3.2.3.7.1 Problems faced by the District Education Office

In conclusion the Education Officer listed the problems the district was facing as follows:

- Loss of a good number of staff due and HIV/AIDS
- Lack of staff accommodation rendering it difficult to attract more trained teachers to the district
- Most of the schools and staff houses were not electrified and making it difficult for teachers to use the night time for preparing class lessons and lighting
- Lack of adequate school furniture like desks and teachers tables and chairs
- Poor water and sanitation facilities at most schools
- Lack of adequate high schools as the Chiwala Technical High School was a national technical school and attracted national entrance
- Lack of adequate office space for the District Education Office staff and the grant of ZMK 2 million meant to for rentals and other operating costs.

3.2.3.8 Buildings Department

The District Buildings officer in his brief presentation said the department only facilitated the implementation of HIPC projects by providing expert advice through supervision and certification of works but bemoaned the condition of most government buildings which he said were very dilapidated. He gave an example of the police camp whose water and sewer facilities were very poor.

3.2.3.9 Community Development

The Community Development Officer reported in the meeting that his department did not directly receive the HIPC funds meant for the Women's Club for income generating activities but that the area of Members of parliament in the District got the HIPC funds and distributed them to the clubs of their choice.

In closing the meeting the Team Leader implored the District through the office of the District Administrator to take opportunity of the HIPC funds to alleviate the poverty in the district by making sure that sound project proposals were submitted in the normal national budgeting process to ensure that they were allocated funds as that was the only way they could access the funds.

3.2.3.10 Mulofwa Middle Basic School

The Team visited the school and was met by the Head Teacher Mr. Zilomba who confirmed that in 2001 the school received through the Provincial Education Office HIPC funds in the amount of ZMK 9million for the rehabilitation of 6 staff houses one of which was for the Head teacher who was commuting from Katuba Village, which is 20 km from the school.

The rehabilitation works on teacher's houses involved:

- Painting- inside and outside
- Rough cement casting- half way of the house from the bottom
- Replacement of broken window Panes
- Replacement of broken doors and locks

Before the rehabilitation of the staff houses the same were in dilapidated conditions such that new teachers who where posted refused to occupy them and went away to other schools which offered them decent accommodation.

He disclosed that another allocation of HIPC funds was promised by the PEO but that the school was still waiting to receive the same.

Further in 2002, the school received ZMK20 million for the rehabilitation of school classrooms which were vandalized.

The works carried out involved:

- Putting of new doors
- Replacement of broken windows
- Painting of the school building inside and outside

The school also received 96 double desks and school pre-requisites like text and exercise books, rulers, chalks, pencils, pens etc which in-fact the school was not aware that the same were bought from HIPC funds.

The PEO bought all materials and the school just collected them and indeed never participated in the tendering process.

Impact:

The school which was built in 1944 is now having a population of 405 pupils (205 girls and 200 boys) with 8 qualified and 4 untrained teachers.

The rehabilitation of the classrooms and the teachers houses has uplifted the outlook of the physical infrastructure and thereby providing a conducive learning and teaching environment which has resulted in more pupils attending school and teachers being attracted to work at this school.

The school also took the initiative to rehabilitate the VIP toilets for staff houses out of the materials which remained from the planned and executed works at the school.

3.2.3.11 Masaiti Water Works

The Team visited the water work and was met by Mr. Kunaka the Operator who informed the Team that in 2002, 3 water pumps were bought and installed out of HIPC funds and the tenders for the same were done by the Ministry of Local Government and Housing Headquarters in Lusaka.

One water pump was installed in the main pump house, a second one at the Masaiti council offices and the third one at the Kafulafuta water pump station.

Previously the pump house had one small pump which could not meet the demand for water consumption to the areas of the district which were connected to the Masaiti water works.

The Team was informed that during the hot season the water level goes down such that the high powered pumps sometimes end up sucking air which results in air lock problems on the pump.

Observations:

The water pumped out at Kafulafuta to some parts of the Masaiti district is not properly treated as it is directly sucked from Kafulafuta River and only chlorine is added without any filtration as compared to the Masaiti main water works.

Impact:

Now the pump effectively and efficiently supplies Ibenga Girls High School, Ibenga Hospital and the Boma area and the pumping capacity has increased from 4000 to 7000 liters per minute.

On the whole the installation of the 3 water pumps has increased the availability of clean and treated water to the residents of Masaiti central district and has resulted in the drop in diseases from untreated water.

3.2.3.12 Chinondo Middle Basic school

The Team also visited Chinondo Middle Basic School which has a catchment area of 12 km in radius – catering for about 10 villages and has a population of about 348 pupils (177girls and 171 boys) with 5 trained and 4 untrained teachers.

Chinondo School was once upon a time shunned because of the alleged witchcraft activities and dilapidated staff houses. The school has 1x2 and 1x3 classroom blocks with grades from 1-7.

Upon being informed about the HIPC funding which went into the procurement of building materials by the district buildings officer, the Head teacher Mr. Chisala was advised that all materials were to be used in the rehabilitation of 5 Staff houses.

However, the school intends to build a 1x4 classroom block with the help of the local community.

The rehabilitation of the 5 teachers' houses included the following:

- Mending the cracks
- Painting –inside and outside
- Replacement of all broken windows
- Replacement of shutter doors in front and at the back of the houses

Observations:

1. The school classroom blocks have cracks which may lead to the collapse of the structure as only a few were mended out of the schools initiative through the sale of 6 maize bags grown by the pupils
2. The school has also received some desks out of HIPC funds some of which were already broken at the time of the Teams visit.
3. School prerequisites such as text and exercise books, rulers etc were also supplied to the school using HIPC funds
4. The school out of its own initiative together with the PTA had constructed 4 VIP toilets for the pupils as the old pit latrines were full and dilapidated.
5. The only borehole at the school had broken down and needed rehabilitation but the Team was informed that there were plans by the Provincial water affairs department to sink another bore hole to be shared between the school and the Chinondo Rural Heath Center which was a few metres form the school.

Impact:

The rehabilitation of the teachers houses had uplifted the outlook of the houses and thereby providing secured habitation and conducive living conditions for the teachers and thereby increasing their morale.

Recommendation:

The Team recommends that priority should have been given to the rehabilitation of the old borehole or sinking of a new one as opposed to the rehabilitation of teachers houses as water was being drawn from a well which was not protected and could result in diseases.

3.2.3.13 Mupapa Road Culverts

Three (3No) x 1200mm and Two (2No) x 600mm concrete pipe culverts including approaches were constructed satisfactorily on this road by Gomes Haulage and are functioning properly. The total cost of the culverts was ZMK 140.5 million and was paid in full in 2002.

Impact:

The Culverts have now made the road passable through out the dry and rainy seasons making physical transportation of people and goods especially agricultural inputs and outputs more efficient. Previously the road could get flooded at the same points culverts have been constructed and the local community found it difficult to cross the Mupapa River.

3.2.3.14 Sungabukanda Road

For Sungabukanda feeder road, contractor was Gomes Haulage. The scope of works included Vegetation control, light and heavy grading and spot gravelling of very severe portions and also the construction of a 1 x 600mm culvert. The works were satisfactorily done and payment of ZMK 170 million was made in full in 2002 for the 15 km stretch.

Benefits:

The local communities living around Sungabukanda area which basically is a peasant farming community has greatly benefited from the rehabilitation of the feeder road as they can easily travel to the Rural Health Centre and Schools which are connected to the road and altogether transport their goods especially their agriculture produce.

3.2.4 LUFWANYAMA DISTRICT**3.2.4.1 Meeting with Lufwanyama District Administrative Officer (DAO)**

The visit to Lufwanyama commenced with a meeting with the District Administrative Officer (DAO) Mr. Nawa as the District Administrator and most of the Heads of Government Departments were out in the district on other official assignments and the other two chief officers were on suspension over the alleged mismanagement of council funds.

The Team was informed that Lufwanyama previously was part of the greater Ndola Rural until 1997 when it was upgraded into a district.

As a new district the offices of the DAO and Director of Works were located at the Kalulushi Boma Offices but that the DA had an office at Lufwanyama Boma offices but because of his broken down vehicle and shortage of housing accommodation for him and the DAO he was operating from Kalulushi in the DAO's office as it was difficult to commute daily to Lufwanyama.

3.2.4.2 District Health Management Team

The DAO facilitated the visit to institutions and projects which had accessed and utilized the HIPC funds in the District.

At the DHMT offices the Team met with the Acting Director Mr. Waitolo who was substantially a Manager – administration and gave a list of the rural health centres which had utilized the HIPC funds as:

1. Mukutuma in Chief Mukutuma's area along Lumpuma road
2. Lumpuma in Chief Lumpuma's area
3. Mukumbo also in Chief Lumpuma's area
4. Chinemu which was near the Boma

All the above centres had received HIPC funds for general rehabilitation of the infrastructure.

3.2.4.3 Chinemu Rural Health Centre

The Team visited the rural health centre and was met by Sister in -charge Molly Musopelo who was basically a family planning and midwifery expert.

The Centre catered for almost 178 villages with about 1068 households and a population of about 6000 people and the health statistics displayed in the Centre showed that 0.78 % people had access to safe water, 29% had access to pit latrines, 30% access to refuse pits and on the average common diseases were on the decrease and so was infant mortality but that the population was growing and consequently reproduction was on the increase.

The Team was told that the rehabilitation works were carried out on the centre and staff houses and before that the centre in particular was dilapidated.

The Provincial Health Office bought all the building materials and contracted skilled labour to carry out the rehabilitation works.

Observations:

1. The centre had basically 4 rooms; maternity, linen stores, post and ante-natal and a baby delivery room.
2. The centre was painted – inside and outside
3. The Ceiling board was re-done and painted
4. The broken windows panes were replaced
5. Cracks on the floor and walls were sealed
6. New door frames fitted however were not properly done as they left spaces in between the frames.
7. New mortice locks were fitted to the doors
8. The Pit latrines were also painted

9. The borehole with a hand pump was also in working condition
10. The Centre was solar powered and had a radio for communication

The Team also observed that the Staff houses were also painted, broken windows replaced, new door locks fitted, ceiling boards fitted and cracks on the floors mended.

The works were impressive.

Impact:

The rehabilitation of the staff houses and the rural health centre had uplifted the hygienic outlook of the infrastructure and created an atmosphere conducive for treating patients and improved staff morale such that the centre was awarded ZMK 100,000 for being the cleanest centre in the district.

3.2.4.4 Lumpuma Rural Health Centre

The Team was met by Mr. Zimba the supervisor and was told that the centre catered for 594 villages with 1359 households with a population of 7 066 which was growing at a rate of 1.9% per annum.

Infant mortality was dropping and generally common diseases were on the decrease except for HIV/AIDS and this was attributed to the influx of casual labour from other towns employed in semi-precious mining activities.

The rehabilitation of the centre involved the following:

- Painting of the centre and 3 staff houses
- Replacement of broken windows
- Digging of 3 new pit latrines and burying old ones
- Fitting of new door locks
- Sinking of a borehole, lining with rings and protecting it
- Replacement of a rotten ceiling board in one room of the centre
- Sealing of the cracks on the floor and walls
- Replacement of blown off iron roof sheets on the male patient toilets

Observations:

The rehabilitation works carried out were impressive and effective and had given a new look to the staff houses and the centre thereby improving the hygienic conditions of the institution.

However the centre requires solar power, motorbike and radio communication to further improve its operations.

The local community had also mobilized some building materials like sand and kilned bricks for building a maternity wing and that ZAMSIF was going to provide supplementary funding to completion point.

Three roads, namely, **Lumpuma, Fungulwe, and St. Mary's** were inspected by the Team

3.2.4.5 Lumpuma Road

This feeder road was done by ZNS and was found in good condition.

The scope of works indicated spot re-gravelling and the total amount of money paid for the completed works was ZMK 63.22 million.

However the first 10km of this road from the junction with M18 (Kalengwa Road) under Kalulushi is being rehabilitated by AMC Contractors of Mufulira with Funding from National Roads Board.

Impact:

The rehabilitation of the Lumpuma road has improved the time for traveling on it and indeed improved the transportation of both people and goods, especially agricultural inputs and outputs as it links Chief Lumpuma's area to schools and the rural health centre and indeed Lufwanyama, Mpongwe and Kalulushi Districts.

3.2.4.6 Fungulwe Road and Kalengwa (M18) -ST Mary's-Chinemu road

These feeder roads were contracted to JOES Motors at a total contract some of ZMK 207.381 million. The Scope of works included; vegetation clearing, light and heavy grading and spot re-graveling.

Fungulwe road was found in good condition (except for the culverts as explained below) while the Kalengwa - St Mary's road was done up to St. Mary mission only (about 3Km) and is in fair condition.

3.2.4.7 Fungulwe Road Culverts

There are Three (3No) lines x 600mm and Two (2No.lines x 900mm diameter concrete pipe culverts installed on Fungulwe feeder road. The headwall for the 600mm diameter on the upstream side has been knocked down while on the 900mm diameter the cover to the pipe on also the upstream has been seriously eroded. The defects call for urgent attention to reinstate the eroded part and the headwall or else the road at these two points will be washed away.

The head walls at both places have been done with 10 cm block work but were not plastered to strengthen them. However the ideal and recommended thickness for the head and wing walls is 200mm and not 100mm to give adequate lateral support to the culverts and be able to hold backfill between the head and wing walls.

Recommendation:

The head wall which has been knocked off by the vehicle should be re-built and altogether the two head walls should be plastered with cement and also the apron needed widening to provide for the water to freely pass through without causing a lot of pressure on the head walls.

Impact:

The Fungulwe feeder road links up with the Fungulwe Basic School and Chief Fungulwe's palace.

Previously, it was difficult for the people and vehicles to cross the points where culverts have been constructed, especially in the rainy season and this cut off the Fungulwe area from the rest of Lufwanyama District and consequently could not access the basic essential commodities for their living.

3.2.4.8 Chati – St. Joseph – Chapula Road

The Team traveled on this feeder road and the rehabilitation works done involved light grading only. The contractor hired was Vivid Enterprises and did a stretch of 11.7 km at a total cost of ZMK 105 million. Part of this road is in Kalulushi also.

The road was found in fairly good condition and is a link to Chapula basic School and Chapula Horticultural Training Centre.

However some portions needed spot re-graveling.

3.2.4.9 ZCCM Resettlement Road

The rehabilitation of this feeder road was done by Lufwanyama Multipurpose Cooperative at a total cost of ZMK 35 .2 million as the original contract price of ZMK 48 million was varied due to the contractor not having put up quality works. The contract was terminated for failure to meet the deadline.

15 km was earmarked for the rehabilitation and was not completed as the contractor was stopped and has yet to be paid some balance amounting to ZMK 18 million.

The road passes through the resettlement area for the former ZCCM employees who had retired and are now engaged in farming.

The road also connects to the Chinemu Rural Health centre and indeed can connect to Solwezi and Chingola.

3.2.4.10 Kalumbwa High School

The Team visited the only High School in Lufwanyama District which was built in 1990, has 14 classes up to grade 12 with boarding facilities and a total of 500 students (boys and girls) and it caters for about 32 basic schools.

The Deputy Head Mr. Sichilembe was at hand to receive the Team and informed the Team that he was relatively new to the school but knew that the school had received some HIPC funds and bought Text books.

As the Head Teacher and the Accounts staff were away to Ndola, the Deputy Head Teacher could not confirm the amount of money received but the Team disclosed to him that according to the records, the school had received about ZMK 5 million and some desks.

The Team was informed that the school had also received 64 mattresses but that the school was not aware that the same were bought out of HIPC funds by the PEO in Ndola.

Observations:

1. The school had poor sanitation facilities-the boys ablution blocks were blocked as the septic tank was full and maggots were growing and now pit latrines were being used
2. There was no school kitchen and dining facilities – students were preparing their food on braziers and ate in some make shift dining or in their dormitories
3. The school had inadequate boarding facilities as most of the students were using classrooms and science laboratories in the night as dormitories. Previously girls rented huts in the village and made them vulnerable to all kinds of vices like prostitutions
4. The school had inadequate beds and mattresses as some students shared the beds and mattresses while others slept on the floors
5. The school had a serious shortage of text books and teachers
6. The school had a serious staff accommodation

The Team was also informed that in September 2003, students rioted because of the poor sanitation, boarding and kitchen facilities and indeed lack of textbooks and enough teachers.

The Deputy Head Teacher also disclosed that HIV/AIDS had taken its toll at the school and quite a number of teachers and students had died as result.

Recommendations:

The school urgently needs the rehabilitation of the sanitation system first and foremost as there could be an outbreak of diseases due to the blocked toilets as result of the septic tanks which were now full.

The school management, the area member of parliament and the local community through the Parents Teachers' Association should take the initiative to embark on building kitchen and dinning facilities using their own resources and then request for supplementary funds from Zambia Social Investment Fund (ZAMSIF). HIPC or Micro Projects Unit (MPU) as these sources are already financing other schools.

Otherwise the school is not fit to be a boarding school.

3.2.4.11 Chapula Middle Basic School(Formerly Chamushalila)

The Team visited the school as it had accessed and utilized the HIPC funds.

The school which was built in 1958 by the Baptist Mission and was previously called Chamushalila caters for the largest area in the Kafubu area of Lufwanyama District covering a radius of 20 km and has a population of 784 pupils-356 girls and 428 boys with 17 trained and 5 untrained teachers with grades 1-7.

The existing school infrastructure consisted of two 1 x 3 classroom blocks with one being the oldest built by the Rural Reconstruction Wing of the Zambia Youth Service together with its 2 staff houses and the same have been condemned for use.

The school had received funds through the PEO's office in Ndola for the rehabilitation of the classroom blocks, construction of 3 VIP toilets for the school and the rehabilitation of 3 Teachers Houses and the District Buildings Officer bought the materials and delivered to the school but the same were recorded by the school.

A contractor, Bwabo Enterprises from Kalulushi was hired to provide skilled labour for the rehabilitation and construction works.

Observations:

1. A 1x3 classroom block had been re-habilitated. It had been painted, cracked floors mended but not satisfactorily, new doors fitted, broken windows replaced.
2. Three VIP toilets had been constructed with rough cement casting on the outside walls

3. Three staff houses had been painted, floor and wall cracks mended, broken windows replaced and rough cement casting done on all the outside walls
4. The Team found 2 old staff houses with a lot of cracks on the floors and walls and one of them had been abandoned as it was a complete risk for human habitation
5. Only three teachers were accommodated in staff houses and the rest were occupying one room each with their families at Chapula horticultural Training Center.
6. An old 1x3 classroom constructed by the rural reconstruction was found not in use as it had big cracks in the walls and was actually condemned for use.
7. The school had received Pencils, text books, rulers, etc
8. The pupils were sharing double desks by more than 2 people.

