



# PUBLIC ASSET MANAGEMENT POLICY

*“Well-managed public assets for sustainable development”*

OCTOBER 2020

## Foreword

It is with great pleasure and honour that we present the first Public Asset Management Policy (PAMP) for use in the Public Sector. This Policy document sets a strong foundation in management of public assets in line with the public financial management reforms being undertaken. As you may be aware Government spends huge sums of money on construction of road networks, building schools, dams, bridges, hospitals and procurement of other assets every year. On the other hand, there has been little emphasis given to asset management especially maintenance. The result of this has been gradual or rapid deterioration of public assets leading to increased operational costs, health and safety risks, which has affected service delivery. Therefore, the Policy will act as a guide for Government in its quest to prudently manage its national assets thereby creating an enabling environment for Zambians and everyone living in it.

The development of the Public Asset Management Policy and the current Public Sector Reforms is evidence of the importance the Government attaches to good governance and the desire to have an efficient and effective public service.

The development of the Policy involved intensive research and reference to International Standards Organisation (ISOs), International Public Sector Accounting Standards (IPSASs), Generally Accepted Accounting Practice (GAAP), Government Financial Statistics (GFS) and International Accounting Standards (IASs) including best practices from other countries.

The Policy is anchored on the Decentralisation Policy and shall provide guidelines on how to manage Government assets by ensuring consistency and harmony in asset identification, acquisition, valuation, utilisation, maintenance, redevelopment and disposal of public assets across all Government institutions. In addition, the Policy provides an institutional framework for the management of Public Assets through a coordinated approach. The Policy also seeks to ensure transparency, accountability and value for money in Public Asset Management.

Therefore, we urge users to put the content of this policy to good practical use in order to safeguard Government assets.

Dr. Bwalya K. E. Ng'andu, MP.  
**MINISTER OF FINANCE**

Sylvia Bambala Chalikosa, MP.  
**MINISTER OF WORKS AND SUPPLY**

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Fredson K. Yamba

**Secretary to the Treasury**

**Ministry of Finance**

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## List of Acronyms

|                |                                                    |
|----------------|----------------------------------------------------|
| <b>GAAP</b>    | Generally Accepted Accounting Practices            |
| <b>GRZ</b>     | Government of the Republic of Zambia               |
| <b>GVD</b>     | Government Valuation Department                    |
| <b>IAS</b>     | International Accounting Standards                 |
| <b>ICT</b>     | Information and Communication Technology           |
| <b>IFMIS</b>   | Integrated Financial Management Information System |
| <b>IPSASs</b>  | International Public Sector Accounting Standards   |
| <b>ISOs</b>    | International Standards Organisation               |
| <b>M&amp;E</b> | Monitoring and Evaluation                          |
| <b>MHID</b>    | Ministry of Housing and Infrastructure Development |
| <b>MoF</b>     | Ministry of Finance                                |
| <b>MPSAs</b>   | Ministries, Provinces and Spending Agencies        |
| <b>MWS</b>     | Ministry of Works and Supply                       |
| <b>NCC</b>     | National Council for Construction                  |
| <b>NRFA</b>    | National Roads Fund Agency                         |
| <b>PAMP</b>    | Public Asset Management Policy                     |
| <b>PFMA</b>    | Public Finance Management Act                      |
| <b>PPE</b>     | Property, Plant and Equipment                      |
| <b>PPP</b>     | Public Private Partnership                         |
| <b>R&amp;D</b> | Research and Development                           |
| <b>RDA</b>     | Roads Development Agency                           |
| <b>TAZARA</b>  | Tanzania Zambia Railways                           |
| <b>ZPPA</b>    | Zambia Public Procurement Authority                |
| <b>ZICTA</b>   | Zambia Information and Communications Technology   |

## Working Definitions

| Description                                   | Definition                                                                                                                                                                                                                                                                                                                                                                          |
|-----------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Accounting</b>                             | A systematic process of identifying, recording, measuring, classifying, verifying, summarizing, interpreting and communicating financial information                                                                                                                                                                                                                                |
| <b>Asset</b>                                  | Any tangible and/or intangible property owned by a public body to which a value can be assigned                                                                                                                                                                                                                                                                                     |
| <b>Asset Lifecycle</b>                        | The useful life of an asset from acquisition/development up to disposal                                                                                                                                                                                                                                                                                                             |
| <b>Asset Management</b>                       | The process of planning, acquisition, use, maintenance, and disposal of public assets                                                                                                                                                                                                                                                                                               |
| <b>Asset Register</b>                         | List of the assets owned by a public body containing details about tangible and intangible assets to track their value, quantity and physical location.                                                                                                                                                                                                                             |
| <b>Biological Asset</b>                       | A living animal or plant                                                                                                                                                                                                                                                                                                                                                            |
| <b>Capitalisation</b>                         | The recording of a cost of an asset rather than an expense                                                                                                                                                                                                                                                                                                                          |
| <b>Carrying Amount</b>                        | The amount at which an asset is recognized after deducting any accumulated depreciation and accumulated impairment losses by a Public body                                                                                                                                                                                                                                          |
| <b>Class of Property, Plant and Equipment</b> | The grouping of assets of a similar nature or function in an entity's operations that is shown as a single item for the purpose of disclosure in the financial statements                                                                                                                                                                                                           |
| <b>Cost</b>                                   | Cost includes all expenses necessary to bring the asset to working condition for its intended use. This would include not only its original purchase price but also expenses of site preparations, delivery and handling, installation, related professional fees for architects and engineers, and the estimated cost of dismantling and removing the asset and restoring the site |
| <b>Depreciable Amount</b>                     | The difference between the historical cost of an asset or other amount substituted for cost and its residual value                                                                                                                                                                                                                                                                  |
| <b>Depreciation</b>                           | The wearing out or loss of value of an asset whether arising from use, passing time or obsolescence through technological and market changes. This is also the systematic allocation of the depreciable amount of an asset over its useful life                                                                                                                                     |
| <b>Economic Life</b>                          | The period over which an asset is expected to yield economic benefits or service potential to one or more users                                                                                                                                                                                                                                                                     |
| <b>Fair Value</b>                             | The amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction                                                                                                                                                                                                                                     |
| <b>Heritage Assets</b>                        | Old assets that are of value in cultural, environmental, educational and historical significance e.g. historical buildings, archaeological sites or any related asset                                                                                                                                                                                                               |
| <b>Impairment Loss</b>                        | The amount by which the carrying amount of an asset exceeds its recoverable amount                                                                                                                                                                                                                                                                                                  |
| <b>Infrastructure</b>                         | Assets that form part of a system or network and are immovable; includes land , buildings, road networks,                                                                                                                                                                                                                                                                           |

