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TECHNICAL ANNEX

ZAMBIA

ECONOMIC RECOVERY AND INVESTMENT PROMOTION
TECHNICAL ASSISTANCE CREDIT

May 13, 1996
CURRENCY EQUIVALENTS
(as of March 31, 1996)
Currency Unit = Zambian Kwacha
US$1 = K1235

FISCAL YEAR
January 1 - December 31 (Government)
April 1 - March 31 (ZCCM)

WEIGHTS AND MEASURES
1 ton = 2205 lbs
1 ton = 1000 kg

GLOSSARY OF ABBREVIATIONS

AAC Anglo American Corporation Ltd.
BGS British Geological Service
CCT Component Co-ordination Team
DLD Department of Legal Drafting
ERIP Economic Recovery and Investment Promotion
ERIPTA Economic Recovery and Investment Promotion Technical Assistance
Credit
ESAC Economic and Social Adjustment Credit
FILMUP Financial and Legal Management Upgrading Project
GSD Geological Survey Department
GMPT Government Mining Privatization Team
IDA International Development Association
IBRD International Bank for Reconstruction and Development
ICB International Competitive Bidding
IS International Shopping
MDD Mines Development Department
MMD Movement for Multiparty Democracy
MMMD Ministry of Mines and Minerals Development
MOF Ministry of Finance
MOLA Ministry of Legal Affairs
MSD Mines Safety Department
NCB National Competitive Bidding
NCCM Nchanga Consolidated Copper Mines Ltd.
NS National Shopping
PE Public Enterprises
PCU Project Co-ordination Unit
PIRC Privatization and Industrial Reform Credit
PIRTA Privatization and Industrial Reform Technical Assistance
PPF Project Preparation Facility
RCM Roan Consolidated Mines Ltd.
SOE Statement of Expenditures
TOR Terms of Reference
UNDP United Nations Development Program
ZCCM Zambia Consolidated Copper Mines Ltd.
ZCI Zambia Copper Investments Ltd.
ZIMCO Zambia Industrial and Mining Corporation Ltd.
ZPA Zambia Privatization Agency
ZAMBIA

ECONOMIC RECOVERY AND INVESTMENT PROMOTION
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Table of Contents

Page

A. BACKGROUND .............................................. 1
Zambia Consolidated Copper Mines Ltd. ........................ 1
Zambia Privatization Agency ................................. 3
Reforming Mining Sector Policy and Promoting Mining Investment .............................................. 5
Reforming Business Legislation .................................. 6

B. DETAILED PROJECT DESCRIPTION ....................... 7
ZCCM Privatization ................................................ 7
Advisory Services to the Zambia Privatization Agency ........ 9
Strengthening the Ministry of Mines and Minerals Development ............................................... 10
Reforming Business Legislation .................................. 13

C. PROJECT ADMINISTRATION AND IMPLEMENTATION 16

Attachments
Attachment 1: Implementation Schedule
Attachment 2: Training Plan
Attachment 3: Ministry of Legal Affairs:
Department of Legislative Drafting
ZAMBIA

ECONOMIC RECOVERY AND INVESTMENT PROMOTION

TECHNICAL ASSISTANCE (ERIPTA) PROJECT

Technical Annex

A. Background

1. Four years ago, Zambia embarked on a far reaching economic reform and structural adjustment program that the donor community, including the Bank Group, have assisted. Zambia has so far benefited from several IDA adjustment and technical assistance operations which have addressed a number of issues relating to economic reform, notable components of which are privatization, private sector development and business legislation reform. The most recent of IDA’s adjustment operations, the Economic Recovery and Investment Promotion (ERIP) Credit approved in July 1995, focuses on mining sector policy reform and the privatization of Zambia Consolidated Copper Mines Ltd. (ZCCM), the majority Government owned copper producing parastatal. The proposed ERIPTA Credit aims to support the implementation of the ERIP Reform Program and to continue the implementation of reforms that were the focus of previous adjustment operations, namely the privatization of parastatals and the reform of the legal framework governing business activity. The Government requested IDA financing of technical assistance in four areas: (i) privatizing ZCCM; (ii) additional financing for the activities of the Zambia Privatization Agency (ZPA); (iii) strengthening the Ministry of Mines and Minerals Development (MMMD); and (iv) reforming business-related laws.

2. In order not to interrupt the implementation of the reforms while the proposed ERIPTA is being processed, a Project Preparation Facility (PPF) Advance was approved to cover the costs of assistance from the Government Mining Privatization Team (GMPT), investment-bank and legal advisors for preparatory work for ZCCM’s privatization. Also, a PHRD Japanese Grant was obtained to finance the work of various specialist consultants to assist in preparing different aspects of ERIPTA.

Zambia Consolidated Copper Mines (ZCCM) Ltd.

3. Prior to nationalization in 1972, the Zambian copper industry consisted of two separate companies, namely Nchanga Consolidated Copper Mines Ltd. (NCCM) which was majority owned and operated by Anglo American Corporation of South Africa (AAC) and Roan Consolidated Mining (RCM) Ltd. which was majority owned and operated by Amax Ltd. NCCM had operations at Nchanga, Nkana and Konkola; and
RCM had operations at Chibuluma, Luanshya, Mufulira and Ndola. When the two companies were nationalized in 1972, the Government took majority ownership but management contracts were signed so that operational management remained with the private companies. Subsequently, the management contracts ended and the management was progressively Zambianized.

4. In 1981 all the operations were merged into one company, which was called Zambia Consolidated Copper Mines Ltd. (ZCCM) with 60.3 percent of the shares (the “A” shares) owned by the Government and held by a Government holding company (ZIMCO) and the remaining 39.7 percent (the “B” shares) held by Zambia Copper Investments Ltd. (ZCI), which was majority owned by AAC. ZCCM was listed on the London and New York stock exchanges. Amax had a minority ownership of ZCI but sold its holdings to other investors in the late 1980s. The Managing Director of ZIMCO was appointed the ex-officio Chairman of ZCCM. Agreements were signed which gave certain rights and protections to AAC including pre-emptive rights and rights of first refusal in the event that the Government should decide in the future to sell part or all of its shares in ZCCM. At the time of the merger, both companies were beginning to experience shortages of essential spares due to inadequate foreign exchange allocations which was beginning to impact on productive capacities. The merger was seen as a means to rationalize the mining industry and restore its productive capacity.

5. But ZCCM suffered from many of the difficulties faced by the parastatal companies in general in Zambia. There was a lack of shared objectives between the two main shareholders (Government and AAC) with the result that the Board was largely ineffective in setting the policy direction for the company and overseeing management. Instead, management responded to Government influence, with the consequence that employment and investment decisions reflected a mix of commercial, social and political objectives. ZCCM became a main source of Government revenues and foreign exchange for the rest of the economy. During the early to mid 1980s, ZCCM was subject to increased levels of indirect taxes (import duties and sales taxes) and a Mineral Export Tax was introduced in 1983 which rose to 13 percent by 1987. Thus, cash utilization and foreign exchange retention decisions were made on the basis of the needs of the economy rather than the needs of the company and ZCCM was unable to retain the resources it needed for re-investment.