Impact:

The rehabilitated 1x3 classroom block had basically received a face lift there by creating a conducive learning teaching environment in a secured building

The 3 VIP toilets constructed for the pupils had enhanced the sanitation conditions in the school resulting in the minimizing of possible risks of diseases which could break out due to unhygienic disposal of human waste.

The rehabilitated staff houses provided conducive living conditions for the teachers and thereby boosting their morale.

3.2.4.12 Kalumbwa Dam

Kalumbwa dam is situated on a settlement in Lufwanyama District some 15 Km off Kalulushi.

The dam was constructed at a cost of K140 million by TM contractors of Mufulira for the benefit of Chipya Cooperative Society comprising 70 to 80 members.

Observations:

The contractors put up a dam wall and a footbridge with the help of community in materials mobilization.

The dam feeds a 2 km irrigation canal. The water flow in the canal is superb like a booster pump was aiding it.

Particular praise was given to a Mr. Chaila from the Provincial Water Engineer's in Ndola for his tireless efforts in supervising the project.

Impact:

There are a number of benefits accruing and yet to accrue to the community.

With the footbridge in place, it has now become easier and safer to cross the river than before.

There is some farming activity going on, either side of the canal. The crops being grown are vegetables, winter maize, rape cabbage, Onions and sugarcane. The canal is not being utilized to full capacity and more and more people on either side of the canal are being encouraged to take up farming.

The farmers are further planning to approach Mwekera farm College to have fish introduced into the dam to further improve the nutritional diet of the surrounding communities.

This project is a showpiece and it would be advisable to draw lessons and make it a model for future dam projects. It surpasses most Dam projects we have seen so far.

3.2.5 KITWE DISTRICT

3.2.5.1 Meeting with Heads of Government Departments

The Team paid a courtesy call on District Administrator who confirmed having received the communication from the Provincial Permanent Secretary's Office in Ndola regarding its visit to the province and Kitwe among other districts.

The DA was quick to arrange for a meeting with heads of government departments at Kitwe District Council Chambers.

In attendance were some heads of departments or their representatives.

Before the meeting the Team also paid a courtesy call on His Worship the Mayor of the city of Kitwe Mr. Tembo. This was facilitated by the Town Clerk Mr. Ali Simwinga.

The meeting with HODs opened with welcome remarks from the Town Clerk who said that the Team was doing a noble job of Tracking and Monitoring the HIPC resources meant for poverty reduction as poverty was an emotional issue for the 70% poor people of Zambia.

3.2.5.2 Kitwe Town Clerk

The Town Clerk raised the following issues:

- That the District Development Co-ordinating Committee (DDCC) was very disappointed with the contracting process for HIPC funded projects as mostly MMD party carders were awarded contracts
- That the DDC needed to be involved in the management process of the HIPC funded projects.
- That there were contractors who abused the HIPC funds but were not being investigated by the law enforcement agencies and wondered and

hoped that the Team would explore the possibility of getting the abusers arrested if found guilty.

- That some contractors did not have the capacity to execute contracted works and gave an example of some contractors hiring council equipment like graders.
- That the Kitwe City Council did not directly benefit from the HIPC funds but was indirectly involved in merely supervising and certifying road works.
- That the same roads rehabilitated in 2001 were the same roads awarded in 2002 to the same contractors for yet again rehabilitation.
- That the HIPC guidelines should be transparent about the accessing of HIPC funds as the Kitwe City Council had been told that it was not qualified but this was not true given the explanation by the Team in its introductory remarks about which institutions qualified.
- That the top to bottom approach to planning for HIPC projects was old fashioned and a very primitive way of managing projects meant for the grass root people in society.
- That professionals needed to counsel politicians on the prudent management of HIPC funded projects to reduce unnecessary political interference.
- That there was no proper flow of information about the HIPC programme.
- That there was no equity in the distribution of the HIPC funds as uniform allocation of funds without taking into account the different needs of each district.

3.2.5.3 Community Development

The District Community Development Officer (DCDO), Mrs. Katebe informed the meeting that the district did not access the HIPC funds and was not aware of the criteria used to allocate the funds.

However she was aware that the current Deputy Minister in the province Hon. Chipili had collected some funds directly from the Ministry of Community Headquarters and distributed the same to recipients of his own choice.

3.2.5.4 Department of Agriculture (DACO)

The District Agriculture and Cooperative Officer (DACO) Mr. Jambo informed the Team through the meeting that the district did not receive any HIPC funds.

He said the Rural Investment Fund (RIF) projects stopped receiving funds from the donors in December 2002 and that there were some projects for the farmers group under RIF which were still uncompleted.

He further stated that the district did not receive any vaccines and drugs which were procured from HIPC funds by the Ministry of Agriculture and Cooperatives headquarters in Lusaka.

Bemoaning the poor conditions of some feeder roads in the district, the DACO said there was need for the HIPC funds to be allocated to the district for the purposes of rehabilitation.

Finally he appealed to the Team to measure up to the sophistication of some people who were plundering the HIPC resources if the Team was to achieve its mandate.

3.2.5.5 Central Statistics Office (CSO)

Mrs. Moono representing the district Central Statistical Office informed the meeting that her office did not receive any HIPC funds and was not aware about them.

3.2.5.6 Kitwe District Health Management Team (KDHMT)

Dr. Puma, THE Acting District Director reported in the meeting that for the last six months the district did not receive any HIPC funds but that only ZMK 10 million was received in the recent past.

3.2.5.7 Kitwe Central Hospital Board

The General Hospital Manager Mrs. Kapatamoyo informed the meeting that Kitwe Central Hospital had received the first HIPC funds amounting to ZMK 500 million out of the budgeted figure of ZMK1.5 billion.

She said for the second allocation of ZMK 250 million the hospital only received ZMK 125 million.

She complained that the inadequate funding releases led to the planned projects from the same budgeted figure not to be completed and therefore the second release was used to complete the projects.

3.2.5.8 Non-Governmental Coordinating Committee (NGOCC)

Ms E.M Banda the Programme Liaison Officer for the District made the following points:

- That it was not enough to just have HIPC funds come to the district but rather it was important to have a tracking and monitoring mechanism at the district level to ensure accountability and transparency in the utilization of the funds to ensure that the target population benefited to reduce their poverty.
- That the HIPC funds had been highly politicized-releases were made during elections as the case was in 2001
- That the releases of funds needed to be publicized in public media so that each district knew what its allocation was and that with that knowledge it would promote transparency and accountability.

- That investigation on abuse of the HIPC funds should not be done when public officers had left offices.

3.2.5.9 Local Government and Housing (Kitwe City Council)

The Team heard from the meeting that the Kitwe District Council had a budget of ZMK 500 million from HIPC funds but that the same was diverted to Kabwe District Council for the rehabilitation of sewer and water systems and that there was no replacement of the same at the time of the meeting.

Furthermore the Team heard from the meeting that the Push Projects for peri-urban road rehabilitation were left half way –not completed. It was therefore recommended that the funds were sent directly to the projects other than passing through the Provincial Administration as this would accelerate the pace of improving the squatter compounds as mostly this was a food for work programme to also help in poverty reduction of the people involved.

3.2.5.10 Education

The District Buildings Officer in the District Education office, Mr. E.S Kamboi reported in the meeting that the district received some HIPC funds for rehabilitations works in High schools like Helen Kaunda and Mindolo.

He bemoaned the lack of adequate funding for rehabilitation works as he said Kitwe had 10 High schools but that only 3 schools had benefited.

3.2.5.11 Department of Forestry

The District Forestry Officer Mr. Kaluwe reported in the meeting that the district received some HIPC funds for the beekeeping project and that the whole province had a budget of ZMK 300 million but that only ZMK 127 million was received and did not know when the balance was going to be released.

He said the same funds came in very late in 2002 and that since it was the end of the government financial year the funds were taken back to the Treasury.

3.2.5.12 Occupational Health Management Board (OHMB)

Dr. Musone the Executive Director of OHMB raised the issue of how the district institutions would have a better chance of accessing the HIPC funds as opposed to going through the national institutions and gave an example of his institution which was national and the Kitwe Central Health Occupational Welfare which was at district level.

He also contrasted the Rural Investment Fund and the Urban Investment Fund for the same purpose and asked which one of the two should have priority in accessing the funds and questioned the eligibility of projects for funding.

He advised that senior leaders especially Permanent Secretaries should be sensitized on the need to empower the beneficiaries- that the strength of any nation lay in the grass root people and therefore the need to fund the projects at district level.

3.2.5.13 Department of Social Welfare

The District Social Welfare Officer Mr. R. Mangani in his brief presentation made an appeal to the Team through the meeting that the Public Social Welfare Scheme needed to have an approach whereby the recipients were empowered through income generating activities as opposed to hand outs which developed a dependency syndrome on the part of the recipients.

In closing the meeting the Team leader stated that the beginning of the HIPC Programme in 2001 was done from top to bottom in terms of project identification, costing, and budgeting and allocations with very little information on the guidelines on how to utilize the resources but that now there were some learning experiences from the same and therefore the message the Team had brought to the district was that the projects to be financed from the HIPC resources meant for poverty reduction needed to be grown from the districts and then put through the provincial plans and then finally captured in the national budget.

3.2.5.14 Meeting with Kitwe District Senior Civil Engineer

The Team met the Senior Civil Engineer at the Kitwe City Council, Mr. Tinkano Sipwewa who was involved in the supervision of the feeder roads funded out of HIPC.

He explained that the specifications and bills of quantities which were done by the Provincial Roads Engineer for the feeder roads were not commensurate with the conditions survey which the Kitwe Council did as the same only reflected light grading where as most of the roads needed heavy grading with spot re-gravelling.

The Kitwe council was merely asked to supervise and certify the works.

3.2.5.15 Kakolo Resettlement Road

The Team inspected this feeder road which was light graded in September 2001 with a distance of 14.4 km done through a joint venture contract between Muwonda and Caissons and the quality works were not up to

standard as the Hon. Chipili had at one time castigated the contractors for not having done a good job. The Team was informed
The road connects the resettlement area with the Ndola –Kitwe road.

3.2.5.16 A J Farms Road

The road was first done in September 2001 by Caissons and Muwonda and 1.6km was light graded. The Team inspected the road and found it in a fairly good condition except in few portions where spot re-gravelling was required. The road leads to some commercial farms as well.

However the Team learnt that the same road was to be rehabilitated again in 2003 by heavy grading it.

3.2.5.17 Chizinga Road

The Chizinga feeder road branches off the main Bulaya Road which goes to the emerald mining area and upon inspecting it the Team found in a good condition and the width of the road was extra good.

Light grading of 7.2 km was done between in September 2001 and October 2002 by Muwonda and Caissons as contractors.

The Team heard that the road was to be heavy graded this time around in 2003.

The road serves as a communication link to both the large and small scale farmers and the local people who are settled in the area.

The inspected roads are in fair condition. Despite being done during the period under review and have survived at least three rain seasons.

3.2.5.18 Cedrics Farms Road

Upon inspecting the road the Team found that only light grading was done on the road in 2001 covering 4.3 km with the HIPC funds but found the road in a much better condition as compared with other like Chizinga feeder road as the commercial farmers in the area like Cedrics Farms under took to maintain the road once in year out of their own resources.

The road links up with the Kitwe –Ndola road and provides easy communication to the school and rural health centre in the area.

3.2.5.19 Multiple culverts (Cause way)-Kitwe Council Farm Road

Three (3No) lines of 1200mm diameter Armco pipes were to be constructed along this road but this was latter changed to Five (5 No). 900mm concrete pipes. The change was necessitated by lack of the 1200mm diameter Armco

pipes. The change was in order as the numbers of lines were increased to five to compensate for the change from the envisaged 3No lines x 1200mm diameter pipes.

Observations:

The workmanship on the causeway constructed on the Kitwe council farm road was not good enough. Three (3No lines x 900mm diameter pipes have been constructed in the same lines with the larger diameter of 1050mm diameter pipes. The normal and ideal situation both technically and structural wise would have been to separate the different diameters constructed on different lines and not to mix them up.

The masonry works on the entire length of the small embankment Wing walls and aprons were not properly done. The works were supervised and certified by the Kitwe city council personnel.

The road at the embankment is narrow. Aprons not extended enough to counter the erosion effect both up/down stream

Impact:

On the average the rehabilitation of feeder roads done out of HIPC resources in Kitwe has improved the conditions of the same roads so much that the local farming community has had no serious problems in using the road for social or economic purposes.

Recommendation:

Most of the roads rehabilitated were merely light graded instead of heavy grading and spot re-gravelling them and therefore that Team strongly recommends that the roads specifications should be done as per roads conditions survey done by the local authority and altogether avoid spreading the resources thinly and as was the case here.

3.2.5.20 Kitwe Local Court

The Team visited the court and inspected the rehabilitation works done to the court which was built in the 1950s.

The Court had received ZMK 10 million in 2002 and another ZMK 27 million in 2003 and the tenders to award the contractor were done by the Provincial Tender Committee after the Provincial Building Officer had made the specifications without involving the Provincial Local Court Office, the stakeholders.

The site officer was the District Buildings Officer.

The rehabilitation works according to the specifications in the contract given to Maybins Enterprises included:

- Replacement of the doors to the building and offices.
- Construction of window spaces, fitting of frames and glass panes- building had no windows.
- Replacement of some rotten corrugated iron sheets.
- Plastering the walls both inside and outside to cover the cracks.
- Fitting of new ceiling board as the building had nothing.
- Construction of the drainage system around the system.
- Construction of the docks and the platform.
- Mounting of the fisher board.
- Painting of the building inside and outside including the ceiling board.

Observations:

1. The floor was not done as it needed either a smooth finish or tiles.
2. Only one coat of paint was applied.
3. There were no toilets for the staff of the court staff.
4. There was no suitable furniture for the court justice and clerks.
5. Court No 2 which was rehabilitated had received 8 benches from the public gallery.
6. The original Bill of Quantity was altered by the clerk of works by ZMK16.5 million which brought the total contract sum to ZMK 44.8 million.
7. The contractor had so far been paid ZMK 33 million.
8. The contractor had not finished the works by the time agreed.
9. The evaluations to the contract to build the docks and the platforms in the court were done out of a complaint by the Provincial Local Court Office in Kitwe.
10. The evaluations to the total contract sum were not sanctioned by the Provincial Permanent Secretary through the Provincial Tender Committee as they were above 15% allowance limit for the Provincial Buildings Officer to have sanctioned.
11. Electrical fittings have not yet been done.

Impact:

The rehabilitation works carried out has uplifted the building infrastructure of the court which was dilapidated and thereby creating a conducive environment for the court staff and the general public.

Recommendations:

The contractor should be made to finish the works remaining (painting and fitting of electrical items as he was expected to have handed over the building in March 2003.

Furthermore the Provincial Buildings Officer needed to be reprimanded and investigated over the evaluations to the contract.

3.2.5.21 Helen Kaunda Girls High School Board

The Team visited the girls' school which had received some HIPC funds in 2002 in two tranches of ZMK 222 million and ZMK 15 million for the rehabilitation and purchase of school materials respectively. The rehabilitation works involved:

- Painting the school –inside and outside
- Mounting 4 new water tanks of 5000 and 8000 litre capacity - 2 of each respectively
- Replacement of iron roofs on some classrooms
- Fitting of electrical items
- Fitting of some 25 new doors to some classrooms
- Replacement of broken toilet cisterns in ablution blocks
- Replacement of broken door locks
- Vanishing the red clay bricks to some buildings

The school also bought science laboratory chemicals, text books, and 2 x 4 plate cookers for the home economics classes.

Observations:

1. The Contractor Mr. Chomba did not do a good painting job whose paint cost was ZMK23 million and labour cost ZMK5 million
2. Mr. Mano who was contracted to carry out plumbing works which were not specific had his contract varied from ZMK 1.8million to ZMK2.8million
3. The school had bought all materials but hired skilled labour

Impact:

The school had its structure uplifted in its outlook and apart from the poor painting works, other rehabilitation works carried out, were of good standard especially the water reticulation and the securing of the classrooms with doors and locks and thereby providing a conducive teaching and learning environment devoid of vandalism.

The cookers, books and science laboratory chemicals bought had also boosted the acquiring of knowledge for the students especially through practical sessions.

3.2.5.22 Mindolo High School Board

The Team visited the school which was built in 1934 and has a population of 3,500 students but the capacity is about 800 students and has 76 qualified teachers.

The school had directly received ZMK 100 million in October 2002 from the Permanent Secretary at the Ministry of Education headquarters in Lusaka and prior to that the school had already identified the rehabilitation works needed.

This was against the budget of ZMK 220 million for rehabilitation works and therefore instead of executing 15 projects the school had to scale down the projects to fit the funds released but that the user fees had also been used to supplement the HIPC funds.

The Team heard from the Deputy Head teacher that prior to the rehabilitation school was so dilapidated that it led to the removal of the previous Head Teacher.

As a Board, the school had constituted a projects committee comprising teachers and parents to manage the rehabilitation works.

The Bills of Quantities were approved by both the provincial and district Building Officers with tenders having been advertised and awarded by the provincial administration.

Observations:

1. The science laboratories had:

- Gas taps and pipes installed
- 75 new stools supplied
- shelves refurbished
- Burglars bars re-enforced
- Faulty electrical fittings replaced with new wiring done

All the above was done at the cost of ZMK 18 501 480.

2. The class rooms and the general school had:

- All broken windows replaced
- Broken doors replaced with mukwa wood doors
- Walkways erected with iron sheets roofs
- Teachers tables supplied in classrooms which did not have
- Replaced broken asbestos roofing sheets
- The Home Economics class supplied with a refrigerator and cookers and had burglar bars fitted

- The Industrial Arts Department and Metal, and Wood Works fitted with new electrical fittings
- The school buildings fitted with spoon drains, skating and some floors re-done
- The Car park constructed for visitors and staff

The Team was very impressed with the rehabilitation works carried out but was informed that one contractor had taken long to finish off the fitting of gas pipes and taps in the science laboratories as the materials were imported.

The Buildings officers from the district and the provincial headquarters supervised and certified the works.