| Description                     | Definition                                                                                                                                                                                                                                                                                                                                                                     |
|---------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                 | Telecommunication, sewer system, water and power supply system                                                                                                                                                                                                                                                                                                                 |
| <b>Intangible Asset</b>         | An identifiable non-monetary asset without physical substance e.g. software, database or any related asset                                                                                                                                                                                                                                                                     |
| <b>Lease</b>                    | A contractual arrangement where the user pays the owner for use of an asset i.e. land, buildings, vehicles, equipment etc. for a specified period (number of months or years)                                                                                                                                                                                                  |
| <b>Maintenance Planning</b>     | Consistent maintenance strategy                                                                                                                                                                                                                                                                                                                                                |
| <b>Maintenance</b>              | Maintenance is a means of renewing the physical state of an asset or a way of retaining its value so that it always serves the purpose for which it was acquired                                                                                                                                                                                                               |
| <b>Movable Assets</b>           | These are non-fixed assets which can be moved from one place to another. These include among others; Vehicles, Plant and Equipment and Office Equipment                                                                                                                                                                                                                        |
| <b>Non-movable Assets</b>       | These are fixed assets which cannot be moved from one place to another. These include among others Land, Infrastructure relating to Buildings, Roads, Bridges, Railway, Aviation, Water and Sanitation, Maritime and Inland Waterways, crushing plant and Communication facilities                                                                                             |
| <b>Obsolescence</b>             | The process of becoming obsolete or outdated and no longer used                                                                                                                                                                                                                                                                                                                |
| <b>Public Asset</b>             | A resource controlled by Government as a result of past events and from which future economic benefits or service potential is expected to flow to the Government of the Republic of Zambia                                                                                                                                                                                    |
| <b>Public Body</b>              | The Government, any ministry or department of the Government, the National Assembly, the Judicature, a local authority, parastatal, commission or other body appointed by the Government or established by or under, any law, except a professional association or body                                                                                                        |
| <b>Public Building</b>          | Buildings acquired/constructed using Public resources or donated to the Government                                                                                                                                                                                                                                                                                             |
| <b>Public Institution</b>       | These are structures of Central Government, Decentralized entities, national commissions, public projects, Public Enterprises and public companies. Also defined as a body with legal personality, managed in accordance with laws governing public administrative entities and using the public finances and property for undertaking specific activities for public interest |
| <b>Recoverable Amount</b>       | The higher of an asset's fair value less cost to sell and its 'value in use'                                                                                                                                                                                                                                                                                                   |
| <b>Revaluation</b>              | The adjustment made to the recorded value of an asset to accurately reflect its current market value                                                                                                                                                                                                                                                                           |
| <b>Tangible Assets</b>          | Are physical and measurable assets that are used in the operations of an institution. For example, equipment                                                                                                                                                                                                                                                                   |
| <b>Transfer of Public Asset</b> | Change in stewardship and accountability of a Public asset from one public body to another within Government                                                                                                                                                                                                                                                                   |

| Description         | Definition                                                                          |
|---------------------|-------------------------------------------------------------------------------------|
| <b>Useful Life</b>  | The period over which an asset is expected to be available for use by a public body |
| <b>Value in Use</b> | The present value of the future cash flows of a public asset                        |

## Types of Maintenance of Public Assets

| S/N | Type of Maintenance                                            | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-----|----------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1   | <b>Emergency Maintenance (Response Maintenance)</b>            | This is the type of maintenance that requires immediate attention because of sudden failure that could cause significant damage to the asset and the environment resulting in unmanageable or unsafe conditions that would expose the public to higher health and safety risk and cause disruption and damage to the operation of an asset. For example, washed away bridges, blown off roofs, collapsed walls etc.                                                                                           |
| 2   | <b>Minor Rehabilitation / Maintenance</b>                      | Minor rehabilitations/maintenance includes improvement works which may be implemented during the full or partial continued operation of an asset such as: painting, roof repairs, improvements to sanitary facilities and plumbing system, minor interior alterations, including partitions.                                                                                                                                                                                                                  |
| 3   | <b>Preventive Maintenance (Routine / Periodic Maintenance)</b> | This is the type of maintenance that is undertaken cyclically or time-based maintenance to comply with statutory or manufacture's requirements. It is done at predetermined time intervals as determined by statutory, technical or operational reliability considerations. This should be enshrined in the maintenance of an Asset Maintenance Plan. For example, lubricating of parts of machinery.                                                                                                         |
| 4   | <b>Planned Maintenance (Capital Maintenance)</b>               | This involves cyclical maintenance, servicing and inspection, and all recurrent works to meet statutory regulations. Works of this nature involves major maintenance and/or replacement of asset components that are assessed to be beyond economic repair, such as refurbishment of airstrips, dredging of canals, road resurfacing, replacement of fixtures and fittings to buildings, renovation of immovable assets, structural repair of building or bridges, electrical and mechanical maintenance etc. |