6. ZCCM's difficulties were compounded by a severe downturn in the world copper market in the early to mid 1980s. World copper prices declined from US$0.77 per lb. in 1981/82 to US$0.60 per lb. in 1986/87 and ZCCM's sales revenues fell from about US$1.0 billion to US$681 million. During this same period ZCCM's tax payments increased from US$5 million per year to around US$150 million per year; capital expenditures declined from US$306 million per year to US$108 million per year and copper production fell from 591,853 tons to 463,454 tons. ZCCM's competitive position was further eroded by the decision in 1986/87 for reasons of political expediency to source spare parts and operating supplies away from traditional sources in South Africa, by the abandonment of the FEMAC system (and the subsequent pegging of the kwacha at
an artificially low rate of US$1=K8 with local costs continuing to reflect FEMAC rates around US$1=K20-22), and by the expansion of a modest diversification program into a large-scale program (including tourism, agriculture, public transportation and maize processing) which diverted both managerial and financial resources away from the core business of mining.

7. By 1990, ZCCM faced deep-rooted problems including undermaintained plant and equipment, aging technology and most importantly, despite a very large mineral resource base, declining ore reserves and significantly reduced flexibility in operations. In 1991/92, the present Government came into power and appointed new management at ZCCM. At the request of the Government, a Mining Technical Assistance Credit was made with the objective of helping to restore ZCCM’s competitiveness and long-term viability and to start preparing ZCCM for privatization. The project included assistance to strengthen ZCCM’s planning capabilities, including the preparation of a corporate plan, joint-venturing and divestiture of assets, copper pre-feasibility studies, special studies of procurement, copper marketing and financial structure, and manpower and training programs. In 1995, the Government announced the decision to privatize ZCCM in order to mobilize the capital, technology and management needed to develop new ore bodies and restore the sector’s financial and production performance. Thus, with assistance from IDA, the Government appointed the Government Mining Privatization Team (GMPT) and hired an international Investment Bank and Legal Advisors to prepare and implement a Privatization Plan for ZCCM. The Government has requested US$6.0 million under the ERIPTA to finance the preparation and implementation of the ZCCM Privatization Plan.

8. While the preparation for privatization was taking place, ZCCM’s production continued to decline and costs to rise. In September 1995 monthly production fell to an unprecedented lows of less than 20,000 tons of copper, which caused Government to ask for the Bank’s help in evaluating the seriousness of the situation facing ZCCM. A World Bank Technical Review Mission visited Zambia in November 1995 to look at ZCCM’s problems and in January 1996 it agreed with ZCCM’s management on the main outlines of a ZCCM Emergency Plan. This was subsequently presented to and approved by the ZCCM Board in March 1996. ZCCM has requested US$3.6 million under the ERIPTA to strengthen ZCCM’s technical capacity to implement and monitor the Emergency Plan.

Zambia Privatization Agency (ZPA)

9. The privatization of Zambia’s substantial parastatal sector was an important objective of the economic reform program over the last four years. It was the focus of two IDA adjustment credits, the two Privatization and Industrial Reform Credits (PIRCs - Nos. 2405-ZA and 2523-ZA) of 1992 and 1993, respectively. With the support of these Credits, the Government began implementing the provisions of the Privatization Act enacted in 1992, which specified the policies and procedures that should be followed in privatizing parastatals, and set up the Zambia Privatization Agency (ZPA) to manage the privatization process. After overcoming some institutional establishment and teething problems and a major reorganization and restaffing program in late 1994, the ZPA began,
and is now carrying out, a determined and credible effort to privatize the 138 parastatals, predominantly ZIMCO subsidiaries, that were listed in the program agreed with IDA under PIRC II in 1993 and the 32 non-ZIMCO companies that were identified as privatization candidates in 1994. These are predominantly the special-case parastatals or Government assets or agencies that are not corporate entities, but are commercial in nature and can be privatized. To give ZPA the means to recruit qualified staff with private sector experience and to acquire the services of advisors and consultants to prepare parastatals for privatization, a component to finance these costs was included under the Privatization and Industrial Reform Technical Assistance (PIRTA) Credit No. 2406-ZA, which was approved by the IDA Board in July 1993. Specifically, the PIRTA is financing: (1) the salaries of the Chief Executive Officer and the Technical Director, both of whom were recruited internationally, and the salaries of six other experienced professionals, one of whom is the ZPA Planning Manager and the other five are leaders of teams in ZPA that oversee the privatization of parastatals, and (2) the cost of advisory services to prepare, either in part or as a whole, parastatals for privatization.

10. ZPA is now an effective agency that has a clear strategy and appropriate policies and procedures to carry out its mandate. To monitor and evaluate Zambia’s performance on privatization, a condition of Third Tranche release was set under PIRC II that required the Government/ZPA to have offered for sale a total of 60 out of the 138 companies listed in the 1993 IDA-agreed ZPA Privatization Program; brought to the point of sale a total of 40 companies; and completed the sale, or liquidation, of at least 15 companies. The status as of 31 March 1996 is as follows: of the companies listed on ZPA's 1993 Privatization Program, 92 companies have been offered for sale, 59 companies brought to the point of sale; and 31 companies sold or liquidated. In addition, of the 32 companies that were not listed on the ZPA 1993 Privatization Program, 16 companies have been offered for sale, 11 companies brought to the point of sale; and 9 companies sold or liquidated. There is another 30 companies (both on and off the 1993 Program) for which negotiations have been successfully completed, but the settlement of the transaction has not taken place as yet pending the completion of formalities. Also sold are numerous assets of companies (both on and off the 1993 Program), some of which are significant in value (e.g., the Lusaka Division of Zambia Breweries). The total value of sales so far is estimated at about K33 billion, (about US$43 million when valued at the exchange rate of the date of sale) and consist of K28.7 billion sold by ZPA (including K2.1 billion on deferred payment terms), and about K4 billion for the shares sold by the Zambia Privatization Trust Fund in two parastatals. Thus of the 160 companies identified so far for privatization, 40 companies (25 percent of the total) have been privatized and another 79 (49 percent of the total) are at various stages of the privatization process. The former number measures what has been fully accomplished so far and the latter is a good indicator of what is likely to be accomplished in the near term.