Impact:

The rehabilitation works carried out at the school had uplifted the outlook of the school generally speaking and had created a conducive teaching and learning environment to the extent that some students and teachers interviewed expressed their happiness over the general rehabilitation works carried out.

3.2.5.23 Copperbelt Secondary School Teachers Training College Board (COSETCO)

COSETCO as a higher institution of learning which had received some HIPC funds like the Copperbelt University had the Team visit it and inspect the rehabilitation works done, the college materials and sports equipment and furniture procured.

The Team first met with the Deputy Principal, Mr. Lupupa and later on the Principal Mr. Mwanambuyu who said that there were relatively new to the college as they had come to the college in 2001 and boasted of having developed the strategic plan, identified development projects and had put in place long-term plans for the college which was now a board and had all the stakeholders on board including students.

The Principal informed the Team that the college was built in early 1950 by the St Francis Catholic Missionaries as a secondary school but was later on in 1974 handed over to the Zambian government as it proved a financial burden to the missionaries.

At that time, the country had a shortage of Science, Mathematics and Home Economics teachers and with the assistance of the World Bank the secondary school was expanded with ladies hostels, kitchen, classroom, and ablution blocks and turned into a teachers' training college.

In 1976 the college produced its first graduates with 25 in mathematics, science and home economics.

The Team heard that the college had received ZMK 100 million for the rehabilitation of one student hostel which had been condemned for any human habitation as it was so dilapidated that it could have fallen apart because of the rotten roof structure.

The College had also been boosted with US\$ 4000 from a non-governmental organization for the same rehabilitation works as the ZMK 100 million was not adequate the Team was informed.

A subcommittee involving all the stakeholders was formed to spearhead the rehabilitation works.

Observations:

1. The College Board had hired a contractor to rehabilitate the Mansion Hostel:
 - replacement of clay roof tiles with corrugated iron sheets,
 - inside and outside painting,
 - fitting of new gutters and the ceiling board ,
 - replacement of broken window panes and wooden panels and
 - fitting of new mukwa flush doors
2. The College had received mattresses procured from HIPC funds by the PEO in Ndola and now all students were sleeping on beds.
3. The College had security lights installed especially around the kitchen And hostels.
4. The ladies hostels have not been rehabilitated
5. The College maintenance staff had painted other student hostels out of their own initiative and resources.
6. The College had inadequate water and sewer facilities and water was being rationed.
7. The Home Economics had 5 stoves procured from HIPC funds
8. The chairs, especially those supplied by Mwanamuto Investments and contracted by the Ministry of education headquarters in Lusaka were of poor quality as at the time of the visit and inspection by the Team, a good number of them were broken.
9. The College secured quotations, had its own tender committee to evaluate

the quotations and sought approval from the provincial and national tender Boards depending on the thresholds.

10. Text books were procured for science, mathematics and home economics.
11. There was no proper physics laboratory – no equipment and chemicals.
12. There were variations to the contract for electrical fittings, mukwa wood window panels
13. There was not enough lighting in the dinning hall as there were not enough lighting fittings put up
14. The college hall was dilapidated and needed urgent attention as it was being used for lectures, examinations and other extra curricular activities like drama.
15. The college had procured sports equipment, computers, lounge suites, and video cameras and photocopying machines.
16. The college library infrastructure was dilapidated but had a lot of books.
17. The College management had no clear understanding of the HIPC Guidelines especially those relating to what goods and services are to be procured.

Impact:

The rehabilitation of the Mansion hostel, Dinning hall and the classrooms and indeed the procurement of mattresses, college teaching and learning materials has had a positive impact on the teaching and learning environment in the college. This is very visible, especially for the Mansion Hostel which was almost pulled down after its condemnation by the education authorities from the Ministry of Education Headquarters as it was said to be posing a risk to the students.

Recommendations:

The Team recommends that more HIPC funds are made available to the college as it needs a lot of rehabilitation works on its infrastructure which is quite old.

Priority must be the reticulation of the water and sewer systems which are inadequate at the moment and more importantly that the institution should be given the autonomy to decide its priorities for development given its strategic plans which have been put in place by the college board.

Otherwise the College Board should be commended for prudently managing the HIPC funds to the benefit of all stakeholders.

3.2.5.24 Kitwe Central Hospital

Kitwe Central Hospital received K650 million in 2001 and 2002. The funds were applied towards rehabilitation of the hospital including the nursing school and student hostels.

Specific works carried out included the following: -

- Painting
- Plumbing
- Replacement of floor tiles
- Replacement of window panes
- Replacement of water pipes
- Fitting of toilet pans, flushing units and wash basins
- Purchase of boiler spares
- Purchase and installation of a water pump

The following contractors were selected for specific works:

| <u>Contractor</u> | <u>Works</u> |
|--------------------------|---------------------|
| WC Construction | Outside plumbing |
| A & H | Painting |
| Bonobed | Floor Tiles |
| Mithebs | Inside plumbing |
| Rickmart | Window Panes |

Observations:

Whilst the works were generally well done we noted some lapses in certain areas. Some painted walls were already blemished. This was attributed to the reverse order of doing things. Plumbing should have preceded painting and not vice versa.

In OPD II, there was still a water problem as pipes were blocked.

In Lunsemfwa Ward water was not flowing through to the toilets. A new water basin had been installed but was not connected. In view of the problems in Lunsemfwa, the Team was told that there was a running dispute with Mithebs and some funds had been withheld.

Whilst flushing units being replaced for staff toilets were the conventional ones we noted that the wards had overhead flushing units. We feel the priority should have been to get rid of overhead flushing units in the wards as patients may be too weak to operate these.

Impact:

Notwithstanding the shortcomings found in some wards, the community and staff appreciate the benefits. Kitwe Central Hospital is a specialist referral centre even for places as far as Solwezi and Kasempa.

3.2.6 CHINGOLA DISTRICT

3.2.6.1 Meeting with Chingola District Administrator (DA)

The Team as usual called on the office of the District Administrator for the facilitation of a meeting with the district heads of government departments.

The DA informed the Team that most of the Heads of government Departments were out in the district carrying out some other assignments and therefore the meeting could not take place.

In the brief meeting the DA made the following observations regarding the management of the HIPC funded projects:

- That the Offices of the DAs country wide should be the focal points for coordinating developmental programmes like the poverty reduction programmes and HIPC projects in particular.
- That all the Zambians were stakeholders in the management of the HIPC funded projects and should be included in the whole process from project identification to implementation.
- That the reports generated by the HIPC Tracking and Monitoring Team should be followed up by the Ministry of Finance and National Development for appropriate action given the recommendations.
- That HIPC funds should go directly to the points of project implementation in the districts like the way ZAMSIF was financing local community social projects.
- That the HIPC funds released through the Provincial Permanent Secretaries were not only inadequate but altogether not shared with districts in an equitable manner as the different needs of the districts were not taken into consideration.
- That there was need for capacity building at district level in the management of the HIPC funded projects

In closing the meeting, the DA, Ms Jeanne Phiri thanked the Team for having visited the district and urged the Team to make sure that the findings from their tracking and monitoring were made available to the general public to promote transparency and accountability in the utilization of the HIPC funds.

The Team then proceeded to inspecting the HIPC funded projects in the district.

3.2.6.2 Luano Feeder Road

The Team could not inspect this road as we were taken to a wrong road by a council roads foreman.

3.2.6.3 Kalilo and Ipafu Roads

These roads were done by RZ and MCM enterprises at a cost of ZMK 110.0 million and were found in good condition and the same roads lead to the settlement areas of mainly former mine workers who are now engaged in small scale farming activities. These two roads service the local community, the Rural Health Centres and schools.

3.2.6.4 Munsenga feeder Road

This road was done by the District Council on force account-the Provincial administration provided the fuel and the council used its grader and staff to do the rehabilitation works. The road leads to the commercial farming community and was found in good condition except for some portions on a hill where there are gullies which would need spot re-gravelling.

3.2.6.5 ZCCM (Nchanga) Farms Road

The road was found in good and fair condition. It was the Team's view that the roads were still in serviceable condition and given a continuous maintenance strategy, the roads could play a pivotal role in enhancing farming and other economic activities within the communities. Some portions had gullies as result of the poor formation of the road.

The contractor; Koko's was paid ZMK 45.0 million for the rehabilitation works which were basically light grading and minor spot re-gravelling.

The Team was also informed by the District Council Director of Engineering Mr. Liteshi that the Provincial Permanent Secretary had released ZMK 137 million to the Council for the works carried out and that there was still a balance of ZMK 18 million which was needed to finish off the Luano Feeder road.

Recommendation:

The Team is of the opinion that the council has the capacity to undertake rehabilitation works on district feeder roads as it has a grader and qualified road engineers and therefore the Provincial Administration should continue involving the council in rehabilitation works on force account basis.

3.2.6.6 Maiteneke Basic School

Maiteneke was previously a basic school and was upgraded to a high school. Despite the upgrade, the school had no laboratory facilities. The monies were therefore spent on putting up 1 Physics Laboratory and one Chemist/Biology Laboratory.

The school has fairly a good catchment considering the number of high schools in Chingola which are few. The school accommodated about 1,300 pupils.

The structure upon which the laboratories were set up was an existing structure but was partitioned and modified.

The following works were undertaken in each of the science laboratories:-

Fitting:-

- New tiles
- Hard basins x 6
- Notice boards
- Glass panes
- Overhead fans
- Drainage pipes
- Burglar Bars
- Locks
- Electrical wiring

The office of the Head of the Science Department had also the skating, painting and extension of the room done.

Despite the shortcomings highlighted under financial evaluation, the structures were professionally done.

However there were some negative sentiments expressed that the buildings officer was never on hand to offer guidance.

3.2.6.7 Chabanyama Basic School

The initial allocation to this school was used to rehabilitate the girls' toilet, which had been blocked since 1981.

The following works were carried out: -

Fitting:

- 2 doors
- 2 door frames

- Toilet pans
- Cisterns
- Wash basins and painting

The second allocation was used to rehabilitate the boys' toilet block, which had been closed since 1968.

The following works were carried out: -

Fitting:

- Door frames
- Burglar bars
- Toilet pans
- Toilet bends and painting both inside and outside

The works in both instances were fairly done.

The school has a population of about 1935 pupils and the school authorities hinted that 2 ablution blocks are not enough as the school population had grown over the years.

Observation:

At the time of the visit by the Team, there was only one ablution block for boys and girls still not in use waiting for further funding to complete the ones which were under rehabilitation out of the HIPC funds.

We further identified that the windows round the school were broken.

Recommendation:

The school had insufficient desks; apparently a K9 million meant for desks never reached the school. This matter needs further investigation.

Further, the school needed additional funds quickly to complete the ablution blocks and thereby decongest the only two ablution blocks being used by the girls and boys and the same were not adequate as the school had been upgraded and had since increased in student population.

3.2.6.8 Twatasha Basic School

The ZMK 3 million HIPC funds given to the school were used to rehabilitate the girls' toilet block.

The school has a population of 1,800 and they still have 2 ablution blocks, which need attention to effectively cater for the school population.

The Team inspected the rehabilitation works which were carried out and found that the following fittings were done:

- PVC cistern x 3
- Toilet pans x 5
- Hand basins x 3
- Flush doors x 8 and painting

The works were found to be of good quality on the average.

Observation:

Security around the school was found to be poor. There has already been an attempt to remove some of the new fittings.

Recommendation:

The Team learnt that there was a water problem at the school and this was general problem around Twatasha area as the District council water line could not effectively and efficiently cope with the demand.

The school should therefore consider sinking a borehole to ensure the investment in ablution blocks is worthwhile and also uphold hygiene standards.

Further there was need to burglar proof the ablution block to reduce the risk of burglaries and vandalism.

3.2.6.9 Mutenda Basic School

Due to time constraints and considering the remoteness of Mutenda Basic school the Team never paid a visit to the school. However it was reported that Mutenda basic school received K9.4 million for rehabilitation.

The DEO expressed strong sentiments regarding the Building Officers' (a Mr. Banda) insensitivity to the needs of the District. The DEO was of the view that Chingola District never got a fair share of HIPC funds hence most schools were in deplorable state. The Team had also noted that unlike Chingola District where only Maiteneke a newly upgraded high school, received K79m, in other districts at least two high schools were funded in excess of K100m.

3.2.6.10 Chawama Clinic

The HIPC funds at Chawama Clinic were applied towards erection of a wall fence and construction of a Mortuary.

Mortuary

The foundation had been completed and 3 sides had gone up to window level.

Wall Fence

The wall fence had been completed and was well done.

Impact:

The mortuary is envisaged to be of great benefit once completed as currently there is only one mortuary catering for the whole district yet Chawama Clinic is the biggest Health centre under DHMBT in Chingola and also is a referral centre.

The wall fence was said to have improved security, as previously there were a number of pathways through the Hospital grounds.

Recommendation:

There was an identified need for a separate spacious maternity wing. Chawama Clinic is said to have the highest maternity rates in the District average 30,000 per annum.

3.2.6.11 Ipafu Irrigation Scheme (Ipafu farmers Association)

The District was supplemented by an amount of K103 million on HIPC funds towards the Ipafu Irrigation Scheme. The Ipafu Farmers Association under the coffee Board Out grower Scheme runs the scheme.

The following installations were found at the irrigation site:

- 2 Industrial pumps
- 2 Control panels
- ZESCO transformer
- Pump house
- 2 Km feed line
- 105 drip lines each 120 metres long.

Amiran supplied the pump equipment. The pump is strategically installed at the confluence of the Ipafu and Ngosa rivers hence minimizing the chances of low water levels in case of extreme dry spells. There was no problem with pressure.

Impact:

The project has benefited 25 farmers who each cultivate a field of 1.5 hectares.

The farmers were very appreciative of the project and submitted that since the advent of irrigation, yields had increased from ½ ton to 1 ton. The project is said to be a pioneer for Coffee growing on the Copperbelt.

3.2.7 CHILILABOMBWE DISTRICT

3.2.7.1 Meeting with Chililabombwe Heads of Government Departments.

After paying a courtesy call on the Office of the District Administrator, the DA Mr.D.Chinsuka quickly facilitated the meeting with all Heads of Government Departments or their representatives at the District Council Chambers.

In his opening remarks the DA said the visit by the Team was very important as it had given chance to all present in the meeting to share the experiences and information on the management of the HIPC funded projects.

The Team Leader then went on to explain the purpose of the visit is that of essentially tracking and monitoring the projects so provide checks and balances in the utilization of the resources and thereby promote transparency and accountability.

However several issues and observations were brought out and included:

- That the district had no government hospital and that all patients requiring specialized treatment were sent to Chingola or Konkola Mine Hospital which was fee paying and wished that the HIPC funds could be secured for the construction of a government hospital
- That the district council and the town as whole had experts to handle some HIPC funded projects citing the former miners who have the necessary skills as an example and therefore the need to source labour for the projects locally
- That there was need to decentralize the management of the HIPC projects to district levels as opposed to having the Provincial Administration having a greater say in the whole process.
- That there was need to carry out a national postmortem on the management of the HIPC funds and the projects there from.
- That the civil society in general, including the church and NGOs should combine efforts with government to alleviate poverty and consequently foster sustainable socio-economic development and prosperity for all Zambians
- The Team should deliberately scrutinize the companies and their directors who had been awarded contracts for HIPC funded projects and had put up poor performance and in some cases advance payments were made to the same contractors
- That there was need to involve all the stakeholders in the management of HIPC funded projects

- That supervision of some projects were not being done in a transparent manner and that some times the district was not aware of some HIPC projects which were being implemented but were merely instructed to certify that projects were satisfactorily completed when in fact not.
- That the identification and quantification of projects to be funded by the HIPC initiative was not a problem but the tendering process which did not allow for the district to participate in the valuation of bids submitted to the Provincial Administration.
- That some feeder roads rehabilitated in the district were not up to standard and that the contractors involved had not been made to make up for the poor quality works.

Concluding the meeting the Team leader assured the meeting that all the observations and issues brought out in the meeting would be reflected in the report and that if there were matters bordering on crime the same would be channeled to the relevant government law enforcement agencies.

However, he cautioned that the administrative bottlenecks would be the prerogative of the Ministry of Finance and National Development Headquarters to take appropriate administrative action.

3.2.7.2 Kanenga Road

9.5km of this road which was done in 2002 by Zambia National Service (ZNS) was found in good condition and the local community, the local Member of Parliament and the District Council Engineer are all happy with the quality of works.

3.2.7.3 Chimfunshi (22.4km) and Kameza (8.4km) Roads

These roads which were done in 2001 by LM Engineering at a cost of ZMK 97.29 million were found in fairly good condition. Some sections of the two roads were spot graveled but have developed erosion gullies especially at ascends and descends as they have no drainage lines opened up on the side of the roads.

3.2.7.4 Culvert on Kanenga Road

1 No x 900mm diameter concrete pipe on this road has not been completed by ZNS due to lack of funds to complete the structure. Further investigation on the uncompleted culvert revealed that the construction of the culvert was an after thought (additional item) and the local MP promised to source for more money to install the culvert in question. The extra funds required never came but ZNS went ahead and put up the structure which has the culverts exposed and can break easily with the passage of traffic.

Impact:

The Rehabilitation of the feeder roads in the district had improved the condition of the roads and thereby providing the necessary communication to the local farming community and the general public traffic to transport their goods without much ease.

3.2.7.5 Chililabombwe High School Board

The Team visited the school which has a population of 590 boys and 610 girls with 51 qualified teachers and met with the Head Teacher Mr. Mkandawire.

The school had received ZMK 100 million of HIPC funds directly from the Permanent Secretary, Ministry of Education for the rehabilitation of the infrastructure.

The works covered the following:

- Improvement of the Tuck-shop
- Rehabilitation of the school Hall
- Rehabilitation of the Library/ computer room

Observations:

- The classrooms were painted (inside and outside), broken windows replaced, construction of drainages around the classroom blocks and walkways paved.
- The library and store room had been painted (inside and outside), partitions done with concrete blocks, broken windows replaced, new movable bookshelves fitted, electrical fans mounted on the ceiling board and had burglar proofing re-enforced.
- The School Hall had the asbestos around the structure removed and replaced with red clay bricks, the roof and the inside painted and burglar re-enforced, electric fans mounted by the ceiling, broken windows replaced and had cubicles by the stage re-built with concrete blocks after removing the asbestos wall.
- The school front yard had the pillar taps mounted and protected with concrete drainage lines.

