





SECTOR DEVOLUTION PLAN FOR THE VEHICLE LICENCING FUNCTION UNDER THE ROAD TRANSPORT AND SAFETY AGENCY (RTSA)

REPUBLIC OF ZAMBIA

THE MINISTRY OF TRANSPORT AND LOGISTICS

Sector Devolution Plan for the Vehicle Licencing Function Under the Road Transport and Safety Agency (RTSA)

The Ministry of Transport and Logistics
LUSAKA

November, 2021

Foreword

Government adopted the National Decentralisation Policy on 18th November, 2002 and subsequently launched it on 20th August, 2004. The Policy was revised and approved on 11th February, 2013, and launched on 20th July, 2013. At the heart of the Policy is sector devolution which entails the transfer of certain designated functions, together with power, authority and matching resources, including staff, from the affected sector Ministries, Departments and Agencies to lower levels, such as the district and sub-district levels.

The Road Traffic Safety Agency (RTSA) is one of the institutions required to devolve some of its functions to the Local Authorities (LAs). The Devolution of the Vehicle Licensing function is in line with the Constitution of Zambia (Amendment) Act No.2 of 2016. I am therefore, delighted at the successful development of this Sector Devolution Plan as it comes at a time when a number of milestones by the Ministry of Transport and Logistics in devolving some of its functions have been achieved. In 2019, the Ministry successfully devolved the management of all district aerodromes to district offices and as at 30th September 2021, RTSA had delegated its vehicle licencing (road tax) function to eleven (11) LAs.

The Ministry is indebted to all those who contributed to the successful development of the Plan.

Hon. Frank Museba Tayali, M.P
Minister
MINISTRY OF TRANSPORT AND LOGISTICS

November, 2021

Acknowledgements

This Sector Devolution has been prepared through a participatory and inclusive process involving representatives from the Ministry, LAs and Decentralisation Secretariat (DS). The process involved a number of meetings and consultations to develop the plan.

The Plan has sufficiently addressed the issues of definition of functions to be devolved, organisation structure, staffing, financial and assets, policy and legislation implications. Specific recommendations for action in each thematic and strategic area have been outlined.

Successful implementation of this SDP will require continued support from all stakeholders, including other government ministries and institutions, the private sector, development partners, civil society and the wider public to achieve the objectives of the Plan. I am hopeful that with the contribution of all stakeholders, the Plan will be actualised.

I wish to acknowledge the support given by our cooperating partners, GIZ and the Decentralisation Secretariat during this process. I also wish to thank the Ministry's Sector Devolution Taskforce (SDTF) for their efforts in developing this Plan.

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MINISTRY OF TRANSPORT AND LOGISTICS

November, 2021


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List of Acronyms and Abbreviations

CG	Central Government
DS	Decentralisation Secretariat
LAs	Local Authorities
MoFNDP	Ministry of Finance and National Planning
MDD	Management Development Division
MoLGRD	Ministry of Local Governement and Rural Development
MTL	Ministry of Transport and Logistics
NDP	National Decentralisation Policy
NRFA	National Road Fund Agency
PSRP	The Public Service Reform Programme
RTSA	Road Transport and Safety Agency
SDGs	Sector Devolution Guidelines
SDPs	Sector Devolution Plans
SDTF	Sector Devolution Task Force

Working Definitions

Decentralisation is the transfer of responsibilities, authority, functions as well as power and appropriate resources from the central to district and sub-district levels;

Devolution means the transfer of some powers and authority, functions and resources by legal and constitutional provisions from central to the lower levels;

Ministry means the Ministry of Transport and Logistics;

Vehicle licence means road tax.

Executive Summary

This document is the Sector Devolution Plan (SDP) on the Vehicle Licensing function to be devolved from the Road Transport and Safety Agency (RTSA) to Local Authorities (LAs). It has been developed in line with the Constitution (Amendment) Act, No. 2 of 2016 under Article 147 and 148 on the devolution of functions, decision-making authority and transfer of resources from Central Government (Sector Ministries) to Local Authorities.

The Annex to the Constitution lists exclusive national functions, concurrent national and provincial functions and Local Authority exclusive functions. Annex C specifically lists the functions that are supposed to devolve to LAs. One of the functions to devolve is the Vehicle Licencing function.

Currently, RTSA is not present in all districts of the country. This makes it difficult for citizens in places where RTSA does not have presence to access basic services that the Agency provides. In the pilot phase of decentralising this function and in the absence of an SDP, the Agency delegated the function to eleven (11) LAs namely Nyimba, Lundazi, Kabompo, Mwinilunga, Mumbwa, Kafue, Kapiri Mposhi, Luangwa, Kasempa, Mbala and Mwense Town Councils. The Agency also appointed examiners from the LAs to undertake physical inspection and roadworthiness examination of motor vehicles. To facilitate the devolution process, the Agency has developed this SDP.