11. The latest addition to ZPA’s program is ZCCM, which was not included in the 1993 agreed program, although it was a ZIMCO subsidiary, partly because of its large size, significant impact on the Zambian economy, the complexity of its privatization and the political sensitivity of a decision to privatize it, and partly because ZPA did not have
at that time the capacity to manage this privatization. ZCCM could not be handled in a routine manner under ZPA’s procedures. That is why the GMPT was set up. Now that ZPA has improved management and capacity, it has taken over the overall responsibility for supervising the work of the GMPT and the investment bank and legal advisors on the ZCCM Privatization Plan. Much remains to be done by ZPA to complete the task of privatizing parastatals in Zambia, and ZPA is up to the task if it has adequate resources. During preparation, ZPA requested assistance amounting to US$6.2 million to finance the continued support for the salaries of selected ZPA managers and staff and advisory and specialist services for valuation and other studies of parastatals.

Reforming Mining Sector Policy and Promoting Mining Investment

12. Zambia has considerable mineral potential and large tracts of unexplored land. Yet copper production had declined from a peak of nearly 700,000 tons in the 1970s to a low of about 306,000 tons in 1995/96 (i.e., for the fiscal year ended March 31, 1996). The decline in production reflects not only the difficulties at ZCCM, but also a lack of private sector interest in exploration and minerals development as a result of an unattractive investment environment. The Government recognizes that the financial, technical and managerial resources required to revive the mining sector are only available in the private sector. Accordingly, it has adopted a three-pronged strategy to attract new private sector investment to the mining sector, consisting of: (a) the adoption of a new mining sector policy supported by new mining legislation and a new mining fiscal regime; (b) the reform of mining sector institutions, in particular MMMD; and (c) the privatization of ZCCM.

13. In February 1995, the Cabinet formally adopted a new Mining Sector Policy, which calls for the development of the mining sector by private investors in an environmentally sustainable manner. Following extensive consultation with different stakeholders, a new Mining and Minerals Act was enacted and became effective in November 1995. Zambia now has modern mining legislation and licensing of producers that are transparent, stable, and non-discretionary. A new fiscal regime has also been prepared and is being introduced. It is internationally competitive and concentrates the incidence of taxation on profits, is generally applicable and non-discretionary. New environmental regulations have been prepared for the mining sector and have been circulated to different stakeholders for comment, following which they will be finalized and issued as a Statutory Instrument.

14. As the new legal, fiscal and environmental frameworks are implemented, the ability of MMMD to administer and regulate the sector will become critical. Under the Mining Sector TA Project (Credit ZA-2269), a review of the functions and organization of MMMD was undertaken with the result that the structure, organization and staffing of MMMD were adjusted so that the Ministry could be better able to support private investment. Work under this Credit also identified a number of areas where MMMD required specific assistance to strengthen its capabilities to administer the sector. These include the acquisition and organization of regional geological data and their
dissemination to potential private investors through reports and maps along the lines provided by Geological Surveys in countries such as Australia, Canada and the USA; and strengthening mineral sector administration and regulatory capabilities, including mining title registration and administration, mines inspection, environmental monitoring and the licensing and supervision of small-scale mining activities. The Government has requested US$6.0 million under the ERIPTA to finance these activities to strengthen MMMD's capability to administer and regulate the sector.

Reforming Business Legislation

15. The government decided four years ago to help revitalize the economy by creating an environment conducive for the private sector to play a more prominent role in production and distribution of goods and services, while limiting the role of government to the provision of basic infrastructure and social services. Key to this decision has been the government's adoption of open markets and of market determined prices, the privatization of state owned enterprises, the encouragement of foreign investment, and the promotion of non-traditional exports. To implement this wide-ranging policy framework, the government has had to carry out an extensive review of the existing laws and regulations which have been in place since independence and which were more conducive to a centrally planned economy. This legal review started in 1991 with the preparation and enactment of the Privatization Act in 1992. The enactment of the Privatization Act sent a clear signal that the government was determined to pursue private sector oriented economic policies. Other important pieces of legislation were enacted in quick succession; for example, the Investment Act, the Securities Act, the Trades Licensing (Amendment) Act, the Zambia Revenue Authority Act and the Bank of Zambia (Amendment) Act were all enacted in 1993. This was clearly a heavy legislative agenda.

16. The Department of Legal Drafting (DLD) of the Ministry of Legal Affairs (MOLA) has the responsibility of reviewing and drafting these and other laws necessary to implement government economic policy. As will be explained below, the DLD, however, has had to stretch its resources to the limit to meet such a heavy legislation agenda. Legislative drafting requires specialized training and there is a worldwide shortage of qualified draftsmen in common-law countries, Zambia included. As a result, the World Bank and other donors (UNDP) have been providing assistance to DLD in the form of technical assistance and training to enable it to discharge its duties efficiently and within the time frame required.

17. Despite this achievement, a lot of work still needs to be done. The DLD will continue to be asked to come up with more and better pieces of legislation to implement.

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2 The pieces of legislation being prepared or to be prepared by the DLD are specified in Attachment 3.
Government policy. Ongoing and future Bank-supported investment and adjustment operations require the Government to continuously review, amend and enact new legislation to give legislative effect to those policies. The problem is, as presently constituted, the DLD does not have the qualified staff in sufficient numbers to meet this challenge. The Government has recognized this shortcoming and has requested US$1.2 million under the ERIPTA for training and technical assistance.

B. Detailed Project Description

18. The proposed ERIPTA project provides assistance in the form of services from technical advisors and other specialists, training and/or equipment as follows: (1) to the Government so that it can privatize ZCCM, and to ZCCM to strengthen its operations and to monitor (by the ZCCM Board) ZCCM’s operational activities and implementation of the Emergency Plan; (2) to the ZPA so that it can continue to implement the Government’s privatization program; (3) to the departments under MMMD responsible for implementing or monitoring the performance under the new Mining Act; and (4) to the Department of Legal Drafting under MOLA to enable it to redraft the remaining business laws. A more detailed description of these four components follows.

ZCCM Privatization

19. Objectives. The objective of the ZCCM Privatization component is to: (a) provide assistance to the Government to design and implement the privatization of ZCCM by financing the costs of the Government Mining Privatization Team (GMPT) and the international investment bank and legal advisors in preparing and implementing the ZCCM privatization during the next 12-18 months, and (b) to provide assistance to ZCCM (i) to obtain interim technical and management support to strengthen ZCCM’s performance by hiring additional managers and technical specialists for 1-2 years and (ii) to hire staff and advisers to assist the ZCCM Board to monitor ZCCM’s operations and activities, including the implementation of the ZCCM Emergency Plan.

20. Institutional Framework. The ZCCM privatization component is being implemented by the GMPT who have been appointed by the Government to prepare a ZCCM Privatization Plan (defining the structure and process of privatization) which will be submitted to IDA as part of the ERIP Second Tranche release conditionality. The GMPT reports to the Chief Executive of the Zambia Privatization Agency (ZPA). The GMPT is being assisted by an Investment Bank and a Legal Firm (the Advisers) who were selected and appointed under terms of reference and procurement procedures acceptable to IDA and are being funded by a Project Preparation Facility (PPF) advance. In the case of the ZCCM privatization, to reinforce the usual ZPA procedures, the Government established a Committee of Ministers to oversee key decisions and recommendations regarding the ZCCM Privatization before being presented to the Cabinet and a Committee of Officials to ensure that relevant Government Ministries are kept apprised of the progress of the work and to ensure ready access to such Ministries for the GMPT and the Advisors. With regard to assistance to ZCCM, support will be
provided to ZCCM for interim management and technical support and to the ZCCM Chairman and Board of Directors for staff and advisers for a Monitoring and Evaluation Unit reporting to the Board.