The Team was further informed that the school had constituted a projects committee comprising school management and the Parents Teachers Association (PTA) to oversee the rehabilitation works.

Several contractors were hired by the school, given their areas of specialization- electricians, painters, metal fabricator and bricklayers and were paid by the school after completing the works.

Impact:

The rehabilitation works done to the classrooms, library, tuck-shop and school hall had impacted positively to the outlook of the school and indeed reinforced the security of the school infrastructure which had been vandalized before.

No doubt, the teaching and learning environment had been boosted.

3.2.7.6 Chililabombwe District Health Management Team (CDHMT)

The Team visited the Office of the Director of Chililabombwe District Health Management Team and met with the Acting Director Mr. Zulu who informed the Team that the District had received ZMK 44 million in 2001/2 for the rehabilitation of the following:

1. Kakoso urban clinic
2. Chimfunshi Rural Health Centre
3. Lubengele Township clinic

The Team further heard that the district had received a further ZMK 10 million in 2003.

Upon inspection, the team made the following observations:

3.2.7.7 Kakoso Urban Clinic

The clinic had the borehole rehabilitated to reticulate the water and sewer system, the inside and outside painted (with only one coat), including the replacement of rotten ceiling boards and timber terraces of the roof in the OPD, Operating Theatre, Maternity ward, Store room and the Dispensary. However some wards like the Maternity were found with broken vinyl tiles.

A total of ZMK 13.94 million was spent on the works but the same was thinly spread for the works done.

3.2.7.7 Chinfunshi Rural Health Centre

This RHC had the building and staff houses secured with burglar proofing and the staff were happy as the centre had valuable equipment secured.

A total of ZMK 11.0 million was spent.

3.2.7.8 Lubengele Township Clinic

The clinic had some general repairs done including painting, replacement of broken windows and doors and replacing of vinyl tiles. Generally speaking the works were of low quality. A total cost of ZMK 4.6 million was incurred.

Recommendation:

The Team observed that the resources were thinly spread on the three health facilities leading to poor quality of completed works and therefore recommends that with limited resources it was better to do one project per institution at a time to ensure good quality works.

3.2.8 MUFURILA DISTRICT COUNCIL

3.2.8.1 Meeting with Mufurila Acting District Administrator

Upon arrival in Mufurila the Team paid a courtesy call on the Office of the District Administrator and met with Mr. Kayanda the District Administrative Officer who was acting as the previous DA had been transferred to another town.

The Acting DA informed the Team that he was not informed by the Provincial Administration Office in Ndola of the Team's visit to the province and Mufurila in particular and therefore he did not alert the Heads of Government Department for a meeting with the Team.

However he paid tribute to the Team for having called on the DA's office to appreciate how the HIPC funded were being managed for the purpose of alleviating poverty.

In his discussions with the Team the following observations were made:

- That the HIPC projects were imposed on the people of Mufurila and therefore there was no feeling of ownership of the projects
- That the flow of funds was erratic and therefore made planning and implementation of projects difficult
- That the HIPC funds had not achieved their intended objectives- that of poverty reduction
- That the Roads Department in Mufurila had not received adequate HIPC funds to make an impact on the district feeder road rehabilitation needs and this had affected the productivity of the small scale farmers who mainly are retired miners and gave an example of Mulundu farming block
- That the HIPC funds released for the construction of the Musakashi bridge were not adequate and had caused a lot of anxiety to the newly trained group of young farmers who are being settled in Musakashi Agricultural Research Area under the Sustainable Agriculture Development Association.(SADA).
- That there was a lot of red tape and beauracracy in the management of the HIPC funds by the Ministry of Finance and National Development and indeed the line ministries and suggested that there

should be direct quarterly allocation of HIPC funds to the district like ZAMSIF was doing to improve on planning.

- However stated that the HIPC initiative for poverty reduction if managed would certainly improve the living standards of the intended target population-the poor.

In closing the meeting the Team Leader requested the DA's office to communicate with the Heads of Government Department by telephone so as to facilitate the Team's visit to their offices and the HIPC project points.

There 4 feeder roads rehabilitated using HIPC funds and these were done in 2001 and 2002 and the scope of works composed of light, heavy and spot gravelling.

3.2.8.2 Mokambo to Luansobe Feeder Road

AMC limited of Mufurila were contracted to rehabilitate this road and which works were not bad as the Team found the road in a fairly good condition except of course for the miter drains which seemed not to have been cut to allow for water not to run on the road but drain away into the side of the road.

However the length covered was not commensurate with the ZMK 70 million which was paid to the contractor and indeed when compared with the quality of works done on feeder roads by the Mufurila District Council on force account.

The road leads to the small scale farmers near to Mokambo on the border with the Democratic Republic of Congo.

3.2.8.3 Murundu/Mutundu Road

The Team inspected this road which passes through Mutundu in the Kafubu Farming Block was contracted out to DAMCO Engineering and covered a combined total of 19km and cost ZMK 89.98 million.

The Team found the road in fairly good conditions except for one portion which needed the culvert to be raised as it was too low and may be damaged by heavy motor vehicle traffic as it was acting like a landing bay.

3.2.8.4 Murundu to Mupena (19.5 km) and Kalindini Roads (16 km)

These roads were done on Force Account (in house) by Mufurira Municipal council in conjunction with the district Roads Department in 2002/3.

It was observed that the kilometers done under force account or in-house were far much more compared to the kilometers covered by the contractors

and the cost was a bit higher. However the roads were in good condition at the time of the team's inspection visit.

The Team was however informed that the Provincial Administration only released ZMK 63 million and that there was a balance of ZMK 83 million. Furthermore that fuel of about ZMK 30 million and spares for the grader were procured by the Provincial Permanent Secretary's Office in Ndola.

Recommendations:

- The Team is of the view that the Mufurila District Council has the capacity to carry out rehabilitation works in the district as they have a grader and qualified road engineers and therefore should be given a chance by the Provincial Administration in Ndola to participate in the tenders for road rehabilitation.
- The Musakashi Bridge needed more funds to be released if it has to be completed as it has stalled due to inadequate funds.

3.2.8.5 Mutamba Primary School

Mutamba Primary School was allocated an amount of K9 million for rehabilitation.

The monies were applied on the following works to 3 classroom blocks:

- Replacement of roofing sheets (the earlier sheets had been blown off).
- Painting the inside
- Replacement of windows
- Fitting of notice boards
- Fitting new doors
- Fitting new chalk boards

The little money allocated was well spent and the school authorities were appreciative as the classrooms now look fairly habitable than before.

3.2.8.6 Mokambo Primary School

Mokambo Primary School is situated on the border with the Democratic Republic of Congo (DRC). Initially the school had been allocated an amount of K25m under the Presidential fund for construction of 4 classroom blocks and 2 office blocks. The K9 million allocated under HIPC facilitated completion of the project. The following works were carried out:-

- Painting
- Fitting chalk boards
- Fitting windows
- Flooring

The school caters for over 1000 pupils and has a catchment of 5 communities namely Chiwele, Sosala, Horasho, Mokambo and the neighboring Democratic Republic of Congo.

3.2.8.7 Twatotela Primary School

Twatotela Primary School is situated some mid way between Mufulira and Ndola.

The school serves a community of about 10,000 people and accommodates about 700 pupils. It covers grades one to seven.

The school received K10 million of HIPC funds and these were applied towards the following rehabilitation works:-

- Fitting steel corridor poles
- Painting
- Replacement of locks and doors
- Grazing of windows
- Roof mending

At the time of the visit, works on the spoon drain and completion of 1 x 2 toilets were still in process.

The works done were quite commendable. It was interesting particularly to note that the monies were predominantly spent on materials. Members of staff within the DEO's office who were identified to have relevant skills were providing Labour. These were only paid token amounts of money for upkeep.

The school authorities bemoaned lack of teachers' accommodation. Whilst the school had 5 permanent schoolteachers only 2 were accommodated.

Owing to the distance from town we learnt that most pupils were finding it difficult to continue with their education after grade 7 as the school only went up to grade 7. Majority of the community is poor and cannot afford to raise transport money for their children to be attending school in Mufulira. There was an appeal for more funds from the school authorities to upgrade the school to counter the difficulties arising after pupils graduate from grade 7.

Furniture

A total of 228 students' desks, 9 teachers' tables and 9 teachers chairs were distributed amongst 16 schools.

Due to time constraints, we visited the schools on sample basis. We covered the following schools:-

- Kamuchanga Basic School

- Taung Up Secondary School
- Murundu Basic School
- Mutamba Primary School
- Mufulira Central
- Mufulira Basic School

Our physical verification of desks at the last 4 schools listed above yielded positive results. At Kamuchanga Basic School we only saw 17 school desks instead of 20. The only teacher available at the time of our inspection could not offer an explanation for the shortfall of 3 desks.

At Taung Up Secondary School it took us a while of a good search to locate the total 21 desks. The desks are frequently rotated round the classes and this may affect the desks life span. The school has no wall fence and some classes are close to community houses posing a risk of some desks being stolen in the rotation process.

3.2.8.8 Horasho Primary School - Borehole

A borehole was sunk at the School and is in good working order.

The borehole, other than serving the school is also benefiting the surrounding communities.

3.2.8.9 Murundu - Storage Shed (RIF)

Murundu storage shed received K7 million of HIPC funds. These funds were a supplement to an already existing structure put up by RIF under IDA assistance.

The building was complete but did not seem to be very active. The Building Officer told us that apparently the shed was misplaced. It was sited in an area where there was very little farming activity. The Building Officer was of the view that this shed would have been better sited in Mutundu farming block where there is high farming activity.

Upon interviewing one of the locals we got further confirmation that though there was talk of a cooperative being in place it was merely on paper.

RIF as the implementing agency appears to have done a bad job as far as location of the project is concerned.

3.2.8.10 Luansobe Clinic - Electrification

Luansobe clinic is a newly built clinic and has not yet been commissioned. The clinic was allocated K67 million HIPC funds for electrification. Although ZESCO had erected the poles up to the clinic, the line had not been extended from the pole to the clinic. Despite the good investment in this structure we noted

that security was poor. The clinic has no wall fence. The watchman we found claimed to have been newly employed and he admitted the occurrence of theft cases during the tenure of the previous watchman. It was reported that some newly installed cisterns had gone missing.

3.2.8.11 Kamuchanga Hospital

Rehabilitation work was undertaken in the Maternity Wing, Dental Department and Out Patient Department (OPD).

Maternity

The following works were carried out at a cost of K8, 018,850: -

- Conversion of a Ward into a delivery room
- Closing off door
- Fitting curtain rails
- Fitting 1 large sink
- Fitting writing counter and cupboard
- Replacing tiles
- Painting

The works done were satisfactory.

Out Patient Department

The following works were carried out at a cost of K5, 550,352.

- Replacing of broken windows
- Painting

The works done were satisfactory.

Dental Department

We did not see the works carried out under dental department as personnel manning the dental department were off duty at the time of our visit. However, according to records obtained at the District office broken windows were replaced and painting was done at a cost of K2, 498,823.

3.2.8.12 Kamuchanga Clinic

A wall was erected at a cost of K12 million and some rehabilitation works costing K5, 190,000 were undertaken.

However, due to time constraints we only had a look at the wall fence, which we felt, had been done professionally.

3.2.8.13 Mutundu Clinic

A water pump worth K7, 541,975, was purchased to replace the old one which had become faulty. The District bought the pump and is diesel generated. The new pump was already not performing to satisfaction. It was sucking in air. We have our own doubts that the pump bought was brand new.

We also noted that between the point where the pump was and the clinic, the gradient was too steep and hence there was need for a high capacity pump than the present one to boost the pressure.

The borehole on which the pump is currently sited, we were told produce dirty water. However, we were shown a disused borehole reportedly sunk using HIPC funds. This bore hole it was claimed produces clean water and was at a better gradient. Despite the advantages of this borehole it was not in use as on 2 or 3 occasions, the submersible pump fell in and requires to be fished out where possible.

The clinic has no electricity hence availability of water is dependent on supply of diesel from the district, which is erratic. There is an identified need for electrification to improve the lives of the vulnerable.

3.2.9 LUANSHYA DISTRICT COUNCIL

3.2.9.1 Meeting with Luanshya District Administrator

As usual upon arriving in the district the Team called on the District Administrator, Mr. Chileshe Chilambwe who expressed ignorance about the Team's visit to the district saying he was not informed by the Provincial Administration in Ndola.

He said it was therefore difficult for him to arrange a meeting with all the Heads of Government Departments.

However he made observations about the management of the HIPC funded projects as follows:

- That the major problem was the exclusion of the district in the management of the HIPC funded projects by the Provincial Administration in Ndola, saying projects were being imposed upon the district
- As a result of the above, it was difficult for the district through the DDCC to coordinate and supervise the works
- That most contractors for HIPC funded projects were being sourced out of the district and thereby denying the district economy to grow as the same contractors never spent their money in Luanshya.

- That the district has no say on the allocation of HIPC funds received through the Provincial Permanent Secretary in Ndola and gave an example of the ZMK 300 million the province had received and that the sharing of the funds did not take into consideration the different needs of the various districts.
- That the district had identified a lot of poverty reduction programmes but that it took too long to get them approved from Lusaka
- That it was difficult to remove corruption because of the red tape and beauracracy which tended to promote personal interests by some authorities responsible for managing the HIPC funds.
- That there was a misconception that corruption was only at National Headquarters of government institutions but also at district levels
- That there was sometimes friction between the DA's office and the District Council as the Council was the Secretariat for the DDCC and that the DDCC was merely being used as a rubber stamp
- That the HIPC Tracking and Monitoring Team was doing a recommendable job in promoting transparency and accountability in the utilization of the HIPC funds and that the Team should not spare the abusers but recommend for prosecution if the same are found wanting.

In concluding the meeting the Team Leader thanked the DA for his valuable contribution which he said was going to be reflected in the Copperbelt report and assured him of the Team's unwavering stance on the mismanagement of HIPC funded projects meant for poverty alleviation of the people.

3.2.9.2 Meeting with Luanshya District Council Director of Engineering

To get an overview of the road rehabilitation in the District and before inspecting the roads, the Team sought a meeting with the District council and met with the Director of Engineering Mr. Ben Ngalande.

In his presentation the DE gave an outline of the Council's involvement as a local authority as follows:

- That in 2001 the funding for feeder roads were being administered by the Provincial Administration in Ndola but that the council was asked to submit their requirements out of the Roads Inventory which was done by the Ministry of Local Government and Housing Headquarters in Lusaka through a consultant-G-Tech in 1999 and produced the report in 2002.
- That 3.3 km of District road D247 was rehabilitated out of 6.5km as specified in the road inventory done by G-Tech Consultants. This gazetted road goes around the commercial farming areas like 5 Aces Poultry Farm, Flamingo and Rising farms and was contracted to Jobar Enterprises of Kitwe at a cost of ZMK 14.5 million.

- That 14.2 km of the D770 road in Kafubu Farming Block which was not catered for by PRE's office for maintenance was contracted to Jobar Enterprises of Kitwe to undertake light grading, fixing of culverts and spot re-gravelling at a total cost of ZMK 95 million. The road starts from Luanshya going up to Kapiri Mposhi.
- That 6.7 km of Kankwiba feeder road was rehabilitated by PUSH under the food for work programme. Labour intensive methods were used to stamp out vegetation, road formation, and the cutting of side drains. The road was previously reduced to a footpath and services the peasant farmers in the area and links them up to Mikomfwa Township but that now light trucks were passing through.
- That the District Council had submitted to the Provincial Permanent Secretary the request to rehabilitate the council's grader so that the council could also do some feeder roads but never got the funding.
- That in 2002 only 12.9 of 13 km of Kasungu feeder road was rehabilitated by Status Freight Limited of Ndola at a total cost of ZMK 150.68 million.
- That the Council only supervised the rehabilitation of the same roads without copies of the contracts to check the scope of works and be able to effectively control the contractors on site.
- That the Council was merely asked to certify the works by the Provincial Administration and the PRE counter signed
- That the PRE did the specifications and the contracts without the Council being involved
- That the U-9 (Milyashi Feeder road) and U-10 (Kasununu Feeder) roads were also earmarked for light grading, vegetation clearing and drainage line by StatusFreight Limited but because they pass through the private property – mining area they were not done.
- That the contractors sourced from Lusaka by the Department of Infrastructure and Social Services (DISS) in the Ministry of Local Government and Housing put up poor quality works as supervising them was a problem as the never took any advice from the Council due to what said as the 'back bone' syndrome from higher authorities.
- That DISS was not fairly looking at the needs of the districts and hence district projects were not being captured in the national budget for funding
- That the flow of information about HIPC funded projects was poor and this led to the Council not knowing which contractor was doing what in

the district and consequently coordination of projects through the DDCC was affected.

The Team after being briefed then went on the said roads for inspection.

Observations:

1. Most of the roads needed re-gravelling as there was no maintenance plan for them.
2. The PUSH supervised roads done by labour intensive were so impressive that one would think a grader was used to rehabilitate the road.

Recommendations:

The Team strongly recommends the participation of the local authorities in the whole process of the management of the HIPC funded projects from project identification through tendering to supervision and certification so as to develop a sense of ownership by the local Council and altogether promote transparency and accountability.

Furthermore, the PUSH supervised road rehabilitation works needed to be encouraged as they involved the local vulnerable poor people who were providing their labour in exchange for food which consequently reduced their poverty and more importantly the works were of very good quality.

3.2.9.3 Mikomfwa Urban Clinic

The Team extended its visit to Mikomfwa Urban Clinic after paying a courtesy call on the District Health Management Health Team and could not meet the Director who was reported out of the office.

The Sister In-charge, Mrs. Shonge was at hand to facilitate the visit.

She first gave the statistics pertaining to the clinic as follows:

- That Mikomfwa had catchment of about 18,444 people and that the clinic was catering for the same
- That the top 5 causes of morbidity were malaria, diarrhea, pneumonia, intestinal worms and sexually transmitted diseases
- That population was higher in those above 15 years which accounted for 51.2 %
- That the clinic provided maternal and child health services-ante-natal, post-natal and family planning.

The clinic had some rehabilitation works done, the Team was informed and these included:

- Renovation of out patient female and male toilets located outside the clinic by putting up iron roof sheets, replacing the broken windows, replacing of toilet bowls and cistern, unblocking the sewer line and burglar proofing.
- Construction of the incinerator at a cost of ZMK 996 000.

A total of ZMK 3.1 million was utilized for the above mentioned works.