The Plan has analysed and identified a number of implications relating to organisation structure, human resource, financial and assets, policy and legal on the Agency and LAs and made a number of recommendations on how to deal with the implications identified.

With regards to organisation structure implications, there will be some changes at Agency and LA levels. Both institutions will have to review their structures to accommodate the anticipated changes.
On staffing or human resource, one of the effects of devolution is that some of the Agency staff may be rendered redundant due to reduced workload. Further the Plan has recommended the creation of positions where new staff will be recruited in the LAs. Further, the Agency will enable access by the LAs to the Electronic Zambia Transport Information System (E-ZamTIS) which is used for the performance of the function to be devolved. In addition, to mitigate any shortfall in resource mobilisation, the Plan proposes mechanisms which the LAs can use to finance the functions, including receiving funding directly from the Treasury. Under legal and policy issues, the Plan recognises that there are policy and legislation implications on both the Agency and LAs and recommends that the existing policies and pieces of legislation that hinder the implementation of devolution be amended at both National and LA levels.

Lastly, in the Annexes, there an Implementation Matrix showing the implementation/work plan for the devolution process (Annex I), Tabulation of RTSA Stations by Province/District and staffing levels for personnel performing devolving function (Annex II) and Tabulation of Cashiers per Station (Annex III).


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Chapter One: Introduction and Background

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1.0 INTRODUCTION

This Chapter outlines the background to the Public Service and Devolution Reforms in Zambia. It also includes a description of the process and methodology undertaken to prepare and finalise the Sector Devolution Plan (SDP) for Vehicle Licensing.

1.1 BACKGROUND TO THE DEVOLUTION PROCESS IN THE AGENCY

RTSA, together with other Government Ministries and Institutions, is required to devolve some of its functions to the LAs in line with the provisions of the Constitution (Amendment) Act. No. 2 of 2016 to guide the devolution process, Government developed Sector Devolution Guidelines (SDGs) for Government/Institutions. The guidelines outline the procedure for developing SDPs as well as how the devolution of power and authority, functions and resources should proceed.

The Plan is, therefore, a fulfilment of the requirement and the culmination of a series of processes that have their genesis in the third Component of the Public Service Reform Programme (PSRP), namely, Devolution and Strengthening of Local Government.

1.1.1 The Public Service Reform Programme (PSRP)

The PSRP, launched in November, 1993, was aimed at improving the quality, delivery, efficiency and cost-effectiveness of the public services to the people of Zambia. The Programme comprised of three main components, namely –

(a) Restructuring of the Public Service, which was aimed at streamlining the functions, structures, establishments and operations of Government Ministries/Institutions in order to create a lean, less costly, but well-motivated civil service;

(b) Management and Human Resources Improvement, which was aimed at introducing organisation, management and accountability systems into Government operations to improve efficiency and effectiveness in the performance of functions and delivery of services; and

(c) Devolution and Strengthening of Local Government which is aimed at devolving authority and control of resource allocation and utilisation from Central Government (CG) to Districts and LAs. The objective is to make Local Government (LG) system more efficient, cost effective, and responsive to the needs of local communities in the delivery of services.

Of the three components, Devolution and Strengthening of Local Government implementation is on-going.

1.1.2 The National Decentralisation Policy

The National Decentralisation Policy (NDP) seeks to strengthen Local Governance in order to facilitate more effective citizen participation in governance and accountable delivery of public services. The vision of Government is to have a decentralised system of governance within a unitary state in Zambia.

Decentralisation stems from the need for the citizens to exercise control over local affairs and foster meaningful development. Therefore, the Policy emphasizes that some degree of authority be devolved from the centre to provinces and districts, and further to sub-district levels. Government has identified devolution as the mode of Decentralisation to be implemented.

1.1.3 The Legal Framework

The Republican Constitution provides for a system of devolved governance. Article 147 and 148 provides for devolution of functions from the CG level to LG level. Devolved functions are specifically listed in the annex to the Constitution of Zambia (Amendment) Act, No. 2 of 2016. Article 151 provides for functions, responsibilities and resources from the CG to be transferred to the LAs.

Legislation enacted to support devolution include the Local Government Act, No. 2 of 2019, the Public Finance Management Act, No. 1 of 2018, Service Commissions Act, No. 10 of 2016, Planning and Budgeting Act, No. 1 of 2020 and others.

1.2 THE SECTOR DEVOLUTION PLAN FOR VEHICLE LICENSING

The process of preparing this SDP on Vehicle Licensing started in 2021. The Ministry established the Sector Devolution Plan Taskforce following guidance that was provided by the Decentralisation Secretariat during the inception meeting held on 28th September, 2021 to discuss the Ministry's readiness to devolve some of its functions. This is in line with section 3.1 of the SDGs.