21. **Description.** The component will finance the following:

(a) **Advisory Services for ZCCM Privatization.** This will include: (i) the Government Mining Privatization Team (GMPT). The GMPT was given the responsibility to carry out the Government’s decision to privatize ZCCM, which was taken in accordance with agreements with IDA under the ERIP Credit. The GMPT includes a team leader; a legal advisor; an investment banker and a copper mining specialist. The members of the GMPT are consultants, who have been selected for their relevant experience and good reputations in the Zambian business community, under procedures acceptable to IDA, with contracts whose terms and conditions are satisfactory to IDA. The GMPT mandate is to prepare, with the help of internationally qualified advisors, the ZCCM Privatization Plan, and following the necessary approvals and decisions, and subject to satisfactory performance, to implement this Plan; and (ii) The Investment Bank and Legal Advisors. Under the supervision of the GMPT, the Advisors’ work is planned in two phases: to prepare the ZCCM Privatization Plan in the first phase, and subject to satisfactory performance, to assist the Government/GMPT and/or ZCCM as appropriate in the implementation of the Plan in the second phase. The privatization of ZCCM requires specialized assistance, both because of ZCCM’s size and economic importance and because Anglo American Corporation Ltd. (AAC), the largest minority shareholder, has certain preemptive rights that affect the refusal in the privatization process. The terms of reference for Phase 1 call for the investment advisor to (a) review the financial outlook for ZCCM; (b) review the proposed arrangements for the Konkola Deep Project; (c) examine privatization options and prepare a privatization strategy; and (d) prepare a privatization implementation proposal. The exact requirements for Phase 2 can only be defined when Phase 1 is completed, but will likely include (a) promotion of the sale; (b) documentation and information; and (c) managing the sale process, resulting in a completed transaction. The terms of reference for Phase 1 for the legal firm include (a) assistance to the investment bank; (b) review the legal framework for privatization and business; (c) identify constraints and make recommendations; (d) review privatization options, strategy and method of sale. For Phase 2 the legal firm’s terms of reference include (a) documentation and information; and (b) the sale process resulting in a completed transaction.

(b) **ZCCM Interim Management Assistance.** ZCCM has experienced sharp declines in production and a deteriorating financial position since mid
1995. Following a review by a World Bank Technical Mission, ZCCM has developed an Emergency Plan and, as part of the implementation of the Plan, has hired fifty two new managers and technical experts for a 1-2 year period to strengthen the Operating Divisions (in particular Nchanga and Nkana) and the central functions (in particular planning and implementation capabilities).

(c) Assistance to ZCCM Board. Given the importance of the ZCCM Emergency Plan being successfully implemented, the ZCCM Chairman, on behalf of the ZCCM Board of Directors, is establishing a Monitoring and Evaluation Unit to (I) review the implementation of the Emergency Plan and recommend, if necessary, changes to the Plan for consideration by the ZCCM Board of Directors; and (II) to undertake specific tasks for the ZCCM Board to monitor any and all aspects of ZCCM’s operation as the Board may require.

22. Cost, Financing and Timing. Except for a success fee, which is to be paid to the Investment Bank, which will be financed from the privatization transaction(s), this component of ERIPTA covers the costs of (a) the GMPT and the Advisers and other specialists as needed, (b) the interim management assistance to ZCCM and (c) the assistance to the ZCCM Board. The component is estimated to have a total cost of US$13.6 million, of which US$7.0 million cost would be to Government to cover about US$1.2 million to cover fees, travel expenses and costs of GMPT and other specialists; about US$3.8 million in investment bank fees and travel and associated expenses; and about US$2.0 million in legal firm fees and associated travel and other expenses. IDA would finance about US$6 million of these costs. The balance of the cost of this component, US$6.6 million, consists of US$6.0 million of interim management support, and US$0.6 million of advisory services and staff assistance to the ZCCM Chairman and Board. IDA would finance about US$3.6 million of these costs. Implementation of the overall ZCCM Privatization Plan will require in the range of 12-18 months depending on the type and number of transactions involved and should be substantially completed by the end of 1997. A more specific timetable should be available once the Privatization Plan is finalized in June 1996. The ZCCM interim management support would take 1-2 years.

23. Status of Implementation. The GMPT was appointed in April 1995 and the advisors in September 1996. The ZCCM Privatization Plan was submitted to Government in April 1996. The Plan is being considered by Government who, after taking a position, will submit an appropriate resolution to the ZCCM Board of Directors for approval.

Advisory Services to the Zambia Privatization Agency (ZPA)

24. Objective. The objective of the ZPA component of the ERIPTA Credit is to help continue IDA’s assistance to Zambia in the implementation of its privatization policy,
which started under the First and Second Privatization and Industrial Reform Credits (PIRCs), by providing the funds necessary: (1) to maintain the staffing of ZPA in terms of qualifications, experience and numbers at an adequate level to oversee the privatization of the significant number of parastatals that remain to be privatized; and (2) to obtain the necessary consultant, advisory and specialist services to prepare the parastatals for privatization.

25. IDA’s financing under PIRTA of full time managers and professional staff was a main reason for the turnaround at ZPA and the current high level of effectiveness at the agency. It enabled the ZPA to recruit from the private sector the necessary talent. Also, IDA’s financing under PIRTA of advisory services to prepare parastatals for privatization allowed ZPA access to a large number of sources of expertise and was the main reason for the acceleration in the pace of the privatization program in late 1994 and 1995. The ERIPTA aims to continue this support to enable ZPA to retain its qualified staff and to maintain its effectiveness and the rapid pace of privatization.

26. **Description.** This component of the project provides support to finance the cost of full-time managers and staff for ZPA, as well as advisory services to prepare PEs for privatization.

27. **Costs and Financing.** The proposed assistance includes salaries for three years for top managers and high-level professional staff; advertising, pre-privatization studies, asset and company valuations for about 30 parastatals; and other technical assistance. The total cost is estimated at US$6.2 million, which will be financed by IDA.

28. **Status of Implementation.** This is an ongoing activity that was started under PIRTA that is being advanced further under the proposed ERIPTA. The procedures to be followed and the documentation to be used in the recruitment of consultants and advisors to prepare companies for privatization will be the same as those for PIRTA, which have been standardized to the extent possible and are satisfactory to IDA. The disbursement procedures that will be used will also be the same as those for PIRTA and conform to IDA Guidelines.