Observations:

1. The incinerator was still not complete as it required a roof and therefore the clinic was using a pit latrine even for disposing off the placentas. The cost of construction of the incinerator (ZMK 996 000) was not commensurate with the actual works done
2. The clinic had no kitchen facilities even when it had in- patients for the maternity wards
3. The clinic had water problems as there was no sufficient pressure from the local water company
4. The clinic was not secured with a wall fence and the general public trespassed at will as the delivering mothers had no privacy what so ever
5. The clinic had no store room
6. The clinic had no incubator for newly born pre-mature babies
7. The outpatient toilets were rehabilitated and burglar proofed and was not in use at the time of the visit because of the water shortage.

Recommendations:

The priority for rehabilitation works at the clinic should have been the reticulation of water and sewer lines as the clinic was experiencing severe water shortages and not the rehabilitation of out patient toilets.

The clinic needed to be secured with a wall fence to reduce on the vandalism, secure the clinic equipment, the ambulance and provide privacy to the maternity ward.

The placenta pit required to be secured as well to avoid scavenging from stray dogs.

The incinerator built for disposing off placentas and other waste was not the best method as it was bound to pollute the surrounding households when it became operational.

3.2.9.4 Mikomfwa Health Centre

The Team visited the Health Centre which is a preventive and curative centre with only out-patients services and has the largest catchment area, catering for about 20,379 people.

The centre had received HIPC funds (ZMK 995 000) for the rehabilitation of the out-patient toilets which are located outside the centre.

The works involved:

- Painting
- Replacement of broken toilet systems

Observations:

The Toilets were found to have been rehabilitated and burglar proofed but not in use as there was a water problem at the Centre.

The Centre was not secured with a wall fence which risky considering the vandalism experienced before with the rehabilitated toilets.

The outside hand pump was also not functional at the time of the visit and made the institution without water being easily available for use. Water was being stored in drums as it only came through the taps inside the building in the night.

Recommendation:

The priority for rehabilitation should have been the reticulation of the water and sewer lines by sinking a borehole. Needless to say, water was very vital for the daily operations of the health centre. Otherwise there could be a serious outbreak of epidemics due to lack of water and indeed its poor storage.

3.2.9.5 Franco Clinic

The Team visited the clinic located in Mamarosa compound near to Mikonfwa Township and found that the clinic had the 2 VIP toilet constructed and had roofing sheets mounted and the quality of works were relatively good.

The cost of the works was ZMK 2.67 million for roofing and ZMK 8.08 million for the VIP toilets

At the time of the visit the clinic was closed for the day.

The Team was happy with the works done.

3.2.9.6 Mamarosa Middle Basic School

The Team visited the school which had a population of 1141 boys and 771 girls with 21 qualified teachers and is located in Mamarosa compound near to Franco Clinic and was built on self basis by the local community with the help of other donors

The school had its roof blown off on the 1x 5 classroom and the ablution blocks and therefore accessed the HIPC funds (ZMK 5 million) to replace the blown of roofs.

At the time of the visit, the Team found the school had finished its day and there was no chance of inspecting as there was no access to the inside school compound which has a wall fence built together with the classroom blocks.

3.2.9.7 Luanshya Trades Training Institute

The Team visited the Institute which had received ZMK 47.890 million of the HIPC funds and met with the Vice-Principal Mr. Chanda and the Registrar Mr. Kaonga.

The Vice-Principal informed the Team that he was new to the institute as he had reported there in December 2002 and therefore did not have an insight of how funds were utilized.

However with the assistance of the Registrar who had been at the institute since 1996, the Team was availed some reports and correspondence on the utilization of the HIPC funds (Design and Tailoring ZMK 27.29 million and Home Economics ZMK20.6 million).

The reports showed that the institute had designed a course for the vulnerable groups (orphans, widows and unemployed) on the Copperbelt to undertake training for skills in Home Economics and Cutting and Tailoring in three phases.

A total of 300 applications were received after advertising for the recruitment and only 12 for Home Economics and 15 for Cutting and Tailoring were selected for the three phases of the training programme and paid a 20% contribution to the total cost of the course. The total cost for recruitment came to ZMK 5.352 million.

A committee was appointed by the Institute to oversee the running of the programme and the committee agreed to start the first phase even when the HIPC funds received were not enough to cover the three phases.

Training

The training programme was quite intensive such that instead of covering it in one month it was compressed into two weeks and made the resource personnel to work up to 19.00 hours.

Training materials were procured at the total cost of ZMK 6.725 million) from the same HIPC funds and participants made very good quality items like Skirts, Shirts, Pants, and Children wear and cakes ,Jam, Buns, Beef dishes, Meat Pies, Sausage Rolls.

Resource and Administrative personnel were also paid allowances (ZMK 6.481 and ZMK 5.2240 million respectively) from the same HIPC funds.

Participants, especially the ones in the Tailoring and designs, after the two weeks of training and as the remaining two phases could not be completed due to lack of sufficient funds, were given the items they made as start up working capital.

Training Outcome

The training programme did not achieve the intended objective of having the participants go through the three phases due to the inadequate funding as an extra ZMK50 million was needed.

Impact:

As it was difficult to trace the participants to check on the how courses had impacted on their living standards out of engaging in income generating activities out of the acquired skills, the impact of the HIPC funds could not be gauged.

Recommendation:

The institute should have made sure that it had enough funds before embarking on the training programme and altogether the expenses on recruitment and resource personnel should have been minimized so as to provide more resources for the core training programme and be able to complete the three phases.

The vulnerable groups targeted should not be charged the 20% contributing fee for the courses as this will restrict their participation.

3.2.9.8 Luanshya School for Continuing Education

The funds were spent on setting up a computer room for staff, a computer lab for students and procurement of electrical equipment for the Home Economics department.

Computer Room – Staff

The following were installed:

- Overhead fan
- Burglar bars
- 1 Computer
- 1 Printer

Computer Laboratory - Students

We verified the following:

- 8 Computers
- 4 Printers
- 10 tables
- 8 swivel chairs
- 10 standard chairs
- Burglar bars

The computers in the lab were supposed to be 10 but 2 had broken. They broke down 3 months after installation and it appears there was no guarantee from the supplier.

Home Economics

The following items were bought for Home Economics:

| | | |
|-------------------------|---|---|
| Over locking machine | x | 1 |
| Electric sewing machine | x | 4 |
| Deep freezer | x | 1 |

Where as we found the deep freezer in the Principal's office we saw the sewing machines from the window as the home Economics room had been locked at the time of our visit.

| | | |
|-------------------------|---|---|
| Over locking Machine | x | 1 |
| Electric Sewing Machine | x | 4 |
| Deep Freezer | x | 1 |

Where as we found the deep freezer in the Principal's office we partly saw the sewing machines from the window as the Home Economics room had been locked at the time.

Impact:

Despite the deficiencies encountered over maintenance of accounting records, the project has assisted to enhance delivery of training programmes by the school.

The school primarily caters for students who in one way or another are unable to continue studies in main stream government schools. They draw upon part-time teachers and follow the same government curricular. It was particularly interesting to note that some of the students from this school have been able to make it to the University.

3.2.9.9 Luanshya State Prison Borehole

The Team whilst in Luanshya also extended its visit to the Luanshya State Prison and met with Mr. Simuchile the Deputy Officer In-Charge.

The prison had a borehole sunk and the pump installed together with the control panel by Drill-Tech.

The Team was informed that in the first week of its installation the pump the control meter box blew up due to high voltage but the contractor repaired it.

Observations:

1. The borehole was found in good working condition and water was flowing for use by the prisoners for cooking, bathing and cleaning
2. The water from the borehole however was not reticulating to the piping system in the prison and therefore not reticulating the sewer system
3. That the borehole was not sufficient to cater for the population in the prison and therefore sometimes Kafubu Water Company supply at a cost, was complimenting the borehole.
4. The prison cells and kitchen were dilapidated
5. Sanitation was poor as the toilet bowls and cisterns were broken
6. Upon interviewing some in mates, the Team learnt that two meals were being prepared using firewood and that the cooking took the whole day.
7. That the in mates were growing vegetables and maize to supplement supplies from government.

Impact:

The borehole had improved the water availability at the prison as the prisoners could afford to use it for bathing, cooking and cleaning.

Previously there used to be water shortages and more so that the water company could cut off water for non payment of bills.

3.2.10 KALULUSHI DISTRICT

3.2.10.1 Kalulushi Council Farm Road

The Kalulushi Council Farm Road (U-10) is about 10km was contracted to a contractor called, Pempula at a total cost of ZMK 126.611 million including the Musakashi culvert which is on the boundary with Mufurila in the Chambishi Town.

The scope of works included, vegetation clearing, heavy grading and spot re-gravelling on about 4.5km up to an old brick works factory compound, and the works that were done ended there. Beyond this point there is no road, but a track though it services local peasant farmers.

There is one stream crossing which was not included in the works and is washing away the gravel from the road and may sooner or later cut off the road as there are no proper culverts on the same.

The other second stream crossing the road has no culverts but there is an improvised bridge by the local people.

3.2.10.2 Musakashi Culverts

One (No) line x 900mm and 1No x1200mm diameter concrete pipe culverts have been satisfactorily installed on the Musakashi stream near Zambia Compound in Chambishi. The installations of the two lines of culverts were part of the Kalulushi Council Farm road budget and were done by the same contractor- **Pempula**.

Recommendation:

The Kalulushi Council Farm road passes through some commercial and small scale farming settlement areas and therefore requires to connect with the other peasant farming community which is on the other side of the second stream where the road ends, as the other side has only a foot path and the local people interviewed expressed difficulties in transporting their agricultural inputs and outputs.

3.2.10.3 Kalulushi District Health Centre and Clinics

Kalulushi District health Board received HIPC funding in 3 installments as follows:

| | | | |
|----|---------|------|-------------------|
| 10 | January | 2002 | 17,813,889 |
| 28 | March | 2002 | 11,111,111 |
| 27 | June | 2002 | <u>19,000,000</u> |
| | | | <u>47,925,000</u> |

The Funds were applied towards rehabilitation of the District office and Clinics.

Rehabilitation works were carried out at the following office, clinics and health centre.

- District Health Office
- Kalulushi Township clinic
- Kalulushi Main health centre
- Kalulushi Government Clinic

Observations:

Except for the District office where in addition extension and partitioning were done, and the Government clinic where only a water pump was procured and fitted, the main rehabilitation works were.

- Painting
- Replacing ceiling
- Replacing roofing sheets
- Fitting grill doors

Impact:

The works were professionally done and could not have come at a better time than when some of these institutions are no longer run by the mines and have been passed over to Government.

4.0 PART II: FINANCIAL EVALUATIONS

4.1 NDOLA DISTRICT

4.1.2 OFFICE THE PRESIDENT (COPPERBELT PROVINCIAL HEADQUARTERS)

The Copperbelt Provincial Administration Headquarters in Ndola was funded a total of ZMK 5 billion as at 31st December 2002. Further funding was received during the year 2003 as follows: -

| | |
|-----------|---------------------|
| July | 300 million |
| August | 450 million, and in |
| September | 200 million |

This has brought the total funding for the province to **K5.950 billion**. This funding was mainly for three Departments namely; Roads, Land Resettlement and Forestry,

It was observed that the provincial administration head quarters had maintained a separate bank account for HIPC funds as per the requirement of the HIPC fund procedures.

Bank reconciliations were done although not on a regular basis. For instance bank reconciliations for November and December 2001 were not presented for scrutiny; the same was true for the months January 2002 to June 2002.

Further observations

It was further observed that during the year 2001 over **K400 million** of HIPC funds were used for non-HIPC activities such as: -

| | |
|---------------------------------------|----------------|
| ▪ Transfers to RDC account | ZMK145,000,000 |
| ▪ Purchase of Motor Vehicle | ZMK195,000,000 |
| ▪ Purchase of Furniture and Computers | ZMK 44,630,595 |
| ▪ Imprest | ZMK 17,000,000 |

As of 25th October 2003 (the time of our audit) records indicated that only **K180 million** of these funds have so far been reimbursed as follows: -

| | |
|-----------------|----------------|
| ▪ November 2001 | ZMK50,000,000 |
| ▪ April 2002 | ZMK30,000,000 |
| ▪ July 2003 | ZMK100,000,000 |

Due to the above mentioned misapplication of funds most of the activities on Bee-keeping were not done during that period as there were no funds to accommodate the expenditure.

Fuel Usage

The following amounts of fuel were bought during 2001 and 2002 for the purpose of working on feeder roads in the province: -

| Date | Cheque No. | Payee | Amount | Litres |
|-------------|-------------------|--------------------------|--------------------|----------------|
| 03/08/01 | 0011 | President Avenue Station | 31,290,000 | 10,000 |
| 30/08/01 | 0036 | President Avenue Station | 5,000,000 | 1,598 |
| 24/08/01 | 0024 | President Avenue Station | 20,000,000 | 6,349 |
| 04/09/01 | 0079 | President Avenue Station | 46,935,000 | 15,000 |
| 13/09/01 | 0072 | President Avenue Station | 46,935,000 | 15,000 |
| 13/09/01 | 0057 | Accra Road Serv. Station | 20,000,000 | 6,389 |
| 11/10/01 | 0110 | President Avenue Station | 10,951,500 | 3,500 |
| 21/06/02 | 0159 | Ndola/Luanshya Station | 40,000,000 | 12,949 |
| 29/07/02 | 0202 | Ndola/Luanshya Station | 20,000,000 | 6,171 |
| 16/08/02 | 0213 | Ndola/Luanshya Station | 39,137,000 | 12,075 |
| 28/08/02 | 0224 | Murundu Transport | 30,000,000 | 11,499 |
| 28/08/02 | 0227 | Mobite Chingola Service | 30,000,000 | 11,499 |
| 16/09/02 | 0238 | Ndola/Luanshya Station | 20,000,000 | 6,171 |
| 11/11/02 | 0255 | Ndola/Luanshya Station | 10,000,000 | 3,086 |
| 05/10/02 | 0293 | Ndola/Luanshya Station | <u>10,000,000</u> | <u>3,086</u> |
| | | | <u>380,248,500</u> | <u>124,372</u> |

However checking through the fuel book it was observed that about 35% (see appendix ii) of this fuel was used on non- HIPC related activities such as:

Funeral

| <u>Date</u> | <u>Vehicle No.</u> | <u>fuel (Litres)</u> |
|--------------------|---------------------------|-----------------------------|
| 04/10/2002 | GRZ 153 BN | 20 |
| 05/10/2002 | ACE 40 | 40 |
| 05/10/2002 | AAP 7435 | 40 |
| 05/10/2002 | GRZ 971 BH | 30 |
| 05/10/2002 | GRZ 297 BE | 15 |
| 05/10/2002 | GRZ 985 BJ | 15 |
| 05/10/2002 | GRZ 920 BN | 20 |
| 05/10/2002 | GRZ 552 BP | 50 |
| 05/10/2002 | other GRZ | <u>90</u> |
| <u>Total</u> | | <u>320</u> |

Zambia Police Fuel Usage for Riot Operations in Luanshya.

| | | |
|--------------|-----------|------------|
| 02/10/2002 | ZNS 495 | 100 |
| 02/10/2002 | ZP 1054 | 40 |
| 02/10/2002 | ZP 1508 | 20 |
| 02/10/2002 | ZP 1479 | 40 |
| 02/10/2002 | ZP 1478 | 40 |
| 02/10/2002 | other GRZ | <u>368</u> |
| <u>Total</u> | | <u>608</u> |

Field Day at President's Farm.

| | | |
|--------------|------------|-------------------|
| 10/10/2002 | GRZ 971 BH | 180 |
| 10/10/2002 | GRZ 994 BM | 20 |
| 10/10/2002 | GRZ 909 BG | 40 |
| 10/10/2002 | GRZ 719 BL | 50 |
| 10/10/2002 | other GRZ | <u>190</u> |
| Total | | <u>480</u> |

District Administrators Trips.

| | | |
|--------------|-------------|-------------------|
| 04/08/2001 | D A Ndola | 87 |
| 07/08/2001 | D A Masaiti | 130 |
| 09/08/2001 | D A | 140 |
| 06/09/2001 | D A Masaiti | 120 |
| 29/09/2002 | ACE 7635 | 93 |
| 07/10/2002 | ACE 7635 | 20 |
| 12/10/2002 | ACE 7635 | <u>50</u> |
| Total | | <u>640</u> |

Normal Administrative Movements.

| | | |
|--------------|------------|---------------------|
| 08/10/2002 | GRZ 909 BG | 40 |
| 10/09/2001 | AAV 8925 | 51 |
| 10/09/2001 | GRZ 972 | 76 |
| 01/10/2001 | GRZ 889 BN | 30 |
| 24/10/2001 | GRZ 153 BP | 81 |
| 17/08/2001 | GRZ 153 BP | 121 |
| 16/08/2001 | GRZ 994BM | 40 |
| 23/08/2001 | GRZ 994 BM | 50 |
| 27/08/2001 | GRZ 994 BM | 70 |
| 28/08/2001 | GRZ 994 BM | 76 |
| 04/09/2001 | GRZ 994 BM | 70 |
| 04/09/2001 | GRZ 153 BP | 110 |
| 06/09/2001 | GRZ 153 BP | 72 |
| 08/09/2001 | GRZ 153 BP | 40 |
| 13/09/2002 | AAT 155 | 58 |
| 13/09/2002 | GRZ 417 BR | 52 |
| 29/9/2002 | GRZ 936 BP | 70 |
| 03/10/2002 | GRZ 971 BH | <u>15</u> |
| Total | | <u>1,122</u> |

Other questionable usage includes fueling ten vehicles in a day going for roads inspections and also fueling for inspections on daily basis. For instance on 10/09/2001 the following vehicles fueled all for the purpose of supervision:-

| | |
|---------------------------|----------------------|
| <u>Vehicle No.</u> | <u>Liters</u> |
| GRZ 909BG | 70 |

| | |
|---------------------|-------------------|
| ACE 7635 | 74 (for the D A) |
| ZNS 410 B | 60 |
| GRZ 748 BM | 50 |
| GRZ 994 BM | 60 |
| GRZ 909BG | 40 |
| ACE 7681 | 120 |
| GRZ 697 BN | 50 |
| AAV 8925 | 51 |
| GRZ 972 | 76 |
| GRZ 309 BG | 40 |
| ACE 7395 | 60 |
| <u>GRZ 154 BP</u> | <u>50</u> |
| <u>Total</u> | <u>801</u> |

No satisfactory explanations were given for this type of fuel misuse.