The Task Force is comprised of senior officials from the:

i. Department of Maritime and Inland Waterways;
ii. Department of Pontoons and Mechanical Services;
iii. Road Transport and Safety Agency; and
iv. Department of Finance;
v. Department of Human Resources and Administration;
vi. Department of Planning and Monitoring; and
vii. Union Representative

The mandate of the SDTF is to prepare the Sector Devolution Plan (SDP). The Task Force Terms of Reference are:

i. Defining the functions to be devolved;
ii. Identifying and listing the policies, legislations, administrative circulars and regulatory framework that could hinder sector devolution and should be reformed;
iii. In consultation with MDD and LAs, work out an appropriate organisation structure that is part of the LA's management framework for recruitment and delivery of the functions to be devolved; and
iv. Developing an implementation plan that demonstrates how the Ministry is going to devolve the functions to the districts.

1.2.1 Objectives of the Plan

1.2.1.1 Overall objective of the Plan

The overall objective of the Plan is to guide the Agency devolve the Vehicle Licensing function to LAs. The plan provides a road map for the timely implementation of the function to be devolved.

1.2.1.2 Specific Objectives of the Plan

The specific objectives of the Plan are to –

a) Define the functions to be devolved from the Agency to LAs and those to remain with the Ministry;
b) Recommend an appropriate organization structure that is part of the LA's management framework;
c) To identify financial resources to be devolved to LAs and explore innovative ways of generating own source revenue;
d) Identify assets owned/managed by devolving Ministries/Agencies that are used in the delivery of the functions to be devolved;
e) Identify human resource to be transferred and those to be retained by the Agency;
f) To identify and make recommendations on policies, legislation, administrative circulars, regulations and procedures to be re-aligned to ensure compatibility with the Constitutional requirements/provisions; and
g) Develop an Implementation Plan for the Agency on how to transfer the District Health Services function to LAs.

1.2.2 Issues or strategic themes addressed

This SDP addresses and makes recommendations on the following issues:

a) Definition of functions to be devolved from the Agency to LAs and recommendations;
b) Organisational structure implications of devolution on the Agency and LAs and recommendations;
c) Human resource implications of devolution on the Agency and LAs and recommendations;
d) Financial and assets implications of devolution on the Agency and LAs and recommendations;
e) Policy and legal implications of devolution on the Agency and LAs and recommendations.

1.2.3 Plan Action Areas and Framework

In light of the above objectives, there are four (04) Priority Action Areas of the Sector Devolution Plan (SDP) as follows:

a) Organisation structure development arrangements;
b) Human resource arrangements;
c) Financial and assets arrangements; and
d) Policy and legal arrangements.

Each Priority Action Area is split up into five (05) aspects in an Implementation Matrix in Chapter 3 at Annex

I. These are -

a) Key Outputs: These are products or services that shall result from the devolution process.
b) Tasks; Operations and Investment (TOIs): These are activities that would be undertaken by the Ministry in order to produce results. A task is a one-off undertaking, an operation is an on-going undertaking and investment is a continuous or one-off undertaking that is capital in nature;
c) Cost Estimate: This shows the estimated cost of the activities under each Plan Measure;
d) Time-frame: This shows how much time will be required to complete the key activities under each Plan Measure. A five-year time frame is proposed, with Year 1 being the actual year of commencing the activities and Year 5 as the last year of completing the planned activities within the 5-year cycle; and
e) Responsible Agencies: These are the key organisations with primary or lead responsibility for ensuring implementation of the activities. The secondary stakeholders will be drawn from the parties in the implementation framework outlined in the Plan document.

1.2.4 Methodology used in developing the Plan

This SDP for Vehicle Licensing was prepared by the SDTF in a consultative and participatory approach, involving key players and stakeholders to ensure ownership by the Ministry/Agency. The DS provided the expertise, backstopping and facilitation at meetings.

1.3 ORGANISATION OF THE PLAN

In terms of structure, the SDP has three Chapters and five (5) Annexes. The first Chapter gives a brief background to the process of preparing the Plan and explaining the reforms in the public service. It also outlines the purpose and process of preparing the Plan, methodology employed and the organisation of the plan.

The second Chapter defines the functions of the Ministry/Agency, including the functions designated in the Constitution for devolution to LAs and those to be retained by the Agency. The Chapter discusses the relationship that shall exist between CG and LAs in the post devolution era.

Chapter Three highlights the implications of devolving the Vehicle Licensing function from RTSA to LAs. The chapter consists of four components; organisational, human resource, financial and assets and legal and policy. The chapter also provides recommendations for consideration to ensure a smooth devolution of functions to LAs.