**Strengthening the Ministry of Mines and Minerals Development (MMMD)**

29. **Objective.** The broad objective of this component is provide assistance to help strengthen the capabilities of the Ministry of Mines and Minerals Development (MMMD) to administer the mining sector and facilitate new private sector exploration and investment in the Zambian mining sector. More specifically, this component will support the acquisition and dissemination of geological data by MMMD, the preparation of investment promotion materials and associated activities by MMMD, and institutional strengthening for MMMD in terms of preparing new mining sector regulations, establishing four regional mines bureaux, updating database technology and equipment and improving emissions monitoring capabilities.
30. **Implementation Arrangements.** The component will be implemented by a Component Coordinating Team (CCT) in MMMD working in conjunction with the Geological Survey Department (GSD); the Mines Development Department (MDD) and the Mines Safety Department (MSD) of MMMD. The component will build on earlier technical assistance (Mining Sector Technical Assistance Project - Credit No. 2269) under which many of the activities being assisted have been started and on the new MMMD organizational structure which was established.

31. **Description** This component will finance technical assistance, studies, field and office equipment, vehicles, minor works, specialist hardware and software, printing of maps and brochures, training and related incremental operating costs for the following:

(a) **Acquisition of Geological Data.** This component is composed of three sub-components as follows:

(i) The *Structure and Mineral Resources of NE Zambia* sub-component will produce a consolidated structural interpretation of the northeastern geological belt which is prospective for mineral development.

(ii) The *Geology, Structure and Mineral Resources of NW Zambia* sub-component will consolidate all available structural data in NW Zambia in order to identify structures controlling mineralization of known occurrences in the area as a guide for future prospecting and exploration activities. All information will be compiled and the final product will be geological, structural and mineral maps, prepared in Zambia, covering the project area. The work will be headed by international consultants assisted by staff of the GSD.

(iii) The *Economic and Geological Assessment of the Mineral Resources of Zambia* sub-component will update the handbook “The Geology and Mineral Resources of Northern Rhodesia (1963)” which is now out of date and print. A review of the available data in the archives will be followed by fieldwork to verify and supplement this data. A new handbook on the mineral resources of Zambia will be prepared, published, and marketed.

(b) **Data Dissemination And Investment Promotion.** This component has the following five sub-components:

(i) The *Preparation of Investment Promotion Materials* sub-component will support the preparation of promotional materials and work regarding demonstrating the strong mineral potential of Zambia and the competitiveness of the new legal and fiscal regime.
(ii) The Educational Seminars and Roadshows sub-component provide assistance, information and advice to small scale mines on the procedures and requirements for obtaining a mining license, the geology and exploration of a concession, more efficient, cost-effective and safer working practices, better appreciation of processing and mineral quality issues, and sources and availability of additional information.

(iii) The Self-Help Library sub-component will upgrade the text-book and periodical holdings of the MMMD and make available through the Regional Bureaus leaflets on the occurrence, geology, prospecting, mining, and processing of mineral deposits in Zambia.

(iv) The Establishment of the Information Center sub-component will enable interested parties to obtain at nominal cost, in an appropriate format and at a convenient location all basic data on the sector.

(v) The International Presentations sub-component will assist MMMD to attend international conferences to promote the Zambian mining industry and attract foreign investment into the sector.

(c) Institutional Strengthening. This component comprises four sub-components as follows:

(i) The Regulations and Procedures sub-component will establish new regulations and procedures, which reflect the revised legal and fiscal regime, for the effective administration of the sector.

(ii) The Establishment of Regional Mines Bureaux sub-component will support the opening of four regional bureaux which will provide cost effective and timely administration, inspection and technical support at mine sites.

(iii) The Database Technology And Equipment Upgrade sub-component will establish functioning databases in MMMD by upgrading the computer system by increasing both the speed and memory.

(iv) The Sulfur Dioxide Emissions sub-component will assist the MSD to monitor concentrations of sulfur dioxide at the mineral processing plants with a view to improving the air quality at the work-site and minimizing the effect on the surrounding areas.
(d) **Component Coordination Team (CCT).** The CCT will act as a link between the different departments of MMMD and provide the overall coordination of the mining component of the ERIPTA project. The project will fund the CCT’s start-up and operating costs including basic equipment needed.

32. **Cost, Financing and Timing.** The component is estimated to cost US$6.2 million, of which US$6.0 million would be financed by IDA and US$0.2 million by Government. The component is expected to be implemented over 4 years.

33. **Status of Implementation.** The MMMD sub-component was presented in detail to the Bank in a letter dated September 7, 1995 which is available in the Project File. Terms of reference have been agreed for the components, as well as for the Component Co-ordination Team. An implementation timetable has also been developed. The new organization chart for MMMD has been approved by the appropriate authorities so that the sub-components are ready to be implemented once funds are available.

34. **Agreed Actions.** MMMD requested that the Geological Data Acquisition sub-component of the ERIPTA assistance be contracted to BGS under a twinning arrangement on a sole source basis. Given (a) that BGS has a unique competency and experience in that it has performed similar work recently for MMMD on a fully satisfactory basis under Credit 2269 and (b) that BGS were selected for the work under Credit 2269 using ICB, it was agreed that sole source procurement with BGS in a twinning arrangement could be used for the Geological Data Acquisition sub task. MMMD has also requested IDA financing for incremental operating costs for four regional Mining Bureaux. In order to ensure sustainability of the Bureaux after the project is completed, it was agreed that IDA would provide a declining percentage of the incremental operating costs for the Bureaux of 75% in 1997, 50% in 1998, 25% in 1999 and zero thereafter and, Government would provide the corresponding balance.

**Reforming Business Legislation**

35. **Objectives.** The main objective of this component of ERIPTA is to support the Department of Legal Drafting (DLD) in the Ministry of Legal Affairs (MOLA) in carrying out its functions expeditiously and professionally. The Department is responsible for: (a) drafting bills and subsidiary legislation, (b) preparing draft cabinet memoranda on legislation, (c) rendering legal opinions on interpretation of statutes and constitutional issues, (d) participating in and rendering legal advice to the various committees established under various Acts of Parliament, (e) assisting in the drafting of international agreements and attending international conferences, and (f) the attendant functions involved in bill transcribing, typing and compilation of statutes. The Project will provide the Department with the necessary resources to undertake these tasks.

36. **Strategy.** Based on the inventory of business laws carried out in conjunction with the preparation of this project, the laws that need to be reformed and other related
legislation which needs to be redrafted by the Department in the next few years have been identified. The Government has proposed a crash program of training and recruitment of consultants. Under this proposal, the Project will finance one full-time internationally recruited consultant and three local consultants. One of the local consultants will be the current Head of the Department, who is serving under a contract financed under PIRTA. This person is the most qualified and experienced Zambian draftsman and has been extremely instrumental in the significant progress that has been accomplished so far. The project will also finance, on a retainer basis, an experienced jurist, preferably a retired judge, to periodically review draft bills and give advice as and when necessary.