Road Contractors

Only 8 signed contracts were presented to us for scrutiny and these were as follows: -

| <u>Date signed</u> | <u>Contractor</u> | <u>Road</u> | <u>Amount</u> |
|--------------------|-------------------|------------------------|-----------------------------|
| 08/10/02 | Gomes Haulage | Kalengwa | 350,000,000 |
| 24/09/01 | L.M Enterprises | ZCCM Farm road | 62,000,000 |
| 13/09/02 | Gomes Haulage | Sungabukanda | 170,000,000 |
| 13/09/02 | I E T (Z) Ltd | Machiya | 160,000,000 |
| 13/09/02 | Status Freight | Kasununu | 150,682,881 |
| 13/09/02 | Pempula | Musakashi/Council farm | 126,611,900 |
| 18/09/02 | Joes Motors | Fungulwe | 207,381,625 |
| 11/10/02 | ZNS | Kanenga | <u>100,000,000</u> |
| | TOTAL | | <u>1,326,676,406</u> |

Some of the contractors whose signed contracts were not seen but reported to have been taken by the Anti-Corruption Commission Regional Office in Kitwe are as follows:

| <u>Contractor</u> | <u>Road</u> | <u>Amount(ZMK)</u> |
|-------------------------|--------------------------------|--------------------|
| Darmco Engineering | Chimfushi and Kamenza | 89,980,000 |
| Gilpher Enterprises Ltd | Kafulufuta sidings | 115,000,000 |
| Toolmans General | Bulaya | 104,910,000 |
| JP and C Trading | Cedric farm | 58,200,000 |
| Jobar Enterprises | Five Ace/Flamingo/Kambilombilo | 76,200,000 |
| Shibwa Enterprises | Duben St Anthony | 111,000,000 |
| A M C Contractors | Chembe East | 179,319,149 |
| RZ and MCM Ltd | Ipafu prison | 14,100,000 |

It was also observed that officers at the provincial headquarters do not follow certain procedures on the road contracts.

A particular case is where the contract of Lufwanyama Multi Purpose to clear and light grade ZCCM road farm was cancelled. The work done by the contractor was valued without the knowledge of the contractor.

To date, the completion certificate/ valuations certificate has only been signed by the road engineer and the contractor's part is still blank. At the time of our visit the contractor was still not paid his balance. It will not be surprising if this contractor takes up the matter to court.

This matter has been brought to the attention of the office of the Provincial Permanent Secretary.

Advance Payments

All the signed contracts the Team looked through are silent on the availability of advance payments to contractors. However it was found that advance payments at varying percentages were given to contractors. No specific procedure was followed to determine which contractor got the advance and at what percentage. Some of the advances given were as follows: -

| <u>Date</u> | <u>Contractor</u> | <u>Percentage given</u> | <u>Amount</u> |
|-------------|----------------------------|-------------------------|---------------|
| 13/09/01 | Damco Engineering | 10 % | 8,998,000 |
| 17/09/01 | Gomes Haulage | 10 % | 14,000,000 |
| 16/10/01 | Toolsmans Gen. Contractors | 20 % | 20,982,000 |
| 17/10/01 | A M C | 10 % | 35,863,829 |
| 20/09/02 | I E T (Z) Ltd | 50% | 80,000,000 |

It was further observed that advance payment given to RZ and MCM Limited of **K14.1 million** on 26/10/01 was not officially requested. This advance was requested using a simple piece of paper with no name of the company or its Directors. It's surprising that the Permanent Secretary, (at that time Mr. G Mukala) approved such a request. This matter should be investigated and determine if there was abuse of authority and inherent conflict of interest in the award of these contracts.

The provincial headquarters has in most times experienced budget overruns at the end of each year. This is against HIPC requirements. Some of the outstanding bills for 2002 that were paid out of the funds received in 2003 were as follows: -

| <u>Date</u> | <u>Cheque No.</u> | <u>Payee</u> | <u>Amount</u> |
|-------------|-------------------|-------------------|---------------|
| 28/7/03 | 340 | A M C Ltd | 20,000,000 |
| 28/01/03 | 334 | Jobar Enterprises | 25,000,000 |
| 04/03/03 | 338 | Jobar Enterprises | 45,000,000 |
| 28/01/03 | 335 | Vivid Enterprises | 20,000,000 |
| 07/08/03 | 341 | I E T (Z) Ltd | 50,000,000 |

| | | | |
|----------|-----|---------------|-------------|
| 12/09/03 | 341 | I E T (Z) Ltd | 20,000,000 |
| 22/09/03 | 341 | I E T (Z) Ltd | 132,240,000 |

General Imprest

It was observed that imprest was not being retired as per the accounting requirements of such funds.

Out of a sample of 36 payees during 2001 and 2002 which amounted to **K98, 221,880**, only 8 payees retired their imprest totaling **K14, 311,800**. If these figures are extrapolated it will show that 14 % of the total funds given as imprest are retired, leaving 86 % unaccounted for. This is becoming a big problem in all the audit areas.

Recommendations:

- All funds borrowed for recurrent expenditure use must be returned immediately.
- Contracts must specify the amount of advance allowed.
- Approval of advances using mere papers as request must not be entertained under whatever circumstance.
- There is a lot of abuse on the use of fuel. More restriction must be applied.
- Strict adherence to imprest retirement must be observed.
- Contract documents must be seen to be signed before the commencement of any work.
- Signed contracts must always be kept safely.
- Over-running of HIPC project is not allowed at any time. Most of the projects which were overrun were due to the fact that funds were misapplied. This must not be allowed and further investigations are hereby recommended.
- Variations of a project are normally limited to up to 25% of the original cost. The case of I E T (Z) Ltd was that they varied a project equivalent to more than twice the original value, demands for more scrutiny.

4.1.3 Copperbelt Provincial Health board

The Board received a total of **K200 million** in May 2002 and **K485 million** in 2003. In receiving this money the Board was a transit point. The records checked showed that the funds were disbursed to the various district health boards and hospitals.

4.1.4 Ndola District Health Management Team

The District Board received a total of **K44.0 million** during 2001 and 2002 for improvement of infrastructures in various rural health centers.

The Funds were deposited in a separate HIPC bank account as per the requirement.

Bank reconciliations were done accordingly.

Projects

The board undertook to rehabilitate 5 Nurses housing units in Twapia compound. The project was undertaken by Bobbys Enterprises at a total cost of **K11, 135,000**.

The other project was for the construction of 3 placenta pits in three clinics.

This was done by Chimpepengwe General Contractors at a total cost of **K18, 351,250**. The same constructor also did the Septic tank at Chipulukusu clinic at a cost of **K3, 657,960**.

The quotation used to obtain the contract were fake and one wonders how the committee were woodwinked into awarding this contract. This should be reported to law enforcement agencies.

4.1.5 Arthur Davison Children's Hospital

The hospital received **K173.0 million** on the 31st of May 2002 which was deposited in the general account. Throughout this period to the time of audit i.e. October 2003, there was no separate account maintained for HIPC funds.

HIPC expenditure documents were mixed up with other records and therefore made it very difficult to verify anything. A print out listing the HIPC items of expenditure was discovered to be incomplete as other items were completely omitted whilst non HIPC expenditure details were included on the same list. There were no bank reconciliations done.

Projects

The projects undertaken included; the painting of the whole hospital, borehole drilling and hospital water reticulation, and Staff nurses' hostels rehabilitation and X-ray renovations.

Observations

Record keeping of accounting documents at the hospital was found to be in a very bad state. The mixing up of different sources of funds in one bank account makes accountability of HIPC funds to be very difficult.

Recommendations:

- The requirement on HIPC funds is that a separate account must be maintained. The hospital therefore must adhere to this requirement.

- Proper books of accounts with their relevant documents must be maintained at all times.
- Maintenance of records on loose papers must be discontinued immediately.

4.1.6 Ndola Central Hospital

Funding

Ndola Central Hospital received HIPC funding in to tranches as follows:

| | K |
|----------|-------------|
| 27/05/02 | 250,000,000 |
| 16/09/03 | 150,000,000 |

The funds were applied towards rehabilitation of hospital buildings and equipment. The single major payment was **K61, 371,423** to Gomes Haulage for resurfacing an access road.

At the time of our visit, the 1st allocation had been exhausted and there was **K130 million** remaining from the second installment.

Records

Accounting records were generally well maintained though there had been no effort to follow up on bank statements for February to September 2003 with the Bank.

Accountability

We noted the following lapses:-

- (i) Supporting documents were missing in the following instances:

| <u>Date</u> | <u>Payee</u> | <u>Cheque No.</u> | <u>Amount (ZMK)</u> |
|-------------|----------------------|-------------------|---------------------|
| 21/10/02 | Aspha Investment | 186095 | 20,422,968 |
| 16/01/03 | MK Pump Technologies | 186116 | 4,200,000 |
| 23/09/03 | ZAMEFA | 186118 | 11,395,000 |

- (ii) There was no evidence of open tender procedures to support the ward of the road contract worth **K61, 371,423** to Gomes Haulage.
- (iii) Through a letter dated 9th August 2002, signed by the Acting Director Clinical Services and the Chief Accountant, the account was converted from Current Account to Saver.
- (iv) Despite procuring a substantial quantity of materials and equipment there were no stock records to determine the usage of the stocks.

Banking

A specific account for HIPC funds was in place.

Recommendation:

The lapses identified above should be further rectified.

4.1.7 Kansenshi Secondary School

Funding

Kansenshi Secondary School received **ZMK220 million** on 28th 2002 and the funds were applied towards rehabilitation of school infrastructure.

Records

Accounting records were well maintained.

Accountability

All supporting documents were in place. However we noted that in all contracts for labour the amount was computed as 20% of the value of materials used. Although the school authorities claim this is as per guidelines received, we are yet to reconfirm with Ministry of Finance. This standard method of computing labour charges can easily fall prey to abuse. In instances where the contractor genuinely quotes a figure less than 20% of the material cost, school authorities may be tempted to persuade the contractor to quote 20% of material cost, of course for a fee.

Banking

There was a specific bank account in place.

Recommendation:

We recommend that the labour pricing formula be revisited to avoid abuse.

4.1.8 Masala storage Shed

Funding

Masala Storage Shed received supplementary HIPC funds amounting to **ZMK7.7 million** and this was applied towards completion of a storage shed.

Records

The records were poorly maintained. The cashbook only listed transactions without closing balances and very few bank statements were on file. It was not clear as to who was responsible for custody of accounting records between the DACO's office and members of the community. In normal circumstances DACO's office maintains custody of accounting records but in this particular case it would appear that the chairman of the Peasant Farmers Association was responsible for custody of accounting records.

Accountability

We could not proceed with our work to review supporting documents as these were haphazardly kept.

Banking

The funds were banked in an already existing account of the Peasant Farmers Association. As this account was relatively dormant there was very little distortion.

Recommendations:

DACO's office should ensure that they are solely responsible for the custody of accounting records. The community normally has no capacity and the idea is drawn upon the synergy of already existing structures.

4.2 MPONGWE DISTRICT

4.2.1 Mpongwe District Health Management Team

The District received a total of **K54.0 million**. A separate bank account was opened and proper accounting books and records were maintained. Bank reconciliations were done on regular basis.

The Mpongwe DHMT had only one project of constructing an office block. Since the HIPC funds were not enough for such a big project other donor funds were added.

4.2.2 Mpongwe High School

Mpongwe High School received a total of **ZMK220 million** on 6th January 2003 for the improvement of school infrastructures. The school deposited this money in a HIPC interest earning account. As at 30th August 2003 interest earned totaled K4, 015,143. It may be noted the interest earned is lower than that offered by the financial markets.

The Team found that there were no bank reconciliations being done as the Bursar of the school was not familiar with it. However all other records are kept properly together with the payment vouchers.

Project

The school undertook to construct 4 teachers' houses. The Contracts for labour were awarded to Mpongwe Buildings Supplies and Contractors for two houses and Jayrex Contractors for the other two houses. All materials were to be bought by the school. At the time of our visit, the projects were not yet completed.

Observations:

The contracts awarded to the two companies did not specify the rate at which they will be paid for their labour.

Further investigations also revealed that the owners or relatives of the owners of these companies were part of the Project Committee of the school that approved the awarding of the contracts. At the time of awarding the contracts the people connected to these companies did not declare any interest.

Recommendation:

The awarding of contracts to companies whose owners are members of the approving project committee is a pure case of "insider dealing". We recommend therefore that further investigations be instituted.

4.3 LUFWANYAMA DISTRICT

4.3.1 Lufwanyama district Health Management Team

The District received **K54.0 million** during 2001 and 2002 for the improvement of rural health structures. Separate books of accounts and bank account were maintained. Monthly bank reconciliations were also done appropriately.

Projects

The projects undertaken included; the rehabilitation of Chinemu health center, Mukutuma Lumpuma and Mukumbo health centers. The HIPC Monitoring Team was satisfied with both the record keeping and the works done at most of the centers.

4.4 MASAITI DISTRICT

4.4.1 Masaiti District Health Management Team

The Masaiti Health Management Team also received **K44.0 million** during 2001 and 2002 for the improvement of rural health structures. Separate books of accounts and bank account were maintained. Monthly bank reconciliations were also done appropriately.

Projects

The projects undertaken included; the rehabilitation of Njeleman Health Center, building of a drug store at the board center. Both works were local

labour based with all the materials bought by the center. The HIPC Monitoring Team was satisfied with both the record keeping and the works done.

4.5 KITWE DISTRICT

Kitwe District Health Management Team

The District Health management Team received a total of **K52, 988,200** during 2001 and 2002 for rehabilitation works at various clinics in the district.

A separate account was maintained for these funds although no bank reconciliations were done. Payment vouchers were checked and it was verified that they were properly authorized. However it was observed that from time to time the board had been borrowing HIPC funds for its administrative use and return at a later date.

The details of the same are as follows:-

| <u>Date</u> | <u>Cheque No.</u> | <u>Amount Borrowed</u> |
|-----------------|-------------------|------------------------|
| 27/04/02 | 1501 | 1,910,000 |
| 27/04/02 | 1503 | 996,000 |
| 27/04/02 | 1504 | 720,000 |
| 02/05/02 | 1502 | 700,000 |
| 07/05/02 | 1505 | 542,000 |
| 07/05/02 | 1507 | 2,400,000 |
| 10/05/02 | 1509 | 176,250 |
| 10/05/02 | 1511 | 975,000 |
| <u>10/05/02</u> | 1510 | <u>550,000</u> |
| <u>TOTAL</u> | | <u>8,969,250.</u> |

Projects undertaken included the construction of the wall fence at the Health center, water tank and booster tank at Buchi clinic and rehabilitations at Ganerton clinic.

However it was further observed that no quotations were obtained before the award of the contract to Limkalu Investments for the rehabilitation of Ganerton clinic. We could not get a satisfactory explanation to this anomaly.

Recommendations:

- Bank reconciliations must be done regularly on monthly basis.
- Borrowing from HIPC funds must be restricted or avoided completely.
- Competitive tenders must be obtained before awarding contracts.

4.5.1 Kitwe Central hospital Board

Kitwe Central hospital Board received a total of **K650.0 million** during 2001 and 2002 for the rehabilitation of the infrastructure. A separate bank account

was opened and books of accounts established. Bank reconciliations were done regularly and properly. As at 31st August 2003 there was a bank balance of **K51, 457,609.96**.

Projects

The works done included; replacement of all tiles, plumbing, replacement of all windowpanes, hospital painting, renovations of Doctors and Nurses quarters, purchase of boiler spares and elevator spares.

Contracts for these jobs were checked and do not contain any unusual or questionable elements.

There is however one payment made to C G Zambia Ltd through cheque number 444 dated 28/08/02 for **K11,724,701.37** for the supply and installation of a copper wire used to prevent lightening. This work has not been done as there are some disagreements between the two parties.

The matter has been referred to the Provincial Permanent Secretary for his indulgence.

4.5.2 Helen Kaunda Girls High School

Funding

Helen Kaunda High School received **K220, 000,000** on 28th May 2002 and this went towards rehabilitation works and procurement of water tanks.

Records

The accounting records were in good order although initially there was some difficult to locate them. There seems to be a trend of no proper handover in case of transfers. The Head Teacher and the Bursar were relatively new.

Accountability

Invoices properly supported payments. However we noted one exception with respect to payments to H. Mono, a contractor.

H. Mono had an initial contract for skilled labour, which was generally described as all plumbing works and was paid as follows:

| <u>Date</u> | <u>Cheque No.</u> | <u>Amount (ZMK)</u> |
|-------------|-------------------|-------------------------|
| 16/09/02 | 130 | 1,000,000 |
| 15/10/02 | 170 | <u>800,000</u> |
| | | <u>1,800,000</u> |

However, H. Mono was paid an extra **K2, 550,000** on cheque No. 171 dated 15/10/02. This payment was in respect of the following works:

- Removal of old tanks
- Installation of new tanks
- Fitting new glass sheets

The fact that the initial contract was general and not specific raises some doubt as to whether these works were not part of the initial contract. There could be a risk of duplication.

Banking

A specific account was in place for the funds.

Recommendations:

- (i) Where employees are being transferred, there is need to ensure a proper handover.
- (ii) Contracts should not be generally drawn but rather specify the works to be done. This would avoid suspicions.

4.5.3 Mindolo Secondary School

Funding

Mindolo Secondary school received funding in two allocations as follows:

| | | |
|----------|----------------------------|-----------------|
| 20/09/02 | 1 st Allocation | ZMK16, 181,476 |
| 17/01/03 | 2 nd Allocation | ZMK100, 000,000 |

The narration on the first allocation read HIPC Funding / GRZ. This creates confusion for the beneficiaries as they are unable to tell in which proportion to split the funds between HIPC and Government grants.

The funds were applied towards rehabilitation of the school, purchase of chairs, tables, stools and purchase of equipment for Home Economics.

Records

The accounting records were well maintained.

Accountability

Documents in support of payments were well kept and procurement seems to have been done transparently.

Banking

HIPC funds were lumped together with GRZ grants in one account.

Recommendations:

- (i) Provincial office should ensure all funds being remitted are clearly identified as to whether they are HIPC funds or Government Grants. HIPC funds have their own guidelines for utilisation.
- (ii) A separate account for HIPC funds should be opened to conform to the HIPC guideline regarding non-commingling of HIPC funds with other funds.