In the Annexes, there is an Implementation Matrix which indicates the proposed implementation/work plan (Annex I), RTSA stations countrywide and staffing levels for personnel performing the devolving function (Annex II) and a template for collecting information on current staff on the Agency establishment (Annex III).

Chapter Two: Definition of Functions to be Devolved to Local Authorities and those to be Retained by the Agency

Chapter Two: Definition of Functions to be Devolved to Local Authorities and those to be Retained by the Agency

2.0 Introduction

This chapter defines and lists the specific activities or elements of the functions to be devolved to the LAs and those to be retained by the Ministry/Agency. This is to ensure that there is no ambiguity between the functions to be devolved and those to remain with the Ministry/Agency. It is also necessary for the analysis to be carried out because, in the absence of such a process, issues of human resources, organisation structure and the financial implications of devolution cannot be fully resolved.

The chapter also identifies and clarifies how quality shall be maintained at the Provincial and LA levels in the performance of the Vehicle Licensing function to be devolved.

2.1 Mandate Of The Ministry

2.1.1 General Mandate

The Ministry of Transport and Logistics was created in September, 2021 following the realignment of the mandate and functions of the Ministry of Transport and Communications. The Ministry draws its mandate from Government Gazette Notice No.1123 of 2021 and is mandated to coordinate the development, policy and regulation of the transport and logistics sector. The Ministry is responsible for the following portfolio and policy functions.

2.1.2 Specific Mandates

According to Government Gazette Notice No. 1123 of 2021, the Ministry has been allocated the following portfolio Subjects and Statutory Bodies/Institutions:

a. Subjects:

(a) Subjects

i. Airports, Aerodromes and Airstrips
ii. Aviation Training
iii. Canals and Waterways
iv. Civil Aviation and Airways Policy
v. Control of Government Transport
vi. Flight Services
vii. Government Communication
viii. Government Printing and Gazetting

ix. Pontoons and Mechanical Services
x. Railways Policy
xi. Road Traffic Policy
xii. Road Transport Policy

b) Statutory Bodies/Institutions

i. Aircraft Accident Investigation Board
ii. Civil Aviation Authority
iii. Mpulungu Harbour Corporation
iv. Road Transport and Safety Agency
v. Tanzania-Zambia Railways Authority
vi. Zambia Airports Corporation Limited
vii. Zambia Airways Limited
viii. Zambia Railways Limited

c) Subjects

i. Air Passenger Service Charge	Cap. 450
ii. Carriage By Air	Cap.447
iii. Central African Civil Air Transport	Cap.451
iv. Civil Aviation Authority	Act. No. 7 of 2012
v. Civil Aviation	Act. No. 5 OF 2016
vi. Inland Waters Shipping	Cap.466
vii. Merchant Shipping (Temporary Provisions)	Cap.468
viii. Railways	Cap. 453
ix. Rhodesia Railways (1949)	Cap. 463
x. Tanzania-Zambia Railway	Cap. 454
xi. Zambia Chartered Institute of Logistics and Transport	Act. No. 4 of 2014

2.1.3 Mandate of the Road Traffic and Safety Agency

The RTSA draws its mandate from Section 3 of Road Traffic Act No. 11 of 2002. The Agency is mandated to among other things:

i. Implement Policy on Road Transport, Traffic Management and Road Safety;
ii. Register Motor Vehicles;
iii. Issue permits and licenses under the Act;
iv. Pay out such percentages of monies into the Road Fund in respect of fees for licenses, permits and concessions granted and registration fees;

v. Conduct road safety education and undertake dissemination of information on road safety for the benefit of the community; and
vi. Formulate programmes designed to promote road safety in conjunction with Local Authorities.

2.1 Functions to be Devolved by the Agency

The RTSA shall devolve the vehicle licencing function to the LAs in line with the provisions of the Constitution of the Republic of Zambia (Amendment) Act No. of 2016.

2.1.1 Functions to remain with the Ministry/Agency after Devolution

The following functions shall remain the responsibility of the Agency at the Headquarters and Provincial Office level after decentralisation –

2.1.2 The Ministry

In general, the Ministry will retain the overall responsibility for -

a) All subjects listed under Item 2.1.2 (a) (i) - (xii);
b) All Statutory Bodies/Institutions listed under Item 2.1.2 (b) (i) – (viii); and
c) All Statutory Functions listed under Item 2.1.2 (c) (i) – (xii).

2.1.3 The Agency

The Agency shall retain the functions listed under item 2.1.3 (i-vi) with the exception of vehicle licensing under iii.

2.1.4 Provincial Office Level

At provincial level, the Agency shall maintain its presence for the administration of road transport, traffic management and road safety functions in the provinces and the stations respective.