## Estimated Lifespan of Assets

| Asset Category                | Description                 | Estimated Useful Life in Years |
|-------------------------------|-----------------------------|--------------------------------|
| <b>Buildings</b>              | Abattoirs                   | 50                             |
|                               | Asphalt Plant               | 50                             |
|                               | Cable stations              | 50                             |
|                               | Caravan parks               | 50                             |
|                               | Compacting stations         | 50                             |
|                               | Hospitals                   | 50                             |
|                               | Hostels – Public/Tourist    | 50                             |
|                               | Hostels – Workers           | 50                             |
|                               | Houses                      | 50                             |
|                               | Kilns                       | 50                             |
|                               | Laboratories                | 50                             |
|                               | Markets                     | 50                             |
|                               | Nurseries                   | 50                             |
|                               | Office buildings            | 50                             |
|                               | Old age / children homes    | 50                             |
|                               | Research Centres            | 50                             |
|                               | Schools                     | 50                             |
|                               | Tip sites                   | 50                             |
|                               | Training centres            | 50                             |
|                               | Transport facilities        | 50                             |
|                               | Workshops/depots            | 50                             |
|                               | Any other building          | 50                             |
| <b>Office Equipment</b>       | Computer hardware           | 5                              |
|                               | Office machines             | 5                              |
|                               | Air conditioners            | 5                              |
|                               | Telecommunication equipment | 5                              |
| <b>Medical Equipment</b>      | As shall be prescribed      |                                |
| <b>Furniture and Fittings</b> | Chairs                      | 3                              |
|                               | Tables/desks                | 3                              |
|                               | Cabinets/cupboards          | 3                              |
| <b>Motor Vehicles</b>         | Fire engines                | 20                             |
|                               | Buses                       | 15                             |
|                               | Cars                        | 5                              |
|                               | Motorcycles                 | 3                              |
|                               | Vans                        | 5                              |
|                               | Trucks                      | 10                             |
|                               | Ambulances                  | 5                              |
|                               | Fire hoses                  | 5                              |
|                               | Emergency lights            | 5                              |
| <b>Plant and Equipment</b>    | Graders                     | 10                             |
|                               | Tractors                    | 10                             |
|                               | Mechanical horses           | 10                             |
|                               | Lawnmowers                  | 5                              |
|                               | Compressors                 | 2                              |

| Asset Category                    | Description                    | Estimated Useful Life in Years |
|-----------------------------------|--------------------------------|--------------------------------|
|                                   | Laboratory equip.              | 5                              |
| <b>Plant and Equipment cont'd</b> | Radio and Television equipment | 5                              |
|                                   | Firearms                       | 15                             |
|                                   | Cable Car                      | 10                             |
|                                   | Irrigation systems             | 15                             |
|                                   | Cremators                      | 15                             |
|                                   | Lathes                         | 15                             |
|                                   | Dredgers                       | 10                             |
|                                   | Boats                          | 5                              |
|                                   | Weed harvesters                | 10                             |
|                                   | Elevators                      | 5                              |
|                                   | Other farm equipment           | 10                             |
|                                   |                                |                                |
| <b>Other Assets</b>               | Aircraft                       | 30                             |
|                                   | Watercraft                     | 30                             |
|                                   | Pontoons                       | 15                             |

**NOTE:**

- (a) The life span of the asset not listed in the table above, maybe assigned by the Secretary to the Treasury in consultation with the Ministry responsible for Works and Supply in accordance with the Law.
- (b) All assets other than land, heritage and biological assets shall be depreciated using straight-line method based on the useful life of an asset;
- (c) Depreciation of an asset begins when it is available for use that is when it is in the location and condition necessary for it to be capable of operating in the manner intended by management;
- (d) Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale and the date the asset is derecognised from the asset register; and
- (e) Each Controlling body shall ensure that a reasonable provision is made annually for the depreciation of all applicable assets controlled or used by a Head of Revenue and Expenditure in question or expected to be so controlled or used during the ensuing financial year.

## Classes of Public Assets

| Class                   | Sub-Class                                    | Description                                                                                                                                                                                                                                        |
|-------------------------|----------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Immovable Assets</b> | Land                                         | Land and Natural resources                                                                                                                                                                                                                         |
|                         | Infrastructure                               | All structures shall include buildings, roads, railways, aerodromes, dams, weirs, canals, water ways and bridges etc                                                                                                                               |
|                         | Plant and Equipment                          | All industrial and non-industrial machinery and heavy-duty equipment and all other equipment permanently attached or fixed to the building or to the ground                                                                                        |
|                         | Assets under construction (work-in-progress) | All assets being built over a period of time                                                                                                                                                                                                       |
|                         | Heritage Assets                              | All Heritage Assets as shall be prescribed                                                                                                                                                                                                         |
|                         | Cultivated Assets                            | These are livestock for breeding (including fish and poultry), dairy, draught etc and vineyards, orchards and other plantation of trees yielding repeat products that are under the direct control, responsibility and management of public bodies |
| <b>Others</b>           |                                              | Any other immovable asset not mentioned above                                                                                                                                                                                                      |
| <b>Movable Assets</b>   | Motor Vehicles and Cycles                    | All motor vehicles and cycles                                                                                                                                                                                                                      |
|                         | Specialised Vehicle                          | All vehicles designed for a specialised purpose                                                                                                                                                                                                    |
|                         | Furniture                                    | All furniture and fittings.                                                                                                                                                                                                                        |
|                         | Office Equipment                             | This asset class includes computers, Fridges, safes, telecommunication equipment and all equipment maintained in an Office.                                                                                                                        |
|                         | Defence Equipment                            | All Military equipment and hardware                                                                                                                                                                                                                |
|                         | Maritime Assets                              | All water-based equipment such as boats, vessels, dredgers, weed harvesters etc.                                                                                                                                                                   |
|                         | Aviation Assets                              | Includes air and aviation equipment such as Instrument landing systems, Doppler's VORs Non – Directional Beacons, Localizers HF/VHF Ground to air, Chopper, Aeroplanes and Drones.                                                                 |
|                         | Financial Assets                             | All non-physical assets whose value is derived from a contractual right or ownership claim by a public body such as cash, stocks, bonds, mutual funds, bank deposits etc                                                                           |