4.5.4 Copperbelt Secondary Teachers College

Funding

The college received the following funding under HIPC. All funds were reemitted by the Ministry of Education directly to the college:

| Date | Chq No. | Purpose | Amount |
|---------------------|---------|-----------------------|----------------------|
| 21/09/01 | 5818 | Furniture | 146,161,000 |
| 03/10/01 | 5853 | College Requisites | 49,574,000 |
| 2001 Funding | | | 195,735,000 |
| 10/05/02 | 5955 | College Requisites | 1,000,000,000 |
| 10/05/02 | 5955 | Furniture | 380,805,076 |
| 17/07/02 | 5995 | Hostel Rehabilitation | 100,000,000 |
| 2002 Funding | | | 1,480,805,076 |
| TOTAL | | | 1,676,540,076 |

Application of Funds

The college did not form a Project Management Committee in line with the Provincial Education Officer's requirements with 10 members composed as follows;

- (a) Project Chairperson (from community)
- (b) The Secretary (Head of Institution)
- (c) The Senior Building Inspector From PEO's Office
- (d) The District Building Inspector from DEO's Office
- (e) The Education Officer from DEO's Office
- (f) Two lecturers elected from the college members of staff
- (g) Three parents from the Community

However, the college formed its own committee, which was composed of all Heads of Departments. With this committee, the college set out its priorities as regards furniture and college requisites. As regards the infrastructure, it was gratifying to note that the college management did not wait for government grants but was able to pool resources from whatever form of fund raising and in the process managed to satisfactorily repair the following;

- (a) 2 x 3 block classrooms – This involved painting, glazing, filling cracks and ceiling repairs,
- (b) Male hostel (flats) – This involved painting and Glazing,
- (c) The Dining Hall – This involved painting, glazing and fixing of floor tiles,
- (d) The main administration block - This involved painting, glazing and fixing of ceramic floor tiles,

All the above works were undertaken using in-house labour supervised by the college maintenance officer. The renovations were of good workmanship. It can clearly be seen that with the current administration the college infrastructure may all be in good state of repair in the not so far future. That said they still needed support to achieve this end.

The **ZMK100 million** released for hostel renovations was also put to good use.

The main hostel block commonly known as mansions housing both male and female students was renovated.

81% of the allocated amount was used for rehabilitation of the roof and ceiling. This was tendered and a local contractor FIDA ROCK LTD was awarded the tender.

The rehabilitation works undertaken by the contractor were of satisfactory standards. The rest of the funds or 19% of it was used to procure building materials which were used by the maintenance department in the rehabilitation of the hostel.

Findings:

Although in general the funds were put to good use with proper tender procedures being followed, the college would have saved a total of **K 42.6 million** had they been prudent in the procurement of equipment of various types. The following anomalies were noted;

- The Furniture which was purportedly procured for the fashions and fabrics department from Shonga Steel, Lamise Investment and Supreme Furniture included an executive desk and chair for the Vice principal and an office lounge suite for the Principal's office. This was not in line with the HIPC guidelines hence the expenditure should have been from other GRZ grants.
- A Compaq Presario 1500 laptop purchased from Broadband Technologies Limited at K 16.8 million was considered expensive. This type of computer is normally sold at between K 11.5 million and K 13.5 million. **A minimum loss of K 3.3 million** has occurred on HIPC funds as a result of this transaction.
- The purchase of 4 desk top Compaq Evo d 300 from V I computers at **K 11,186,000** each was considered expensive as this type of computer sells for between K 7 million and K 8 million. A minimum loss of K 3.1 million per computer has occurred. **A total loss of K 12.4 million** has resulted on HIPC funds as a result of this transaction.
- The purchase of a digital video camera (Sony dcr-trv 240e) from Beat Joy Enterprises was considered expensive at K 10 million. The video cameras sell for about K7 million. This transaction has cost the HIPC funds **a loss of about K3 million**.
- On 14/01/03 the college made an application to the Ministry of Education Tender Board to purchase assorted sports equipment from Mukape Sports wear with a value total of **K 29.5 million**. This was approved, however when making the payment, the college paid through cheque number 345 amounting to **K 34.7 million**. The variation was due to VAT of K 5.2 million, which was not originally included in the tender amount. The college varied the tender amount by 17.5 %, which is considered high. A dispensation should have been sought from the tender committee.
- Two LCD projectors were purchased from Broadband Technologies Limited at a total cost of **K 70.2 million** and was considered expensive. These types of projectors are normally sold at prices of between K 23.5 million and K 26.5 million. **A minimum loss of K 17.2 million** has occurred on HIPC funds as a result of this transaction.

- On 17/04/03 the college made an application to the Ministry of Education Tender Board to purchase assorted sports equipment from Mukape Sports Wear with a value total of **K 12.8 million**. This was approved, however when making the payment, the college paid through cheque number 379 an amount of **K 14.3 million**. There was therefore a variation of **K 1.5 million**, which was not originally included in the tender amount. The college varied the tender amount by 11.6 %, which is considered high. A dispensation should have been sought from the tender committee.

Banking arrangements

The college opened a separate account for all the HIPC monies. In 2001 the operations of the account were not satisfactory as most information was not being recorded in the cashbook. There was also commingling of funds. The situation improved in 2002. At the time of inspection (audit), the college account still held **K 192 million**. However, no bank reconciliations were undertaken.

Recommendations:

We recommend the following;

- The losses and amounts incurred not for the purpose of the project should be refunded to HIPC immediately.
- Competitive bidding should be used in the procurement of equipment. This will ensure effective and efficient use of resources. All procurements which become varied should be referred to the Ministry Tender Committee for ratification before payments are made.
- The HIPC account should be subjected to periodic bank reconciliations as this will ensure that all errors and omissions are identified and rectified.

4.5.6 Copperbelt University

Funding

The Copperbelt University received **K 500 million** for rehabilitation of campus premises. The project had to be undertaken in phases due to large scale of works, starting with the most dilapidated buildings. Phase 1 identified the ablution blocks in the student hostels section as the most dilapidated.

The University instead of tendering for a contract for these works, decided to engage the Built Environment (under the Institute of Consultancy and Applied Research - ICARO) to undertake consultancy work involving these rehabilitation works. It must be stated here that the consultants were full time University staff.

The consultants carried out technical surveys of what was to be repaired, replaced and general refurbishments under phase 1 of the rehabilitation.

Findings:

a) Payments to consultants

The consultants in their memorandum dated 12th December 2002 to the Registrar of the University decided firstly to base their fees not on the amount received from HIPC (i.e. K500 million) but on the contract sum of K819, 541,011. Secondly, instead of using 5% allowable as administration costs under HIPC, the consultants levied **10%** which worked out to be **K81, 954,101**. These payments which totaled to **K36,685,648** (see Appendix...) as the date of audit are questionable since all those involved are University staff who undertook the consultancy during official working hours and were at the same time being remunerated by the University. The schedule of disbursements for the consultants was as follows;

| | | |
|---------------------------|---|-----|
| (f) Pre-feasibility Stage | - | 15% |
| (g) Feasibility Stage | - | 15% |
| (h) Production Stage | - | 20% |
| (i) Tender Evaluation | - | 10% |
| (j) Supervision Stage | - | 40% |

The payments were made to the following people;

b) First Payments based on K500 million HIPC Funds

| NAME | CHQ NO. | AMOUNT ZMK |
|-----------------------------------|---------|----------------------|
| Mr. B Diama (Architect) | 00611 | 550,000.00 |
| Mr. S Simushi (Quantity Surveyor) | 00610 | 3,200,000.00 |
| Mr. Mhango (Electrical) | 00609 | 550,000.00 |
| Mr. J K Mwanza (Roads) | 00608 | 550,000.00 |
| Mr. C H Longwe (Structural) | 00607 | 550,000.00 |
| Mr. D Banda (Water) | 00606 | 550,000.00 |
| Mr. B C Mabo (Architect) | 00605 | 2,650,000.00 |
| Mr. M Chimuka (Quantity Surveyor) | 00604 | 1,650,000.00 |
| Mr. J Chisulo | 00100 | 1,200,000.00 |
| Ms E Mwenda | 00099 | 500,000.00 |
| 4No. Students | 00613 | 450,000.00 |
| TOTAL | | 12,500,000.00 |

The above payments were made net of tax. The tax liability of ZMK5, 357142.86 is to be borne by the HIPC funds (See Appendix number...) and see comment under note 4 below. The payments above were in respect of pre-feasibility stage, feasibility stage and production stage. These payments were based on K500 million received from HIPC.

The payments to the students were not specific. It is not known which students benefited since a cheque was raised in the name of Peter Tembo an official at the University. We were not availed any documentation to indicate that the students actually obtained the money.

What was puzzling was that despite the limited resources the consultants engaged two architects, two quantity surveyors and even more baffling was the engagement of a roads consultant for ablution block rehabilitation.

As indicated in Appendix 11 students were paid **K780, 000.00** which was released under cheque number 00615 for facilitating the tender process. All amounts were signed for by the students concerned.

c) Additional Payments based on Contract sum

| NAME | CHQ NO. | AMOUNT ZMK |
|-----------------------------------|---------|---------------------|
| M. B Dioma (Architect) | 00000 | 399,426.00 |
| Mr. S Simushi (Quantity Surveyor) | 00632 | 3,463,168.00 |
| Mr. Mhango (Electrical) | 00625 | 399,426.00 |
| Mr. J K Mwanza (Roads) | 00624 | 399,426.00 |
| Mr. C H Longwe (Structural) | 00623 | 399,426.00 |
| M. D Banda (Water) | 00635 | 399,426.00 |
| Mr. B C Mabo (Architect) | 00617 | 3,063,742.00 |
| Mr. M Chimuka (Quantity Surveyor) | 00622 | 1,082,185.00 |
| TOTAL | | 9,606,225.00 |

The additional payments included honorary payments to the following;

| NAME | CHQ NO. | AMOUNT ZMK |
|---------------|---------|---------------------|
| Mr. J Chisulo | 00000 | 525,000.00 |
| Ms E Mwenda | 00619 | 490,000.00 |
| Mr. M Zimba | 00629 | 105,000.00 |
| Mr. R Mwamba | 00628 | 70,000.00 |
| TOTAL | | 1,190,000.00 |

The above payments were made net of tax. The tax liability of **ZMK4, 626913.57** is to be borne by the HIPC funds (See Appendix number...) and see comment under note 4 below.

It is not known why the honorary payments were made and what these staff members contributed to the rehabilitation works.

d) Payments for supervision

| NAME | CHQ NO. | AMOUNT ZMK |
|-----------------------------------|---------|----------------------|
| Mr. B C Mabo (Architect) | 00637 | 1,450,000.00 |
| Mr. S Simushi (Quantity Surveyor) | 00636 | 399,426.00 |
| Mr. B C Mabo (Architect) | 00643 | 5,000,000.00 |
| Mr. S Simushi (Quantity Surveyor) | 00644 | 5,000,000.00 |
| TOTAL | | 11,849,426.00 |

The above payments were made net of tax. The tax liability of **ZMK5,078,325.42** is to be borne by the HIPC funds (See Appendix number...) and see comment under note 4 below.

We further observed that performance of the consultants under supervision was not satisfactory. This is evidenced by the following;

- iv) Delays in the completion of the contract which the consultants attributed to the following;
 - Non availability of specified and recommended plumbing materials
 - Structural faults not apparent earlier at the time of technical surveys. When the contractor moved on site and opened up the cracks, it was in several instances discovered that the walls needed to be demolished and rebuild B Block, H Block, and A Block.
 - Slow progress by contractor in in carrying out their work.
- v) The contract sum had to be increased by 6.8% due to increased scope of work.
- vi) Some items included in the contract were not carried out due to increased costs. These were mainly the boilers and geysers.

e) VAT Payments

The University made payments of **K782,795,781** (see Appendix...) to the contractor and the consultants during this phase of the rehabilitation works. We noted that the University has not claimed back the VAT due to it amounting approximately to K100,000,000. We further noted that the University does not submit VAT returns.

f) Advance payment recoveries

On 26th October 2002, the contractor **Messrs EMSWORTH INVESTMENTS LIMITED** applied for an advance payment of **K 163,908,202** on condition that the recovery would be completed in the first and second certification. This was not effected as the fourth certificate still shows that the advance payment is still at 85% recovery.

g) Personal Tax Obligations

In their memorandum to the Vice Chancellor, the consultants indicated that 50% of the consultancy fees will cover running costs and all tax obligations. We feel that this was irregular as the consultants were shifting their own tax obligations in this matter to HIPC funds thereby reducing the available project funds.

Banking arrangements

The University did not open a separate account for the HIPC monies. Although the funds were commingled in the University Capital account, the operations of the account were satisfactory as most information was recorded in the cashbook and could be traced as being HIPC expenditure. The University also prudently invested the HIPC funds and **earned interest** amounting to **K23, 330,273**.

Recommendations:

- We question the wisdom of the consultants who are permanent and pensionable University staff who in the first place awarded themselves the consultancy contract without any form of competitive tender and secondly undertook this assignment during their official hours for which they were also paid salaries.
- Our recommendation is that all monies paid out on this consultancy should be paid back to the University or alternatively this money be paid to ICARO.
- The University should ensure that it submits VAT returns and claims back input VAT on all its purchases. Alternatively, the University should register with Ministry of Finance for VAT exemption.
- All advance payments should be recovered as stated in the contract or as negotiated between the parties to the contract.
- All tax obligations due under this contract must be borne by the individual consultants.

4.6 KALULUSHI DISTRICT

4.6.1 Kalulushi District health management Team

Funding

Kalulushi District health Board received HIPC funding in 3 installments as follows:

| | | | |
|----|---------|------|--------------------------|
| 10 | January | 2002 | 17,813,889 |
| 28 | March | 2002 | 11,111,111 |
| 27 | June | 2002 | <u>19,000,000</u> |
| | | | <u>47,925,000</u> |

The Funds were applied towards rehabilitation of the District office and Clinics.

Records

The records were well maintained

Accountability

Whilst supporting documents were securely kept, we noted the following payments in commemoration of World Health Day/ TB Day.

| <u>Date</u> | <u>Payee</u> | <u>Cheque No.</u> | <u>Amount</u> |
|-------------|--------------|-------------------|---------------|
| 28/08/02 | C. Zimba | 3 | 1,645,000 |
| 08/04/02 | L. Banda | 17 | 403,000 |
| 03/04/02 | J. Bwalaya | 16 | 617,000 |
| 09/04/02 | J. Chiyembo | 18 | 142,500 |

These payments are mainly in respect of lunches and allowances. HIPC funds are meant for activities that impact directly on the vulnerable and not Seminars and celebrations which merely benefit staff in offices.

Banking

There was a specific Bank account in place.

Recommendation:

The Board Management as much as possible should avoid spending HIPC funds on allowances. The abused funds should be recovered.

4.6.2 Kalulushi High School

The school received K100.0million on the 1st November 2002 for the rehabilitation of the school infrastructures. Proper books of accounts were maintained with a separate bank account for the HIPC funds.

Projects

The projects at the school included the electrification of the whole premises, transforming of the World Bank type of school hall with asbestos walls to a concrete wall type hall, painting of some classroom blocks, fixing glass panes, fabricating burglar bars and fixing window frames.

Observations;

The school utilized these funds wisely and for beneficial projects. The school now looks beautiful and impressive. The HIPC Monitoring Team commends the school administration for the job well done.

4.6.3 Chati high School

Funding

Chati High School received an allocation of **K205, 356,688** in October 2002. The funds were directed towards the construction of 5 staff houses.

Records

The cashbook and Bank statements were well maintained

Accountability

- (v) Almost all payments were not properly supported. Either there were no invoices attached or wrong invoices were attached. The blame was being heaped on the senior internal Auditors office in Ndola who had taken the file for audit on the instigation of the District Administrator of Kalulushi.
- (vi) We came across some substantial purchases of burnt bricks from places as far as Masaiti.

| <u>Date</u> | <u>Payee</u> | <u>Cheque No.</u> | <u>Amount</u> |
|-------------|--------------------------------|-------------------|---------------|
| 09/11/02 | Rest Haven Lodge (8000 bricks) | 122 | K 9 million |
| 11/11/02 | Chimusi D & C (10,000 bricks) | 123 | K 12 million |

| | | | |
|----------|----------------------------------|-----|---------------|
| 15/11/02 | Panadza (Transportation 2 trips) | 133 | K 4.4 million |
| 23/01/03 | Panadza (Transportation trip) | 162 | K 2.0 million |

We feel it would have been a better economic consideration to procure these bricks from Zambia Clay Industries, which was within the District and bakes high quality bricks at very competitive prices.

(vii) Further there were a number of cash withdrawals in individuals' names without supporting retirement documents.

| <u>Date</u> | <u>Payee</u> | <u>Purpose</u> | <u>Cheq No.</u> | <u>Amount</u> |
|-------------|---------------|----------------|-----------------|---------------|
| 01/10/02 | Chiwele T.C | Transportation | 102 | 5,000,000 |
| 10/01/03 | Chiwele T.C | Burnt bricks | 159 | 2,000,000 |
| 20/01/03 | B.M Chipasha | Burnt bricks | 160 | 3,000,000 |
| 30/01/03 | Chiwele T.C | Burnt bricks | 165 | 2,400,000 |
| 10/02/03 | B.M. Chipasha | Burnt bricks | 167 | 2,400,000 |

There are no details for nature of materials, source of materials and transporters name to support the payment of **K5, million** for transportation.

Chiwele T.C is a staff member of the school and BM is Treasurer of the Project Management Committee.

Such huge cash withdrawals could be tempting and abuse cannot be ruled out. As earlier pointed out Zambia clay industries would have been a better option to guarantee efficient utilization of the funds.

(viii) For whatever reasons given we found it rather queer that works to build 5 houses were awarded to 5 contractors. In such circumstances there are high chances of picking on some incompetent contractors. This is evidenced by the fact that while some contractors had completed the houses others were still struggling. It is most likely that HIPC funds were applied uneconomically in this respect.

Banking

There was a separate HIPC account in place.

Recommendation:

There is need to carry out a thorough review of the composition and operations of the project management committee and take appropriate action.

4.7 CHINGOLA DISTRICT

4.7.1 Chingola District Health Management Team

The District received **K44.0 million** during 2001 and 2002 for the improvement of rural health structures. Separate books of accounts and bank account were maintained. Monthly bank reconciliations have been done up to December 2002.

Projects

Chingola DHMT had the following projects:

- Electrification of Muchinshi rural health center
- Rehabilitation of Mutenda rural health center
- Construction of Chawama clinic fence and mortuary
- Plumbing at clinic one.