2.2 Service Delivery Quality Assurance Measures

The following measures should be strengthened at the Provincial and LA levels for quality assurance in the provision of the devolved function: -

a) At Provincial Level

i. Monitoring and reporting on LAs' compliance with or adherence to set standards/norms of service delivery;

ii. Technical support;
iii. Capacity building;
iv. Audit; and
v. Supervision and oversight.

b) At Local Authority Level

i. Develop service delivery charters;
ii. Guidelines and standard operation procedures to be adhered to;
iii. Performance management system;
v. Continuous capacity building; and
vi. Develop strong internal financial controls and risk management systems.


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Chapter Three: Implications of Devolution on the Ministry/ Agency and Local Authorities and Recommendations

Chapter Three: Implications of Devolution on the Ministry/Agency and Local Authorities and Recommendations

3.0 Introduction

The devolution of functions from the Agency to LAs will have different implications on both institutions. This chapter identifies the organisation, human and financial resources, asset, policy and legal implications of devolution as well as provide recommendations for effective delivery of the devolved function.

3.1 Implications on the Organisation Structure

3.1.1 The Ministry

The Agency is supervised by a Board of Directors, the Permanent Secretary and the Minister of Transport and Logistics.

Devolution of the vehicle licencing function will have no effect on the organisation structure of the Ministry as it will continue to give policy direction to RTSA.

3.1.2 Organisation Structure of the Agency

The Agency has presence at the National, Provincial and District levels as shown in Annex II. In terms of the organisation structure, at HQ, the Agency is headed by the Director/CEO and has 10 Directorates.

The Agency performs the following functions among others:

i. Road Safety Education;
ii. Traffic Law Enforcement;
iii. Road Safety Engineering.
iv. Vehicle Examination;
i. Vehicle Registration; and
ii. Vehicle Licencing.

3.1.2.1 Organisation Structure of the Agency at Provincial Level

The Agency is present in all 10 Provinces. Provinces have different numbers of stations (District RTSA Offices). At provincial level, the activities of the Agency are coordinated by the Provincial Manager who ordinarily operates from the office that is based in the provincial capital of the respective provinces.

3.1.2.2 Organisation structure of the Agency at District Level

The organisation structure at district level is shown below:

No.	Position	Responsibilities
1	Station Manager	Manages Agency operations at station level
2	Assistant Station Manager	Assists the station manager in the performance of Agency functions at station level
3	Road Traffic Inspectors	available in selected stations and responsible for road traffic law enforcement
4	Examiners	conduct driver and motor vehicle examinations
5	Revenue Officer	supervises cashiers, reconciles daily revenue collections, updates the cash books and ensures that Government revenue is banked intact in line with the Public Finance Management Act No. 1 of 2018
6	Cashiers	receipts Government revenue for onward transmition to the Revenue Officer
7	Data capture clerks	entry of driver and vehicle details on the E-ZamTIS
8	Registry clerks	records management
9	Office Assistants	general office maintenance

The Agency has presence only in a few selected districts. Refer to Annex II for number of stations in each province/district.

3.1.3 Organisation Structural implications of devolution on the Agency

Taking the above current situation into account, devolution will have the following organisation structure implications on the Agency: -

i. There shall be need to realign the functions of the Agency in view of the devolving Licensing Function; and
ii. In line with the devolution agenda, some cashiers in the Agency shall be rendered redundant due to reduced workload.

3.1.4 Implications on the organisation structure of Local Authorities

The devolution of the vehicle licencing function shall have structural implications on the LAs. Provision shall have to be made for Finance Departments/Units under the LAs to handle Vehicle Licensing.

3.1.4 Recommendations

In view of the above organisation structure implications of devolution on both the Agency and LAs, the following recommendations are made: -

a) The approved organisational structure for both the Agency and LAs should be reviewed; and
b) Change management programmes should be implemented.

3.1.5 Implementation/Work Plan

Annex I Plan Action Area 1 shows an implementation matrix for implementing policy actions as recommended above to effectively devolve the vehicle licencing function.

3.2 IMPLICATIONS ON THE HUMAN RESOURCE

3.2.1 The Agency

Analysis of the Agency's organisation structure shows that there are 652 members of staff in total on the establishment of the Agency. These include all officers based at the Headquarters, in provinces and districts. The officers in the Agency that are directly involved with vehicle licencing are cashiers. The Agency has a total number of 85 cashiers as shown in Annex II. However, it should be noted that cashiers also receipt payments for various other transactions in the Agency such as driver licencing, issuance of international driving permits, motor vehicle examination, road service licencing, driving school licencing, driving instructor licencing and payments for cross border permits.