| Class         | Sub-Class         | Description                                                                                 |
|---------------|-------------------|---------------------------------------------------------------------------------------------|
|               | Biological Assets | Living animal or plant owned by a public body and measured at fair value minus selling cost |
| <b>Others</b> |                   | All movable assets not mentioned above                                                      |

# CHAPTER ONE

## 1.0 Introduction

Zambia has invested massively in the acquisition of immovable and movable assets such as infrastructure, office equipment, machinery, motor vehicles, plant and equipment. This is in recognition that assets are essential facilities needed for a country to operate efficiently in providing quality goods and services to its people. This Public Asset Management Policy provides guidance on the entire process of asset management including identification, acquisition, valuation, utilisation, maintenance, redevelopment, accounting and disposal. It also incorporates guidance on management of government owned and rented infrastructure, including equipment standards within these facilities.

The absence of the Public Asset Management Policy resulted in the government not getting value for money from its assets due to weaknesses in systems and standards in the acquisition, utilisation, maintenance, redevelopment, accounting and disposal of public assets. The inadequate and uncoordinated management of assets resulted in such assets not being fully functional nor productive leading to weaknesses in the provision of services and failure by Public bodies to adequately account for the assets. With Government being in the process of migrating from cash basis accounting to accrual basis accounting, accounting for assets shall be a necessity and this will be supported by respective electronic Financial Management Systems which will be utilised by various public bodies. In this regard, Government has developed the Public Asset Management Policy which will provide a framework for all public bodies and stakeholders to manage assets on a sustainable basis and contribute to effective and efficient delivery of public goods and services in line with the Seventh National Development Plan and Vision 2030.

This Policy provides guidance for all users in public bodies by defining roles and responsibilities of various players in public asset management. In this regard, this Policy is in harmony with the Public Finance Management Act (PFMA) No. 1 of 2018, Public Procurement Act No. 12 of 2008, International Standards Organisation (ISOs), International Public Sector Accounting Standards (IPSASs), Gazette notice No. 836 of 2016 and other applicable legislation.

This Policy document is divided into five chapters. Chapter one provides for the introduction of the Asset Management Policy. Chapter two, covers the situation analysis which provides prevailing situation regarding Public Asset Management

in the country. Chapter Three provides the vision, rationale and guiding principles for the Policy. Chapter four covers the objectives and measures that will be implemented to address the inadequacies in the management of public assets. While chapter five is the implementation framework. It outlines mechanisms that will facilitate the effective Policy implementation and covers legal framework, resource mobilisation and financing, monitoring and evaluation.

Therefore, the Policy will change the management of public assets by providing interventions and framework for management including maintenance of public assets in the country.

## **CHAPTER TWO**

### **2.0 Situation Analysis**

#### **2.1 Background**

Since the mid-1990s, the Zambian Government has had no Policy to guide the acquisition, usage, maintenance, valuation, redevelopment and disposal of public assets. The absence of the Policy made it difficult for Government to coordinate and systematically manage public assets in the country. In addition, it made it hard to optimise the use of public assets and ensure cost effectiveness in repairs and maintenance of public assets. Further, it was problematic to establish and define the roles and responsibilities of stakeholders in the acquisition, maintenance and disposal of public assets. Standard setting for equipment and other fixtures was also affected thus compromising the health and safety of public asset users.

Furthermore, the absence of the Policy had been costly on Government when acquiring and maintaining public assets. This called for some reforms instituted by the Government in the mid-1990s as a way of mitigating costs on maintenance. Among these reforms was the sale of government owned pool houses and those owned by local authorities and parastatal organizations to sitting tenants. Consequently, this measure led to the relegation of the maintenance function of the ministry responsible for works and supply.

Currently, under Gazette Notice No. 836 of 2016, the institutions involved in the management of public assets are Ministries of Works and Supply, Finance and Housing and Infrastructure Development. The Ministry of Works and Supply has the mandate of managing and maintaining all public assets both in and outside the country while the Ministry of Finance is the owner and the custodian of array of assets both in and outside Zambia. The construction of public assets such as buildings, roads and bridges are a sole mandate of the Ministry of Housing and Infrastructure Development.

The sections below cover the situation analysis on acquisition, utilization, identification, maintenance, valuation, redevelopment, accounting, disposal and other cross cutting issues on management of public assets.

## **2.2 Acquisition**

The procurement process in the Zambian Public service is decentralised to MPSAs and guided by the Zambia Public Procurement Authority (ZPPA) Act No. 12 of 2008. In this Act, each MPSA is required to prepare an Annual Procurement Plan based on annual identified procurement needs which are in line with institutional Strategic Plans. Unfortunately, these plans remain at institutional level and they are not consolidated into an investment master plan that will reflect the national investment needs. This has often resulted in duplication of identified needs and over procurement of assets, thus wasting resources. In addition, this has been attributed to the fact that most of the institutions/sectors have been operating in silos and in an uncoordinated manner, thereby, making it difficult to have a consolidated asset register.