All the projects were undertaken and the procedure of awarding of the contracts seems to have been properly followed.

4.7.2 Maiteneke High School

Funding

Maiteneke High School received K79 million in December 2002 and only started spending in January 2003.

Records

- (i) The cashbook was only well maintained for the 3 months of January, February and March 2003. The cashbooks for April and May 2003 though written were not balanced off. There was no cashbook maintained from June to September 2003.
- (ii) Bank statements for June, July, August and September 2003 were not available on file.
- (iii) Bank reconciliations were not being done.

The poor state of the records was attributed to the abrupt departure of the former Accountant without a hand over. However the state of the records shows that the Accountant was operating without supervision.

Accountability

- (i) In most cases supporting documents i.e. payment vouchers and accompanying invoices were not available (see appendix).
- (ii) A number of cash withdrawals were being made in the name of Nshimbi G/S. (see appendix). Nshimbi G/S is a teacher and one of the signatories to the account. There was an override of internal controls in that Nshimbi G/S was signing for payments being made to him. There is a high temptation of abuse.
- (iii) Whilst contractors had signed contracts for labour services, they were later entrusted with procurement of materials. There was no system in place to monitor materials bought by the contractors.
- (i) In one instance payments to 2 different contractors were made in the name of one contractor. This questions the transparency in the award of contracts. There is a possibility that the contracts were awarded to one person albeit under different names.

| <u>Date</u> | <u>Payee</u> | <u>Cheque</u> | <u>Amount</u> |
|-------------------|--------------|---------------|-------------------------|
| 28/04/03 | Banda Moses | 308 | 5,000,000 |
| Split as follows: | | | |
| M. Banda | | | 2,900,000 |
| L. Kanyaka | | | 1,432,000 |
| Materials | | | <u>668,000</u> |
| | | | <u>5,000,000</u> |

- (v) The former Deputy Head Mr. Sakwimba despite leaving the school in December 2002 remained a signatory to the account on the basis that he was still staying in the school compound. This situation is unacceptable. Once a staff member is transferred from a school they are likely to shift their loyalties and cannot be expected to serve the former school sincerely. In such a situation there could be temptation to misuse HIPC funds.

Banking Arrangements

HIPC funds were commingled with Government funds and the account was overdrawn on 16th May 2003 to the tune of **K2, 480,630** contrary to HIPC guidelines.

Recommendation

- (i) Management should ensure that whoever is in charge of Accounts is properly supervised so that accounting records are maintained in good order all the time.
- (ii) The practice of making cash withdrawals in the name of Nshimbi G/S a signatory to the accounts should be stopped immediately. The school should consider raising cheques in the name of somebody else who is not a signatory to the account.
- (iii) The school should for future projects ensure that the Project Management Committee (PMC) and not the contractor was responsible for procuring materials to enhance accountability.
- (iv) The school should ensure payments to contractors are made in each contractors own name to avoid suspicions.
- (v) Although in the minutes dated 9th October 2003, there was a proposal to remove the former headmaster from the panel of signatories this was rather too late as by 31 May 2003 only **K29, 369.80** was remaining in the account. In future such decisions should be taken with immediate effect.
- (vi) Where a substantial allocation of HIPC funds are received a separate HIPC account should be opened to conform to the HIPC guidelines.

4.7.3 Chabanyama Primary School

Funding

Chabanyama Primary School received two allocations. The initial allocation of **K9 million / K10 million** was in the form of materials through the building officer's office.

The second was direct allocation to the school of **K3 million** on 27 May 2003.

Records

The only records available at the school were for the K3 million and these were well kept.

The school had no records pertaining to the K9m / K10m as they were reportedly under the custody of the buildings officer.

Accountability

Although we did not have access to the records regarding the initial allocation, we feel these monies were not handled properly by the Building Officer.

The ultimate beneficiaries, the school neither got any copies of purchase invoices nor were they aware of the exact amount allocated to them.

The buildings officer, a Mr. Banda decided to have the cheque cut in the name of his preferred supplier, National Buildings Supplies (NBS). The school authorities were told the funds could not be sent directly to them.

The conduct of the buildings officer smacks of dubious dealings. There is a likelihood that the buildings officer may have gotten a kickback, the prices may have been inflated and the school may not have gotten their full value of materials.

Recommendations:

- (i) The conduct of the Building Officer needs further investigation especially against our prior experiences that in most cases where funds are released direct to the school, projects have been ably handled.
- (ii) The role of building officers should be restricted to planning and supervision and should not extend to procurement of materials.

4.7.4 Twatasha Basic School

Funding

Twatasha Basic received an allocation of K3 million on 27th May 2003.

Records

We were satisfied with the records maintained.

Accountability

There were no issues arising, the funds were well accounted for.

The funds were used to rehabilitate the girls' toilet block.

Security around the school is poor. There has already been an attempt to remove some of the new fittings. There is need for burglar proofing.

4.7.5 Chingola School for Continuing Education

The school received **K65.0 million** on the 29th of October 2001. These funds were paid to F S Musonda Trading for the supply of the following: -

| <u>Item</u> | <u>Quantity</u> | <u>Amount</u> |
|-------------------|-----------------|--------------------------|
| Computers | 05 | 30,000,000 |
| Four plate Stoves | 03 | 7,500,000 |
| Sewing Machines | 05 | 7,500,000 |
| School Desks | 100 | 15,000,000 |
| Fridges | 02 | <u>5,000,000</u> |
| Total | | <u>65,000,000</u> |

At the time of our visit it was found that 2 of the 5 computers bought were dysfunctional. It was also found that the desks supplied were of poor quality and not suitable for the kind of school.

Further enquiry into the procedure used to purchase these items revealed that a committee was set up to source for these school requirements.

Apparently Mr. F S Musonda the owner of F S Musonda Trading was a committee member which approved the acquisition of these items from his company without getting any comparative prices from anywhere else.

Recommendation:

This is another case of "insider dealing". Further investigations must be instituted and appropriate action taken.

4.8 CHILILABOMBWE DISTRICT

4.8.1 Chililabombwe District Health Team

The District received 4 allocations of HIPC funds from the government through the Central Board of Health as follows:

| DATE RECEIVED | AMOUNT |
|----------------------|-------------------|
| December 2001 | ZMK 13,888,889.00 |
| March 2002 | ZMK 11,111,111.00 |
| June 2002 | ZMK 19,000,000.00 |

| | |
|--------------|--------------------------|
| October 2003 | ZMK 10,000,000.00 |
| TOTAL | ZMK 54,000,000.00 |

The Funds were used in the following projects;

- (a) Chimfunshi rural health centre
- (b) Kakoso borehole rehabilitation
- (c) Kakoso infrastructure rehabilitation
- (d) Lubengele infrastructure rehabilitation

4.8.2 Chimfunshi Rural Health Centre

The District Health Management Team managed to cut down on costs by using own labour and equipment in undertaking these works. The funds were also used to purchase heavy duty locks. The burglar proofing was a necessary expenditure for the new Health Centre which is situated closer to the border with Democratic Republic of Congo (DRC) where security of the Health Centre and the newly acquired medical equipment cannot be guaranteed. A total of **ZMK 11,010,000** was spent at this Centre.

4.8.5 Lubengele Clinic

This Health Centre is the only Government Health Centre in the Mining Area and it attends to the bulk of the urban population in Chililabombwe. Its buildings have not been attended to in terms of maintenance for a long time.

The following were the major works done;

- Repair and replacement of broken window panes
- Painting of the entire building both internal and external walls
- Repair of sanitary facilities that included pipes for water
- Repair and replacement of defective ceiling boards

Findings:

- 1) Our review of the books at the District offices revealed poor record keeping as follows;
 - Some payment vouchers could not be found,
 - Some Bank Statements could not be traced
- 2) There were no Bank reconciliations undertaken at all.

- 3) The repair works cost **ZMK 4,620,575**.
There was **ZMK 10million** still in the account at the time of the Team's visit awaiting utilisation.
- 4) The District Health Management Team spread the little resources thinly. At Kakoso Centre, it was visible that the paint coatings and the tiles were not satisfactorily done as a result of trying to cover large areas with little resources.

Recommendations:

- 1) Much effort should be put into the recording, monitoring, controlling and supervision of HIPC resources. Source documentation such as payment vouchers and bank statements should be secured as the same were very vital to audit queries.
- 2) Reconciliations of the bank account are vital in ensuring that all transactions are captured.
- 3) The District Health Management Team should plan and budget their activities so as to ensure that the resources are put to good use.

Findings

The expenditure was generally incurred with due economy, efficiency and transparency. A project Management Committee was put in place as recommended as follows;

- (a) Project Chairperson (from community)
- (b) The Secretary (Head of Institution)
- (c) The Senior Building Inspector From PEO's Office
- (d) The District Building Inspector from DEO's Office
- (e) The Education Officer from DEO's Office
- (f) Two lecturers elected from the college members of staff
- (g) Three parents from the Community

All Bills of Quantity or schedules of works were prepared by the Senior Buildings Inspector and the District Buildings Officer. After prospective contractors had submitted their qualifications, the Project Management Committee carried out an evaluation of the contractors who were then short listed.

The Project Management Committee bought all the materials and paid for transport costs. 20% of the total of these costs was the allowable cost on labour.

The school spent **K81, 464,152** on materials and transport and **K17, 271,430** on labour.

Banking arrangements

The School did not open a separate account for the HIPC monies. Although the funds were commingled in the School Capital account, the operations of the account were satisfactory as most information was properly recorded in the separate cashbook and could be traced as being HIPC expenditure. All reconciliations were being undertaken monthly (see Appendix....)

The school should be commended for handling the HIPC resources with due economy, efficiency and transparency.

4.9 MUFURILA DISTRICT

4.9.1 Mufurila District Health Management Team

The District received a total of **K54.0 million** during 2001 and 2002 period.

A separate bank account was opened although no bank reconciliations were done. It was also found that some payment vouchers were not properly written. For instance the payment voucher for cheque number 315 was written **K5, 121,600** whilst the cheque value was half the amount i.e. K2, 560,800.

In addition the contract amount for the boundary work being done at Kamuchanga clinic by Mutz Contractors is not very clear- the amount on the order is K48,129,300 whilst the amount on the advance payment is **K47,188,750**. Mr. Kamanga the District Accountant explained that the order value was later negotiated downwards. However, there was no documentary evidence to support this explanation. At the time of our visit the contract had not been completed yet.

Projects

In addition to the above mentioned project the Mufurila DHMT undertook to renovate the maternity ward at Kamuchanga district hospital, water pump at Mutundu clinic, and general rehabilitation at the dental and out patient departments.

Recommendations:

- The accounts staff must be extra careful when raising the payment documents.
- Bank reconciliations must be done regularly
- Contract documents must be kept safely and should not be tampered with.

4.10 LUANSHYA DISTRICT

4.10.1 Luanshya District Health management Team

Funding

Luanshya District Health Board received K44 million HIPC Funds in the following installments.

| | | |
|----------|-----------------------------|--------------------------|
| 15/11/01 | 1 st Instalment | 13,888,889 |
| 22/03/02 | 2 nd Installment | 11,111,111 |
| 19/06/02 | 3 rd Instalment | <u>19,000,000</u> |
| | | <u>44,000,000</u> |

The funds were applied towards rehabilitation of health centres and installation of some water tanks.

Records

As is normally the case with all Health Boards, financial records were maintained at the District. There were no major exceptions in the maintenance of accounting records.

Accountability

Supporting documents were well maintained although we noted some borrowings, which were paid back within a few days. The same are listed below:

| DATE | DETAILS | CHEQUE NO | AMOUNT(K) |
|----------|-------------------|-----------|-----------|
| 22/03/02 | Mukonde Raymond | 409 | 1000,000 |
| 22/03/02 | PC Mutale | 410 | 583,000 |
| 22/03/02 | Mutale Lennon | 411 | 2,965,000 |
| 22/03/02 | Thompson Hospital | 412 | 1,080,000 |
| 22/03/02 | Dr Chibwe | 415 | 1,980,000 |

Banking

There was a specific bank account in place.

Recommendation:

In future borrowings should be avoided at all costs as this goes against the HIPC guidelines.

4.10.2 Luanshya School for Continuing Education

Funding

The school received a direct funding of **K84 million** in November 2001. The DEO's office was not aware about this funding and expressed concern that in such situations it was difficult for them to monitor projects being undertaken in the District.

The funds were applied towards setting up a computer lab, buying computers, sewing machines and desks.

Records

The records were not properly maintained. There was no cashbook in place.

Accountability

- (i) In some instances there were no invoices to support the payments being made. We list some of these below;-

| <u>Date</u> | <u>Payee</u> | <u>Cheque No.</u> | <u>Amount</u> |
|-------------|--------------|-------------------|---------------|
| 19/11/01 | G. Bwalya | 3 | 5,000,000 |
| 23/11/01 | G. Bwalya | 7 | 11,000,000 |
| 13/11/03 | Banda AC | | 5,170,000 |
| 23/11/01 | Simbeye C | | 1,500,000 |

G. Bwalya is an employee of the school and should have made an effort to retire the funds. Besides it is not good accounting practice to draw amounts above **K5 million** over the counter. There were no cheque numbers indicated on the payment vouchers for Banda AC and Simbeye C.

- (ii) The highest outlay was a payment of K60, 000,000 to Chinyangasha General Dealers for 10 computers and 5 printers. This procurement was not subject to provincial tender procedures but was merely been agreed upon by the Principal and the board. Even then there are no minutes in place to affirm the meeting between the principal and the board.

In the absence of transparency over the procurement process, there is a possibility that the school may not have gotten good value for assets acquired.

Banking

HIPC funds were combined with normal government grants contrary to HIPC regulations.

Recommendations:

- (i) School authorities should improve on maintenance of accounting records and supporting documents as this is very cardinal to continued access to HIPC funds.
- (ii) School authorities should get acquainted with Government tender procedures so as not to flout them and to ensure transparency.
- (iii) Where a substantial amount has been allocated the guidelines require that a separate bank account be opened for the funds.
- (iv) When making a direct allocation to a beneficiary institution, it is advisable that Budget Office copies the same to Provincial Office, District Office and District Administrator to avoid the all too familiar complaint that they are unable to supervise for lack of information as they are by passed.

4.10.3 Ministry of Local Government - Luanshya Municipal Council

It is a normal practice of the external monitoring team to follow-up payments made directly from ministerial Headquarters in Lusaka to contractors in the Provinces or Districts.

Two payments which require further investigations were unveiled in Luanshya Municipal Council where a firm known as Transan Engineering received the following payments:

| <u>Chq No.</u> | <u>Amount</u> |
|----------------|------------------|
| 931 | 228,630,325.00 |
| 1509 | 114,315,162.00 |
| | ----- |
| | K 345,945,487.00 |
| | ===== |

Upon enquiry in Luanshya none of the official knew anything bout the payment or where the contractual works were undertaken in the District.

It is the Teams view that the payment may have been irregular and will require to be followed up from the Ministry of Housing and local Government Headquarters.

4.10.4 PROVINCIAL ROADS

a) Mpongwe – Machiya Road

A contract for grading and maintenance of Mpongwe Machiya road was on 12TH September 2002 was awarded to Messrs International Engineering and Trade Limited. The contract at the cost of K160 million Kwacha was to cover a drainage of 40 Km. The Mpongwe – Machiya road has a drainage of 74 Km. The contractor only managed a distance of 25 Km and work stopped.

Permission was then sought from the Provincial Tender Committee by the Provincial Road Engineer for authority to conduct selective tenders for the remaining stretch of the Mpongwe-Machiya Road.

The following companies were short listed for selective tender procedure;

6. International Trade Engineering and Trade (Z) Limited
7. Joes Motors
8. Gomes Haulage
9. Sietico (Z) Ltd
10. Blackwood Hodge

Observations

We observed that the Provincial administration decided to vary the earlier contract by more than more 126% (paid additional K202,240,000) without going through the above selective tender process or seeking prior authority from Ministry of works and supply but instead treated the variation as a second certificate. It appears as though the contractor did not use the earlier K160 million with due economy and efficiency.

Recommendation

We recommend that the above amount be recovered from the contractor and that all the provincial officers involved in this transaction be investigated and if need be face disciplinary action for gross disregard of tender procedures.

b) Award of Contracts

Observations

We observed that some senior members of the provincial administration and tender committee took advantage of their positions and influenced the appointments of some road contractors. A few examples are as set below;

- iv) The four contracts to LM Engineering Limited a company which the current Permanent Secretary Mr Richard Salivaji has interests were awarded as follows;

- Chimfushi and Kamenza road at a cost of K97.3 million and ZCCM farm road at the cost of K62 million. All these three roads are in Chililabobwe.
 - On 30th October 2001 the then Permanent Secretary Mr Geoffrey Mukala wrote to LM Engineering to provide a quote to carry out works on Miteta road without going through any form of tender process. The quote for K30 million was submitted on 6th November 2001. On 19th May 2003, 18 months after the quote, a letter from the Provincial Roads Engineer (PRE) copperbelt wrote the Permanent Secretary requesting for the payment of K30 million to Messrs LM Engineering Ltd under very questionable circumstances from the 2003 HIPC releases. This was followed up by another letter from PRE on 4th June 2003 indicating that the works undertaken were satisfactory. There was no clear certification(see appendix iii).
- v) A contract of K140 million for maintenance works of Mpongwe – Shingwa Road and Mpongwe – Chowa roads was to Mitondo Contractors a firm in which the then District Secretary for Mpongwe District Council, Mr G Namulambe had interests. Mr G Namulambe is currently the Permanent Secretary of North Western Province.
- vi) A contract to Vivid Enterprises for works on St Joseph road in Kalulushi District was highly suspicious. The firm Vivid Enterprises is operated by a Mr Sinkamba, the husband to the Provincial procurement officer. A check through the Tender Committee minutes which meeting was the basis for the contract award did not reveal that Mrs Sinkamba declared interest in this matter. A letter from Director Engineering Services Kalulushi dated 12th October 2001 to Vivid Enterprises indicates concern at the poor progress on the works.

Recommendation

We recommend that investigation be undertaken to establish the manner in which these contracts were being awarded and that should cases of abuse of office be proved on any of the affected officers, then disciplinary action should be taken.

5.0 Conclusion

It is very important that the issues highlighted in this report consisting of abuse and misapplication of funds should be followed up and appropriate administrative action taken against erring officers.