The bulk of workload for cashiers is related to the devolving motor vehicle licensing function which is highest during peak periods at the end of every quarter.

Based on the foregoing analysis, devolution will have the following human resource implications on the Agency:

i. The demand for cashiers in the Agency is likely to significantly reduce leading to redundancies; and
ii. There will be a lot of uncertainties amongst employees during the transitional period.

3.2.2 Implications on Human Resource Arrangements of Local Authorities

In view of the forgoing, the implication of devolution on the LAs human resource is that it may result in an increase in staff as they may have to recruit additional personnel to manage the devolving function.

3.2.3 Recommendations

i. The LAs should consider engaging additional staff to manage the vehicle licensing function. The number of staff required will vary from one LA to another depending on the vehicle population in that district;
ii. The Agency must put in place a workable separation strategy for cashiers who may not be retained in line with the employment code No. 3 of 2019 of the laws of Zambia;
iii. There is need to capacity build staff in LAs; and

iv. There may be need for LAs to take up the cashiers that the Agency may fail to retain due to reduced workload.

3.2.4 Implementation/Work Plan

Annex I, Plan Action Area 2, gives the Implementation Matrix for recruitment of cashiers if necessary. Once the number of required cashiers is determined, respective LAs may plan for recruitment accordingly.

3.3 IMPLICATIONS ON THE FINANCIAL AND ASSETS

The devolution of the Vehicle Licensing function from the Agency to the LAs will have several implications on both institutions. This section identifies the financial and assets implications of devolution and makes recommendations on the appropriate financing and assets arrangements to be put in place to facilitate devolution.

3.3.1 Implication on the Agency

3.3.1.1 Funding Sources

The Agency's funding arrangement is twofold. The current funding is such that the Ministry of Transport (Head 51) releases a grant to the Agency and the Ministry of Finance and National Planning (M0FNP) releases operational funding to National Road Fund Agency (NRFA) which in turn shares the funding among the three Road Sector Agencies i.e. NRFA, Road Development Agency (RDA) and RTSA.

3.3.1.2 Financial Management and Accounting System of the Agency

The financial management and accounting system at the Agency is guided by the Public Audit Act, No. 29 of 2016, Public Finance Management Act, No. 1 of 2018, Local Government Act, No. 2 of 2019 and Public Procurement Act, No. 8 of 2020. These have also been mainstreamed in the LAs.

3.3.1.3 Financial Implications of devolution on the Agency

i. Funding Requirements

The Agency's resource requirements shall decrease slightly as a result of the transfer of responsibilities and roles.

ii. Revenue collection

Vehicle Licencing is the highest contributor of RTSA revenue collections. The devolution of the vehicle licencing function to the LAs will result in a significant reduction to RTSA revenue collections. The Table below shows the Agency's collections from 2020-2021 and the projected revenue to be collected in 2022 when the function is devolved to the LAs.

2020 Revenue Projections (K)	2020 Actual Revenue Collected (K)	2021 Revenue Projections (K)	2021 Actual Revenue Collected (K)	2022 Revenue Projections (K)
668,000,000.00	490,199,078.00	597,000,000.00	401,126,997.38	697,117,089.00

NOTE:
Kindly note that the revenue collections indicated for 2021 only covers the period January to October, 2021.

3.3.2 Implications on assets arrangements of the Agency

a) Non-movable Assets

RTSA stations provide a range of services to the public besides vehicle licencing and will continue to do so post devolution of the vehicle licencing function. It is thus unlikely that RTSA will transfer any non-movable assets to the LAs.

b) Movable Assets

The RTSAs movable assets such as computers, printers and routers are used in the performance of other Agency functions such as registration of vehicles, driver licencing and motor vehicle examination and licensing. The Agency shall transfer some of the assets being used to perform the devolved function to the LAs as well as provide technical support to the LAs to procure equipment where necessary.

c) E-Systems: Currently the vehicle licencing function is conducted on the Electronic Zambia Transport

Information System (e-ZamTIS), which also serves as an electronic register of all motor vehicles in Zambia. This will be maintained by RTSA but will be shared with the LAs to perform vehicle licensing function.

3.3.3 Implications on the Financial and Assets arrangements of Local Authorities

Currently, LAs receive three categories of intergovernmental transfers namely; Local Government Equalisation Fund (LGEF), Grants in Lieu of rates and Constituency Development Funds (CDF). These transfers are appropriated through the National Budget approved every year by Parliament.
Other sources of financing for LAs are from Own Source Revenue (OSR) generated from user fees, local taxes, and charges.

3.3.3.1 Payroll Management and Human Resource Costs

The Human Resource management is done by individual LAs and remuneration is done through individualized payroll management system for each LA. The pension schemes for the LAs are the Local Authorities Superannuation Fund (LASF) and National Pension Scheme Authority (NAPSA).