Further, there have been challenges regarding the acquisition of different models and makes of assets acquired for utilisation due to lack of set standards and in some instance without local backup service in the country. In order to address part of this problem, the Government developed the Office Equipment Standards document to ensure all office equipment is up to standard. It is worth noting that other assets such as buildings, motor vehicles, land, among others are not covered in the Office Equipment Standards Document. Subsequently, enforcement and monitoring of compliance of the existing guidelines on acquisition processes of assets such as buildings, office equipment and motor vehicles in MPSAs is not carried out comprehensively owing to the limited structure of the Ministry responsible for works and supply. Similarly, very few officers in MPSAs are adequately skilled to facilitate the acquisition process with regards to the materials module in the Integrated Financial Management Information System (IFMIS).

## **2.3 Identification**

According to CAP 600 of the Laws of Zambia on Office Equipment which is enforced by Statutory Instrument No. 122 of 1985, the management (allocation of GRZ numbers, transfer, maintenance, re-allocation, removal from government office and recommendation for disposal) is vested under the Ministry responsible for works and supply. It is mandatory that all public assets, such as office equipment, furniture, motor vehicles, plant and equipment, buildings, roads among others need to be allocated with a unique government serial number for identification and security purposes. There has been weaknesses and uncoordinated approach in marking/labelling and keeping records of various

government assets as most MPSAs have not prioritised this requirement. This has been compounded with lack of a consolidated electronic asset register of what government owns and their status. This has led to some assets not being accounted for and loss of government properties. Further, it is a requirement under Lands Act No.29 of 1995, Land Survey Act No.13 of 1994 and Urban and Regional Planning Act No. 3 of 2015 that all pieces of State Land are supposed to be on title. Unfortunately, over years government has not had title deeds for its properties which led to encroachment. In order to address this, government directed all MPSAs to ensure that they acquire title deeds. Most of the MPSAs have commenced acquiring title deeds for its properties as directed by government.

In Asset Management, there is need to take stock of all government assets through labelling and tagging and this should reflect in the asset register. When this is not done there is poor accountability, care and maintenance of assets as well as loss of properties. Additionally, the Public Stores Regulations guides the transfer, removal and disposal of all public assets in order to have a correct record of assets and their location. With amendment of the constitution and enactment of Public Finance Management Act No. 1 of 2018, the Public Stores Regulations is not in tandem with the current legislation. The Public Stores Regulations needs to be reviewed for it to be aligned with the current legislation.

## **2.4 Utilisation**

There have been weak measures for access, occupation and utilisation of some public assets. In most cases, there are no clear set standards and guidelines or lack of awareness on the appropriate utilisation, including the transfer, care and maintenance of public assets. This has led to under and over utilisation of public assets leading to wastage of resources, shortened lifespan of assets and poor service delivery. Further, once the assets have been handed over to the end-user institution, follow up inspections on the utilisation of assets are rarely conducted, and in some cases, attention is only rendered when the asset is defunct. In cases where standards and guidelines are available like for office equipment and motor vehicles, the issue of inadequate financial and human resources has led to irregular inspections being undertaken to monitor the utilisation of public assets. The transfer or movement of public assets by MPSAs is mostly done without following laid down procedures contained in Public Stores Regulations and Administrative Circulars. This has affected the efficient and effective maintenance of asset registers in MPSAs resulting in loss of properties.

The safety of users of some of these public assets have been compromised due to things like, inadequate lighting, signage and some safety gadgets in buildings

and on the roads. The use and management of some of these public assets has been undertaken without using appropriate tools and wearing personal protective equipment (PPE) like the cutting of overgrown trees. Awareness programmes on health and safety issues on the use and management of public assets are rarely undertaken to sensitise officers due to inadequate resources. The issue of inadequate and unclear guidelines also made it difficult to have some critical public assets being insured in case of any calamity. Currently, very few public assets are insured partly because the market value for most assets is unknown as they have not been valued and MPSAs have not been budgeting for this activity. This is contrary to the provisions of the Public Finance Management Act No1 of 2018 which provides clear guidance on the need to comprehensively insure selected assets.

## **2.5 Valuation**

Valuation of properties in Zambia is guided by the Valuation Surveyors Act Cap. 207 of 1979, aimed at providing for registration and regulating the valuation surveying practices. The Act led to the establishment of the Valuation Surveyors Registration Board (VSRB) which regulates the practice of professionals and sets standards. Since its enactment in 1979, the Act has never been reviewed and amended to conform to modern practices and international standards. This has contributed to failing to utilise and adopt modern techniques in property valuation, such as, the inability to incorporate environmental planning, changing building environment development and global competitiveness in the valuation of public assets.

In addition, implementation of the current valuation Act is not only costly but also contributes to delays in valuing properties and does not allow usage of modern techniques, ICT tools such as drones when inspecting or capturing properties. Further, the valuation reports produced are not in tandem with international norms due to the restrictive nature of the current legal framework.

Furthermore, most Government Departments have not had their assets valued due to inadequate valuers and manual based record keeping practices, unplanned and uncoordinated approach to valuing properties, irregular and unpredictable funding for valuation activities. There is generally little effort among MPSAs to have their assets valued.

The valuation of assets in the country is often done on demand basis. Currently, it is not mandatory to undertake valuation of assets. Consequently, Government

does not have the true value of public assets which affects the country's balance sheet and leads to loss of revenue. In addition, there are no mandatory periodic re-valuations of public assets for accounting purposes.