37. For the long term, the Department is proposing a two-pronged strategy. The first prong is to try to improve the salaries and other terms of service of draftsmen so as to reduce the rate of attrition. The second prong is to continue training Zambians, some of whom may decide to stay in government service. In any case, the Government has a policy of "bonding" Zambians who have been trained at government expense. This "bonding" requires the trainees to serve in government service for a period equivalent to the training period. It is therefore necessary to continue training Zambians as both a way of building capacity and so as to continuously get graduates to take over from draftsmen who may opt to join the private sector.

38. Description. This component will provide for:

(a) **Consultants:** To meet the immediate short-term needs, the Project will finance one international expert for a period of two years to assist in clearing the backlog of legislation to be drafted and to train young Zambian draftsmen. The international consultant will bring in "best international practices" in the various commercial and financial areas. This consultant will also be required to provide on-the-job training to young Zambian draftsmen. In addition, the Project will finance three local consultants who will assist in carrying out the routine drafting work while the new MOLA employees are undergoing training abroad. One of these local consultants will be the current Head of the Drafting Department who is currently under contract under PIRTA that expires in December, 1996. In addition, the Project will finance the cost of one local Legislation Review and Monitoring Consultant who will have the responsibility to review work done by contractors [see para. (b) below]. Such a consultant will preferably be a retired judge with extensive experience in legislation.

(b) **Contracting Out.** At certain times the Department is required to draft a large number of pieces of legislation to meet Parliamentary requirements. During such periods, the Department has not been able to cope, given the shortage of staff. The Government has therefore approved a strategy under which the Department will contract out pieces of legislation to draftsmen in private practice. The Project will support this strategy. The Department has identified pieces of legislation which are likely to be
contracted out (Attachment 3). The Project will finance consultants who will be hired on the basis of this contracting out strategy. The Department has prepared a roster of qualified draftsmen from which short lists would be prepared so that invitation to submit proposals for specific tasks can be solicited. The review and selection of consultants will follow World Bank Procurement Procedures. This strategy of contracting out will provide the Department with the flexibility it needs to meet its mandated requirements. The Department will try as much as possible to draft legislation in-house, but in times of high demand, contracting out, as explained above, may be a viable option.

(c) **Training.** Concurrently with the recruitment of consultants, the Project will finance the long-and short-term training of Zambian lawyers to enable them to acquire skills in legislative drafting. There are few institutions in the world that offer this type of highly specialized training. Training parliamentary draftsmen is a long and costly process. The process normally involves 18-24 months of post-graduate training. After that, the draftsmen will require two to three years of on-the-job training before they can be considered professional draftsmen. The Project will finance the long term training for two parliamentary draftsmen and the short term training for three draftsmen. This is in addition to the five who will be trained under FILMUP.

39. **Cost.** The estimated total cost of the support to the DLD is US$1,200,000, which will be financed by IDA.

40. **Agreed Actions.** In order to retain the trained draftsmen in public service, the government has greed, as an interim measure, to implement new policy measures to improve terms and conditions of service for draftsmen employed in MOLA until the Public Sector Management Reform program is carried out. It is expected that improved terms of service will be attractive enough for draftsmen to stay in public service for a longer period than is the case at the present. Concurrently with this, the government has agreed to review its "bonding" program under which employees who are trained by the government are "bonded" to serve in government service. The bonding period will be increased to two years of service for every year of training. Incorporating both improved terms of service and increased period of bonding in the contracts of new recruits to DLD would be a pre-requisite for approving IDA financing of their training.

41. **Status of Implementation.** Despite all these problems, the Department has made tremendous progress in drafting a number of pieces of legislation required under IDA-financed programs. Attachment 3 shows the legislation that has been reformed and the legislation that is pending review and redrafting.
C. Project Administration and Implementation

42. **Administration.** Overall administration, management and coordination of all the activities under the proposed ERIPTA would be the responsibility of the Ministry of Finance. The MOF has appointed the Project Coordinator, who is already responsible for administering the PIRTA, the PIRCs and ERIPTA PPF as the Coordinator for ERIPTA. The implementation arrangements for the components are as follows: the GMPT is responsible for preparing the ZCCM Privatization Plan, assisted by international investment-bank and legal advisors. The ZPA would be responsible for implementing the privatization component. MMMD will be responsible for its institutional development component and will appoint a Coordinator for that purpose, and the head of the Drafting Department at MOLA would oversee the implementation of the MOLA component.

43. **Procurement.** The selection and recruitment of consultants, specialists and other advisors (amounting to about US$19.16 million or about 83 percent of the Credit) will be undertaken in accordance with the “Guidelines for the Use of Consultants by World Bank Borrowers and by the Bank as Executing Agency” (August 1981). Contracts were signed in June 1995 and September 1995 (with an expected value over the life of the project of US$5.9 million) for the GMPT and the Advisors for the privatization of ZCCM. This work has been financed to date by a PPF. Other consultant services include assistance to ZCCM and to the ZCCM Board respectively for management strengthening and advisory services (expected value US$3.6 million); assistance to MMMD for mapping and geological work and institutional strengthening (expected value US$2.42 million), assistance to ZPA for preparatory privatization work (expected value US$6.2 million) and assistance to MOLA for legal drafting work (expected value US$1.04 million). The assistance to MMMD includes a contract for geological mapping and associated work, which MMMD propose to contract on a sole source basis with the British Geological Service (BGS) on the basis that BGS has a unique capability and experience to do the work since they have recently done similar geological work in Zambia for MMMD in a fully satisfactory manner under a contract obtained through international competitive bidding. Terms of reference for the consultants for MMMD have been prepared and were agreed at appraisal. Bank sample letters of invitation will be used and draft contracts for consultants will follow the IBRD Standard Forms of Contract for major contracts with individuals being retained under contracts acceptable to IDA. Training costs are estimated at about US$0.39 million equivalent to about 2% of the credit. The procurement of goods, equipment, including vehicles, computer equipment and software, scientific instruments, field and office equipment, furniture, and related services (amounting to about US$1.9 million or about 8 percent of the Credit) would be undertaken in accordance with World Bank” Guidelines for Procurement under IBRD Loans and IDA Credits (January 1995 and revised in January 1996) using contracts awarded on the basis of: (i) International Competitive Bidding (ICB) for packages that exceed US$100,000 (for an estimated cost of US$1.09 million); (ii) Limited International Bidding (LIB) for specialist goods and services (scientific and geological instrumentation, specialized data and software purchase, map printing etc.) for packages that cost less than US$50,000 (for an estimated cost of US$0.39 million); (iii) National
Competitive Biding for packages that exceed US$30,000, but are equal to or less than US$100,000 (for an estimated cost of US$0.38 million); and (iv) on the basis of National Shopping (NS) for packages of goods expected to be below US$30,000 (for an estimated cost of US$0.04 million). Incremental operating costs are estimated at US$1.55 million, equivalent to about 7 percent of the Credit. All ICB and LIB will be carried out using the Bank’s Standard Bidding Documents.