3.3.3.2 Financial management and accounting systems of LAs

For accounting and control purposes, the LAs now use the Public Audit Act, No. 29 of 2016, Public Finance Management Act No. 1 of 2018, Local Government Act No. 2 of 2019 and Public Procurement Act, No. 8 of 2020.

In terms of accounting systems LAs have got multiple accounting systems such as Pastel and Dove.

3.3.3.3 Financial implication of devolution on LAs

Based on the foregoing current financial situation of LAs, devolution will have the following implications on LAs:

i. Increase in the financial resource requirement due to increased responsibilities/roles and staffing; and
ii. Increased revenue collection.

3.3.3.4 Implication on Asset arrangement for the LAs

Some assets related to the devolved licensing function shall be become the property of the LAs resulting in an increase in their Assets. Therefore, a comprehensive asset register shall be provided to reflect the assets that shall be devolved with the function.

3.3.3.5 Recommendations

Based on the foregoing financial and assets implications of devolution on the Agency and LAs, the following recommendations are made:

(a) Financing Provisions

i. A budget line should be put in place to cater for the devolved functions for funding to go directly to the LAs from the Treasury. The MoFNP shall provide guidance on allocation and disbursement;

ii. MoFNP should accommodate the resultant financing gap which will arise from an increase in the responsibilities/roles and staffing as a consequence of devolution;

iii. The money collected by LAs, should be deposited into a consolidated account. The monies should be shared every quarter between LAs and CG, with LAs receiving 30% of the total collections. However, a formula should be developed to ensure there is equitable distribution of the monies to the LAs and guidelines on how the monies are to be utilised; and

iv. Capacity building in financial resource management and accounting systems should be undertaken for LAs.

(b) Financial Management and Accounting Systems

i. The financial management and accounting systems in LAs should be harmonised; and

ii. The LAs should budget in line with the Planning and Budgeting Act, No. 1 of 2020.

(c) Assets

All assets shall be managed according to the Public Finance Management Act, No.1 of 2018.

3.3.3.6 Implementation/Work Plan

Annex I, Plan Action Area 3, gives the Implementation Matrix for implementing the policy action recommendations relating to financial and assets arrangements to be put in place to improve the flow of funds to LAs. These shall strengthen their financial and assets management and accountability in order to ensure effective delivery of quality service of the Vehicle Licensing function to be devolved.

3.4 IMPLICATIONS ON THE POLICY AND LEGAL FRAMEWORK

In undertaking its mandate and carrying out its functions, including those to be devolved to LAs, the RTSA is governed by a number of policies, strategies, laws and regulations. The purpose of this Chapter is to assess and identify the policy and legal implications of devolution on the Ministry/RTSA/and LAs.

3.4.1 Implications on the Policy and Administrative Circulars of the Ministry

The following are the existing Policies and Strategies that govern the functions of the Agency being devolved to the LAs:

i. The 2017-2021 Road Transport and Safety Agency Strategic Plan; and
ii. National Transport Policy of 2019.

3.4.2 Current legislation and regulatory framework within and outside the Agency

The following are the pieces of legislation, procedures and regulatory framework within RTSA that currently guide the provision of function to be devolved: -

(a) Laws and Regulations within the Ministry/Agency and summary of their provisions

No.	ACT/REGULATION	PROVISION
1	The Road Traffic Act No. 11 of 2002	It provides for the establishment of the Road Transport and Safety Agency and to define its functions, a system of road safety and traffic management, licensing of drivers and motor vehicles among others. It also provides for vehicle licencing and road taxes payable for different types of vehicles and trailers.

(b) Laws and Regulations outside the Ministry/Agency and summary of their provisions

i. Zambia Police Act Cap 107

3.4.3 Implications of Devolution

For successful implementation of the SDP, some of the above stated Acts and other regulatory instruments will need to be reviewed and harmonised in order to align the roles of both institutions.

3.4.4 Recommendations

Taking the policy implications of devolution on both the Agency and LAs into account, the following recommendations are made:

i. Government should formulate a policy for LG in the management of the vehicle licensing function; and
ii. There is need to review laws and regulations related to the function to be devolved.

3.4.5 Implementation/Work Plan

Annex I, Plan Action Area 2, gives the Implementation Matrix for implementing the recommendations relating to policy and legal arrangements to be put in place to provide clear direction for implementation of devolution.