The insufficient legal framework has also contributed to the low numbers of qualified and practicing Valuation Surveyors in the country. Since the 1980s when the Copperbelt University (CBU) started offering programmes in Land Economy, out of approximately 800 graduates, only 75 are licenced to practice valuation survey of which only nine (9) are female. Government has the least number of licenced Valuation Surveyors, with only ten (10) licenced Valuation Surveyors. This situation places Government at a disadvantage as it puts pressure on the few licenced valuers to value all the public assets locally and abroad. The inability to develop the profession has been due to failure to revise the curriculum needed for one to successfully sit for Assessment for Professional Competency Examination (APC). It is also due to the long period and logistical challenges which a non-practitioner faces in seeking internship opportunities under a qualified and licenced practitioner as required by law.

Further, the organisation structure in Government Valuation Department (GVD) is too centralised as it only exists in two regions namely Kitwe and Lusaka, the Northern and Southern Regions respectively. The Government is yet to decentralise the operations and services of the Government Valuation Department in accordance with the Republican Constitution as amended in 2016.

In addition, the rating valuation exercise is carried out by registered Valuation Surveyors to enable local authorities collect appropriate revenue. Inadequate number of mandated Valuation Surveyors at GVD to prepare valuation rolls has caused the exercise to be costly to facilitate movement of the few licenced Valuation Surveyors to all 118 districts. The Government enacted the Rating Act No. 21 of 2018, however, this Act cannot successfully address the provision for assessment of rateable property, plant and machinery because the Valuation Surveyor's Act was not amended.

## **2.6 Maintenance**

The management of public assets that is including the planning, acquisition, distribution and maintenance was initially undertaken by the Ministry responsible for works and supply until 1991 when Government liberalised the economy and started the decentralisation process. At the time, the Ministry undertook the

management of public assets using administrative guidelines developed by the Ministries of Works and Supply and Finance. With the start of the decentralisation process, MPSAs started to undertake the maintenance of public assets without building capacity in its officers to undertake and supervise maintenance works.

Following the realignment of ministerial functions in 2016 through Gazette Notice 836 of 2016, the mandate of public asset maintenance was transferred to the ministry responsible for works and supply. The realignment of Ministerial Portfolio functions transferred the mandate of maintenance of public assets to the ministry responsible for works and supply without streamlining the institutional framework and budget lines for maintenance activities of public assets.

The maintenance of public assets is guided by fragmented pieces of legislation falling under different Ministries which has affected coordination of this function by the ministry responsible for works and supply. Among the various pieces of legislation are the Public Stores Regulations under the Finance (Control and Management) Act Cap. 600 which is under the Ministry of Finance; the Public Roads Act No. 12 of 2002 and the Civil Aviation Act No. 5 of 2016 under the Ministry of Transport and Communications; the National Road Fund Act. No. 13 of 2002 under the Ministry of Works and Supply; Public Health Act No. 22 of 1995 under the Ministry of Health; National Council for Construction Act No.13 of 2003 under the Ministry of Housing and Infrastructure Development; the Education Act No. 23 of 2011 under the Ministries of General Education and Higher Education. It is also observed that the above legal frameworks did not make provisions for enforcement of standards, regular inspections and the timely maintenance of public assets. In addition, there has been lack of adherence to portfolio functions as enshrined in the Gazette Notice No. 836 of 2016. Some MPSAs engaged in the acquisition of assets, for example construction, do not handover completed assets to the ministry responsible for works and supply to carry on with management especially maintenance of public assets. This brings misunderstanding in the execution of portfolio mandates.

Given this situation, there are overlaps in mandate as well as duplication of efforts in the maintenance of public assets. Some MPSAs have continued carrying out maintenance works on public assets without collaborating with Ministry of Works and Supply. In addition, resources meant for maintenance of public assets have ended up being thinly spread with minimal impact. This fragmentation of the maintenance functions without a coordination framework has further led to misunderstanding among different MPSAs. Further, there has been negligence in

taking corrective measures due to poor maintenance culture among MPSAs. The negligence led to further deterioration of assets resulting in increased maintenance cost or total replacement.

There inadequate administrative guidelines and standards on maintenance of most of the public assets. Some of the existing guidelines for public assets like office equipment are now outdated.

Further, maintenance of public assets has been undertaken on an ad-hoc basis due to lack of maintenance plans which are supposed to indicate the type, time and cost of maintenance. The type of maintenance required may be emergence, minor, preventive and major planned maintenance. Maintenance Plans also ensure regular inspections and enforcement of maintenance standards. The lack of maintenance plans has led to poor maintenance of public assets resulting in rapid deterioration, shortening of their economic lifespan, increased costs and risks. Further, it has led to reduced performance of the public service. The situation has been compounded by the lack of appropriate tools and equipment for assessment and execution of asset management especially in maintenance works.

Since independence, Government has been acquiring public assets both locally and abroad every year while the organisational structure and number of officers involved in the maintenance of public assets remains the same. This is more evident in technical fields such as valuation, office equipment and infrastructure maintenance where there are few officers. Government is also spending a lot of money on managing of public assets in Zambian missions abroad especially the maintenance of public assets. In 2018, the government commenced the implementation of a mortgage financing program for the rehabilitation, construction and purchase of public assets at various Zambian missions abroad. This was to ensure the rationalisation of financial resources and to optimise the utilisation of office and residential accommodation.

Currently, some aspects of maintenance of public assets is funded from the national budget to MPSAs to carry out their respective maintenance works. These funds are mostly inadequate. Some cooperating partners have come on board to support the maintenance of some public assets for specific programmes such as in the Ministries of Education, Health, Agriculture, Commerce Trade and Industry, and Fisheries and Livestock. The current situation of deteriorated assets is mainly attributed to inadequate and unpredictable financing for maintenance

of assets which has been exacerbated by the lack of a maintenance fund. There are some critical stages in the management of public assets that require guaranteed financial resources in order to ensure sustainability and prolong lifespan.