44. **Bank Review of Procurement Decisions** The terms of reference, short lists, consultant contracts for sole source contracts with consulting firms, for major contracts costing US$100,000 or more, and for individual contracts costing US$50,000 or more (as well as amendments to contracts which would increase them above these thresholds) would be subject to prior review and approval by IDA in accordance with World Bank Guidelines. All others would be subject to post-award review in accordance with Appendix 1, para. 4 of the World Bank Procurement Guidelines. Final approved contract documentation for all contracts would be sent to IDA prior to disbursement, as set out in the Guidelines. Procurement documentation and decisions under ICB, LIB and CB for contracts for goods expected to cost US$100,000 or more will be subject to prior review by the bank following Bank Guidelines. It is estimated that about 90 percent of the procurement by value would be subject to prior review.

45. **Disbursements.** Disbursement and withdrawal procedures are detailed in the World Bank Disbursement Handbook (1992 edition). All disbursements are subject to the conditions of the Development Credit Agreement and the procedures defined in the Disbursement Letter. All applications to withdraw proceeds from the Credit Account will be fully documented, except for (a) expenditures of contracts with an estimated value of US$100,000 or less for goods and consulting firms, and (b) US$50,000 or less for individual consultants, and (c) all incremental operating costs, which may be claimed on the basis of certified statements of expenditure (SOE). Documentation supporting expenditures claimed against SOE’s would be retained by the Project Coordinator, except for documentation for incremental operating costs for the Regional Mining Bureaux which would be retained by the CCT in MMMD and documentation for the ZCCM component which would be retained by ZCCM. All such documentation will be available for review as requested by IDA supervision missions and project auditors. To facilitate disbursements of eligible expenditures for goods and services, two Special Accounts (SA’s) would be established in a commercial bank to cover part of IDA’s share of eligible expenditures to be managed and administered by the Project Coordinator and ZCCM. The authorized allocations of Special Account A (MOF) and B (ZCCM) would be US$500,000 respectively, covering an estimated four months of eligible expenditures financed by IDA. Upon effectiveness, the authorized allocation amounting to US$300,000 each would be deposited to the respective Special Accounts. The remaining balances will be made available as needed. The Project Coordinator (MOF) and ZCCM would be responsible for submitting monthly replenishment applications with appropriate supporting documents for expenditures. To the extent possible, all of IDA’s share of eligible expenditures should be paid through the Special Accounts. To facilitate disbursements of eligible expenditures for incremental operating costs for the regional...
Mining Bureaux sub-component of the MMMD component of the Project, the Government would open a Project Account (PA) in a commercial bank to cover part of Government’s share of eligible expenditures to be managed and administered by the CCT in MMMD. The estimated schedule of disbursements is shown in Schedule B. The project is expected to be completed by June 30, 2001. The closing date is set for December 31, 2001.

46. Advance Contracting, ZCCM Retroactive financing and PPF Refinancing. The initial costs for the preparation of the ZCCM Privatization Plan have been funded out of a PPF; these costs will be reimbursed out of the proceeds of the proposed Credit. Retroactive financing of up to US$1 million for the ZCCM Privatization is anticipated under this Credit.

47. Accounting, Auditing and Reporting. Auditing would be required on a yearly basis for expenditures related to the Project with particular attention to expenditures reimbursed against statements of expenditures. Audits would be performed by qualified auditors acceptable to IDA and would be sent to IDA within six months of the end of each financial year. Furthermore, the Ministry of Finance will submit quarterly reports on project implementation progress, a report on the results of the mid-term review and a final evaluation report on implementation experience and project results within six months of the Credit closing. These arrangements were confirmed at negotiations.
## Implementation Schedule

<table>
<thead>
<tr>
<th>Objectives</th>
<th>Sub Components</th>
<th>Expected Results</th>
<th>Timing</th>
</tr>
</thead>
</table>
| A. **Prepare and Implement ZCCM Privatization Plan** | 1. (a) Privatization Plan to be submitted to June Meeting of ZCCM Board for approval  
(b) Memorandum of Understanding for development of Konkola Deep Project to be signed by June 30, 1996 | Sale of ZCCM shares and/or assets/businesses and joint-venturing of Konkola Deep resulting in (a) new mining investment commitments of US$1 - 2 billion and (b) assignment of bulk of ZCCM’s debt to third parties | Two major transactions to be completed by April 1997; privatization of all core mining operations to be completed by December 1997; and Konkola Deep final agreement signed, project financed and construction underway by December 1997 |
|                                                | 2. ZCCM Internal Management Assistance                                            | Under ZCCM Emergency Plan, 52 new managers/technical experts been hired and are on-site as of end April 1996; ZCCM to provide contracts and procurement information to IDA by end June 1996 | Improved management of ZCCM’s mining operations whereby ZCCM meets and exceeds production, productivity, cost and financial performance targets for 1996/97 |
|                                                | 3. Advisory Services and Assistance to ZCCM Board                               | ZCCM Board approves establishment of Monitoring and Evaluation Unit by June 30, 1996 and appoints staff by August 31, 1996                                                                                         | ZCCM Board able to monitor ZCCM operational performance and thereby keep Emergency Plan on-track                                               |
### B. Zambia Privatization Agency (ZPA)

<table>
<thead>
<tr>
<th>Task</th>
<th>Description</th>
<th>Timeframe</th>
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<tbody>
<tr>
<td>1. Management and Staff Support</td>
<td>Ensure that ZPA has qualified and experienced staff to carry out the Privatization Program</td>
<td>Continue/extend PIRTA support for two years, starting in 1998 with option for a third year</td>
</tr>
<tr>
<td>2. Advisory and other services to prepare parastatals for privatization</td>
<td>Continued rapid pace of privatization of parastatals</td>
<td>On-going</td>
</tr>
<tr>
<td>3. Specialized Tasks and other Services</td>
<td>Carry out special tasks to promote privatization activities and assess impact of privatization program</td>
<td>Periodic assessments of impact</td>
</tr>
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</table>