ROAD TRANSPORT AND SAFETY
UNDP

Annexes

Annex I
Implementation Plan

Table 1. Implementation matrix for Devolution ACTION PLAN AREA 1: Organisational Structure arrangements

DEVOLUTION OBJECTIVE: To review the Organisational structures to take into account the vehicle licensing function

Key Output (Planned Actions)	Task/operation/Investments	Estimated Total Cost (ZMW)	Operational time frame					Responsible Institutions/ Agencies
			2022	2023	2024	2025	2026	
Function devolved	• Undertake staff audit.	78,950.25						MLGRD, Councils, MDD, MTL, RTSA
	• Identification of specific staff structure requirements in respective LAs.	45,685.15						
RTSA structure reviewed	• Review the structure for the Agency	39,745.85						RTSA, MTL, MDD
SUB-TOTAL FOR ACTION PLAN AREA 2		**164,381.25**						

Table 2. Implementation matrix for Devolution ACTION PLAN AREA 1: Organisational Structure arrangements

DEVOLUTION OBJECTIVE: To improve the administrative and human resource capacity of the councils and other local government stakeholders to ensure quality service delivery

Key Output (Planned Actions)	Task/operation/Investments	Estimated Total Cost (ZMW)	Operational time frame					Responsible Institutions/ Agencies
			2022	2023	2024	2025	2026	
Enhanced human resource capacities at LAs	• Develop a capacity building programme for LAs; • Implement capacity building training programmes; • Offer employment to those who are willing to work under the LAs	15,478.35 274,521.65						MLGRD, DS, Councils, MTL, RTSA, LGSC
Updated register of staff performing Vehicle Licensing function	• Conduct staff establishment assessments of the function; • Determine the separation packages.	290,147.05 159,852.95						RTSA, MTL, PSMD, DS
SUB-TOTAL FOR ACTION PLAN AREA 2		**740,000**						

Table 3. Implementation matrix for Devolution ACTION PLAN AREA 2: Financial and Asset Arrangements

DEVOLUTION OBJECTIVE: To improve funding and strengthen financial and assets management of councils

Key Output	Tasks/Operations/Investments	Estimated Total Cost (ZMW)	Operational time frame					Responsible Institutions/Agencies
			2022	2023	2024	2025	2026	
Sustained Funding	• Creation of a budget line.	49,545.35						MLGRD, MDD, Councils, MoF MTL.
	• Undertake financial resource management training.	95,256.95						
Financial sharing mechanism developed	• Conduct a cost of service survey.	165,369.45						RTSA, MTL, PSMD, DS, MoFNP
	• Develop a finance sharing mechanism	135,521.41						
SUB-TOTAL FOR ACTION PLAN AREA 2		**445,693.16**						

Table 4: Implementation Matrix for ACTION PLAN AREA 2: Policy and Legal Arrangements

DEVOLUTION OBJECTIVE: To strengthen and harmonise Ministry sector policies and legal framework to ensure effective performance of the devolved vehicle license functions								
Key Output	**Task/operation/Investments**	**Estimated Total Cost**	**Operational time frame**					**Key Implementation Agencies**
			2022	**2023**	**2024**	**2025**	**2026**	
Policies and Legal Framework Reviewed	• Review all existing laws that are in conflict with the devolution. • Make amendments were necessary to make the laws support devolution.	157,237.17						**MTL, MLGRD, RTSA, MoJ, PAC, MDD**
	• Review existing policies. • Validation of the policies.	235,101.24						
SUB-TOTAL FOR ACTION PLAN AREA 2		**392,338.41**						
GRAND TOTAL COST		**1,742,412.82**						

Annex II:
Tabulation of RTSA Stations by Province/District and Staffing Levels for Officers Performing Devolving Function

CURRENT RTSA STATIONS				
S/n	**Province**	**District/Town**	**No. of stations**	**No. of Cashiers**
1	Lusaka	Lusaka	4	13
		Chongwe	1	3
		Chilanga	1	4
		Siavonga	1	1
		Chirundu	1	4
2	Southern	Choma	1	2
		Mazabuka	1	2
		Monze	1	2
		Livingstone	3	5
		Kazungula	1	3
3	Western	Mongu	1	1
		Sesheke	1	2
4	North Western	Solwezi	1	2
5	Copperbelt	Ndola	2	5
		Kitwe	2	5
		Chingola	1	2
		Luanshya	1	1
		Mufulira	2	3
		Chililabombwe	1	2
6	Central	Kabwe	1	1
		Serenje	1	1
7	Luapula	Mansa	1	2
		Nchelenge	1	1
8	Muchinga	Mpika	1	1
		Chinsali	1	0
		Nakonde	2	8
9	Northern	Kasama	1	2
10	Eastern	Chipata	2	4
		Petauke	1	1
		Chanida	1	1
Total		**30**	**40**	**85**

Annex III:
Template of Collecting Staff Details

No	Name	Post	Date of Birth	Gender	Date of Employment	Current Station	Academic Qualifications	Professional/Technical Qualifications
1								
2								
3								

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LUSAKA