The management of some public assets has been affected by global phenomenon like climate change, demographic changes and technological advancement. There has been no research and development in this sector to counter or take advantage of the prevailing situation. This has been due to the absence of a centre of excellence on maintenance of public assets a situation which has led to deterioration of public assets and inefficient public service delivery. In addition, there is no legislation to promote and coordinate research in the use of green technology especially in the maintenance of public assets, for example, there is continued use of asbestos as a roofing material despite the health hazards associated to it. The use of information technology tools for data collection, analysis and inspection of public assets has also not been exploited. There are some weaknesses in the certification and adoption of some maintenance materials due to lack of research and development in this area.

## **2.7 Redevelopment**

Over the years, some public assets lost their economic value due to wear and tear and inadequate timely maintenance which gradually led to the loss of aesthetics. They became a health hazard and a danger to the users thereby being underutilized and a drain on the treasury. Additionally, public assets lost their economic value and functionality because most of the workers responsible for carrying out continuous inspections and maintenance of these public assets have since left the Ministry of Works and Supply after the restructuring of the ministry in 1998 which saw the dissolution of the Public Works Department which led to poor property management. Consequently, there is a skills gap in the Districts and Provinces to undertake property management including the identification of idle and wasting assets which should be recommended for redevelopment in order to restore value in public assets. Further, there are no existing committees in the Districts and Provinces to oversee the redevelopment of idle and wasting assets.

Furthermore, not much attention has been given to maintenance compared to construction in terms of financial allocation leading to deterioration of public infrastructure. It should also be noted that, some public assets have outlived their lifespan hence the need to redevelop them. A few properties have been

identified in Lusaka Province for redevelopment and this programme is yet to be extended to other provinces and districts.

Additionally, with the growing population the number of civil servants and other public workers has increased. For example, in 2011, the number of civil servants was 160,664 compared to 217,961 in 2018. With the increase in the number of public workers, there has been more demand for office accommodation. This has resulted in Officers overcrowding in offices which negatively affects productivity and service delivery. Some MPSAs have resorted in renting office space at a high cost to government and this is another drain on Treasury. Once these wasting assets are redeveloped through Public Private Partnership (PPP), they have great potential to generate revenue to treasury as well as resolve the shortage of office space.

## **2.8 Accounting**

In the absence of a comprehensive Asset Management Policy, legislation on asset accounting in the areas of definition, recognition, measurement, recording, depreciation, revaluation and impairment has been a challenge. The enactment of the Public Finance Management Act No. 1 of 2018 has contributed to the need to develop a policy on the management of public assets in Public bodies. In this regard, Government has to a larger extent relied on Public Stores guidelines and Circulars issued by GRZ from time to time for asset accounting purposes.

Consequently, this has resulted in numerous challenges some of which are stated below;

- (a) absence of a database for all public assets in order to determine the country's balance sheet;
- (b) loss of assets due to lack of credible and comprehensive record of assets;
- (c) lack of knowledge of the value of investment in public assets in total and by asset category;
- (d) lack of standard practices in the management and accountability of public assets; and
- (e) numerous audit queries in the procurement, usage and accounting for assets.

## **2.9 Disposal**

Disposal of public assets is guided by the Public Finance Management Act No. 1 of 2018. The disposal process has been decentralized to MPSAs. The functions of

the Board of Survey have since been replaced by Committee of Survey and Disposal Committee in the case of local authorities, statutory corporations and state-owned enterprises. These Committees need to be regularly rejuvenated through capacity building. It is mandatory for all Public Bodies to maintain an Asset Register. Maintenance of an Asset Register entails updating the records when there is an acquisition, depreciation, impairment loss, revaluation, transfer and disposal of public assets.

Despite the PFMA No. 1 of 2018 being in place, the government does not have a comprehensive asset register for all its assets. As a result, it has proven to be difficult to appreciate which assets have been or are being disposed of. This equally affects transparency and accountability in the management of public assets countrywide.

## **2.10 Crosscutting Issues (Gender, Disability, HIV/AIDS and Wellness and Climate Change)**

Generally, cross cutting issues have not been adequately mainstreamed in the management of public assets. It has been noted that there are fewer women involved in the management of public assets. The current situation regarding accessibility of public infrastructure as regards to buildings requires a robust approach in redesigning, modification and adaptation to ensure that existing infrastructure accommodates persons with disabilities. There are a few modern buildings that have been designed to accommodate persons with disabilities. Most institutions have not fully integrated wellness and HIV/AIDS programmes and activities in the management of public assets by conducting sensitization activities including promoting and facilitating access to Information, Education and Communication (IEC) in workplaces. In addition, climate change has not been fully mainstreamed in the acquisition, utilization, maintenance and disposal of public assets. This has led to dilapidation of public assets thereby shortening their life span and posing health and safety hazards.

## CHAPTER THREE

### 3.0 Vision, Rationale and Guiding Principles

#### 3.1 Vision

*“Well-managed public assets for sustainable development by 2030”.*

#### 3.2 Rationale

The maintenance of public assets is critical to the proper management of assets and the overall management of capital resources to contribute to sustainable national development. The Policy seeks to provide a framework for coordination, regulation and appropriate legislation for effective and efficient management of public assets while promoting transparency, accountability and inclusiveness.

Government spends huge sums of money on construction of road networks, building schools, dams, bridges, hospitals, procurement of other assets such as motor vehicles, plant and equipment; office and school furniture; office equipment and other specialised equipment every year. The infrastructure is meant to create an enabling environment for Zambia to be a better place to live in. All such public assets are meant to facilitate smooth delivery of services to the Zambian citizenry and accelerate the development of the country. The need for effective management of public assets cannot be overemphasised.