### C. Ministry of Mines and Minerals Development

<table>
<thead>
<tr>
<th>Task</th>
<th>Description</th>
<th>Timeframe</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Acquisition of Geological Data</td>
<td>MMMD to prepare and submit short-lists for various components so that all are agreed by September 1996; and work started on all components by December 1996</td>
<td>The outputs consist of (a) a structural interpretation of the northeastern geological belt to be completed by December 1997 and published by June 1998; (b) geological structural and mineral maps for northwest Zambia to be completed by December 1998 and published by June 1999; and (c) a new Mineral Resources Handbook for Zambia to be completed and published by December 1998</td>
</tr>
<tr>
<td>2. Data Dissemination and Investment Promotion</td>
<td>MMMD to prepare and submit short-lists for various components so that all are agreed by September</td>
<td>The outputs will be (a) investment promotion materials to be printed by September 1997; (b) four</td>
</tr>
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1996; and work started on all components by December 1996 educational seminars to be provided to small-scale miners each year 1997-1999; (c) establishment of a Self-Help library (June 1997); (d) establishment of an Information Center for prospective investors (December 1999); and (e) presentations regarding Zambia’s mineral potential at international conferences (2-3 per year 1997-1999)

3. Institutional Strengthening

MMMD to (a) prepare and submit short-lists for various components so that all are agreed by September 1996; and work started on all components by December 1996; and (b) to procure agreed equipment and vehicles and refurbish offices so that Regional Bureaux can be operational by January 1, 1997

The outputs consist of (a) new regulations and administrative procedures to be finalized by June 1999 and fully implemented by December 1999; (b) the Regional Mines Bureaux successfully established by January 1997 and fully funded and operating in fully satisfactory manner at completion of project; (c) fully function and inter-linked databases in MMMD by December 1999; and (d) fully function sulfur dioxide monitoring capabilities for MMMD by December 1999.

4. Establishment of MMMD

Appointment to be made following Fully satisfactory implementation of
Component Co-ordination Team  | MMMD component leading to (a) increased exploration by mining companies and identification of new ore deposits and subsequent development of new mines, and (b) improved regulation of and increased fee and rental payments by small-scale miners

**D. Ministry of Legal Affairs**

1. Local and international consultant services to update/redraft business legislation  | Strengthen the Department of Legal Drafting  | On-going

2. Contracting out to qualified draftsmen the drafting, updating or amendment of specific pieces of legislation  | More rapid pace of reform of business legislation  | On-going

3. Training of newly recruited DLD staff in Zambia and overseas  | Strengthened capacity in DLD and faster pace of business legislation reform  | Two-year program starting in 1997
Economic Recovery and Investment Promotion Technical Assistance Credit

Training Plan

Ministry of Legal Affairs Component

There are very few institutions in the world which offer training in legislative drafting. Normally draftsmen are trained in selected universities in the United Kingdom, Barbados, Canada or the United States. Initially, the student will undertake a basic course on techniques of drafting for approximately six months. Thereafter, the student will attend a Diploma/Certificate course in legislative drafting combined with international law. After further studies, the student qualifies for a Master of Laws Degree in Legislative Drafting. This process normally takes 18-24 months after the student has obtained the first law degree (JD or LLB).

Under the Project, the Minister for Legal Affairs will select promising candidates, who must have worked in the Department of Legislative Drafting for one or two years, to pursue the post-graduate studies abroad. Upon successful completion of training, the new graduates will return to Zambia and will be appointed as Parliamentary Draftsmen in the Ministry of Legal Affairs.

For the long term, the government intends to carry out most of legislative training within the country through the Institute of Legislative Drafting, which will be established as part of Zambia Practicing Law Institute.

Ministry of Mines and Minerals Development

The broad objective of the MMMD Training is to improve MMMD’s capabilities to oversee a mining sector that consists of private mining companies rather than one large state enterprise. Specifically, the training aims to improve MMMD’s capabilities to: (a) provide better geological data and information to prospective investors, and (b) regulate and administer the mining sector in terms of both large- and small-scale mining operations. Part of the training is accomplished through specific training components within six of the MMMD sub-components, namely,
- Study of Geological Structure of Northeast Zambia
- Study of Geological Structure of Northwest Zambia
- Establishment of Information Center
- Preparation of New Mining Regulatory Framework
- Establishment of Regional mining Bureaux
- Sulfur Dioxide Monitoring Task
The training includes the preparation of training materials and the delivery of specific training modules for each of the above tasks. In addition, a large amount of on-the-job training will take place through MMMD staff working with the consultants. This applies especially to field work/training of Geological Survey Department staff. Overall, about 6 man-years of training will take place.
MINISTRY OF LEGAL AFFAIRS
DEPARTMENT OF LEGISLATIVE DRAFTING

Status of Legislation

1. Completed Legislation (1992 to Date)

Privatization Act, Act No. 21 of 1992
Investment Act, Act No. 39 of 1993
Securities Act, Act No. 38 of 1993
Bank of Zambia (Amendment) Act, Act No. 36 of 1993
Trade Licensing (Amendment) Act, Act No. 32 of 1993
Zambia Revenue Authority Act, Act No. 28 of 1993
Competition and Fairs Trading Act, Act No. 18 of 1994
Banking and Financial Services Act, Act No. 28 of 1995
The Companies Act, Act No. 6 of 1995
The Value Added Tax Act, Act No. 4 of 1995
The Lands Act, Act No. 29 of 1995
The Lands & Deeds Registry Act
The Mines and Mineral Act, Act No. 31 of 1995
The Food Revenue Act, Act No. 12 of 1995
The Agriculture Credit Act, Act No. 23 of 1995
The Agriculture Seed, Act, Act No. 21 of 1995
The Electricity Act, Act No. 15 of 1995
The Energy Regulations Act, Act No. 16 of 1995
The National Health Services Act, Act No. 22 of 1995
The Environmental Protection and Pollution Control (Amendment) Act, No. 12 of 1995.

2. **Legislation to be Prepared/Drafted**

**Savings Institutions**
- Pension Scheme Regulatory Bill
- National Social Security Pension Schemes Bill
- Public Service Pensions Bill

**Insurance**
- Insurance Act

**Bank of Zambia**
- Bank of Zambia (Amendment) Act

**Education**
- African Education Act
- Education Act
- National Council for Scientific Research
- Technical Education and Vocational Training Act
- University Act

**Health**
- National Health Services Act
- Pharmacy and Poisons Act
- Public Health Act

**Industrial Relations**
- Industrial and Labor Relations Act
- Pneumoconiosis Act
- Workers Compensation Act
- Minimum Wages and Conditions of Employment Act
- Factories
Tourism

Tourism Act
Casino Act
National Parks and Wildlife Act

Natural Resources

Natural Resources Conservation Act
Environmental Protection and Pollution Control Act

Infrastructure

Postal Services Act
The Water Act
Roads and Road Traffic Act

Small Scale Industries

Small Industries Development Act
Self-Management Enterprises Act

Agriculture Sector

Food Reserve Act
Agriculture Credit Act
Agriculture Seeds (Amendment) Act
The Lands Act
Cooperative Societies Act
Agricultural Lands Act
Farmers’ Debt Consolidation Act
Various Regulations under the Lands Act

Mining

Scrap Metal Dealers Act
Gold Trade Act
Natural Resources

Natural Resources Conservation Act
Environmental Protection and Pollution Control Act

Infrastructure

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