This Policy will also ensure that adequate and qualified personnel are employed in order to promote effective service delivery. In order to ensure effective coordination in the management of public assets there is need to incorporate maintenance as a key issue in various development fora i.e. District Development Coordination Committees (DDCCs) and Provincial Development Coordination Committees (PDCCs) and National Development Coordination Committee (NDCC). In addition, the Policy provides a cost-effective mechanism for maintaining and re-developing public assets both locally and abroad. It has also outlined Policy measures to promote sustainable and predictable financing through innovative financing arrangements, creation of the Maintenance Fund, Public Private Partnership (PPP) and the mixed-use approach of assets where some assets will be leased out.

The Public Asset Management Policy provides a guidance on the entire process of public asset management which include, among other things, identification, acquisition, valuation, utilisation, insurance, redevelopment, maintenance,

transfer, disposal and accounting for public assets. It also incorporates guidance on management of government owned and rented properties, land and buildings, and equipment specifications within these public assets.

Furthermore, the Policy provides a regulatory framework to ensure that assets are effectively and efficiently managed throughout their life cycle in order to improve service delivery to the public. Well managed public assets will ensure that the lifespan of assets is increased and optimal returns on investments while promoting safety and health standards in their usage and conforming to climate change variability.

The Policy, when implemented as envisaged, will contribute to the reduction in wastage of public resources and promote the prioritisation of public asset management. It is also imperative to put in place well-coordinated institutional and legal arrangements with clear roles and responsibilities of all stakeholders to avoid overlaps and duplications among MPSAs. Further, with the implementation of electronic financial management systems in public bodies, Government intends to be more accountable and efficient in managing its business operations. The current manual system for management of public assets has gaps hence the need to customise it based on best practices.

The Policy is vital in ensuring prudent use of money, longevity and serviceability of public assets through timely maintenance, creation of more office space and ascertaining of the true worth of public assets. In addition, the Policy will facilitate the creation of an all-inclusive and conducive work environment by mainstreaming gender, wellness and HIV/AIDS, disability issues among others. Available funds are scarce, and need has arisen for efficient resource use. The Policy seeks to ensure transparency, accountability and value for money.

### **3.3 Guiding Principles**

This PAMP has been developed based on the major principles as outlined in the Constitution of Zambia, the Vision 2030 and National Development Plans. The guiding principle on which this Policy has been developed is a commitment by the Government to improve public asset management in order to reduce the running costs, improve the health and safety as well as prolong the lifespan of public assets.

The Policy is guided by the following principles:

|                                        |                                                                                                                                                                                                                                                                                                                                                                                     |
|----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Equity</b>                          | The Government shall ensure equitable distribution of public assets between urban and rural, based on needs                                                                                                                                                                                                                                                                         |
| <b>Citizenry participation</b>         | The Government shall promote citizenry participation by safeguarding and reporting acts of vandalism, natural calamities and defects concerning public assets                                                                                                                                                                                                                       |
| <b>Coordination</b>                    | The Government shall promote coordination among stakeholders to avoid duplication and overlaps in the management of public assets                                                                                                                                                                                                                                                   |
| <b>Decentralisation</b>                | The Government shall ensure that management of public assets is undertaken at lower administrative levels/ institutions where they have their effect in line with the Decentralisation Policy                                                                                                                                                                                       |
| <b>Gender Equity</b>                   | The Government shall ensure gender equity in the management of public assets as well as in the awards of contracts to both male and female                                                                                                                                                                                                                                          |
| <b>Integrity</b>                       | The Government shall ensure to uphold the core values of honesty, reliability and uprightness in the award and supervision of contracts, selection, acquisition and use of public assets                                                                                                                                                                                            |
| <b>Non-discrimination</b>              | Government shall ensure that in the process of managing public assets, human rights are exercised without discrimination of any kind.                                                                                                                                                                                                                                               |
| <b>Patriotism</b>                      | In the implementation of this policy, citizens have a duty to protect public assets at all costs                                                                                                                                                                                                                                                                                    |
| <b>Standardisation</b>                 | The Government shall ensure standardisation in the management of public assets i.e. acquisition, identification, maintenance, utilisation, valuation, insurance, redevelopment, transfer, and disposal to facilitate ease, quality and cost effectiveness in the management of public assets. All public assets acquired shall meet acceptable quality and approved standard models |
| <b>Sustainable Development:</b>        | The Government shall recognise the principles of sustainable development through continuous improvements to ensure full availability of assets at optimal costs and satisfactory condition of quality, safety and protection of the environment. Care and maintenance should be undertaken throughout the life cycle in the management of public assets                             |
| <b>Transparency and accountability</b> | The Government shall ensure that the management of public assets is undertaken in an open and responsible manner. All public assets shall be acquired and disposed of in a transparent, efficient and cost-effective manner. All public assets shall be accounted for using GAAP                                                                                                    |



## CHAPTER FOUR

### 4.0 Policy Objectives and Measures

#### 4.1 Overall Policy Objective

The overall objective of the Policy is to provide a framework for coordinating public asset management in MPSAs to enhance accountability, service delivery and to facilitate sustainable economic growth.

### 4.2 Policy Objectives and Measures

#### 4.2.1 Value for Money

**Objective One:** To promote value for money, transparency and accountability in the acquisition and disposal of public assets.

##### Policy Measures

- i) Undertake acquisition of public assets through prescribed and approved methods and legislation;
- ii) Ensure standardisation in the acquisition of public assets;
- iii) Strengthen the mechanism for acquiring public assets to promote value for money;
- iv) Ensure handover of acquired public assets, together with built drawings in case of infrastructure, to Ministry responsible for works and supply;
- v) Strengthen the mechanism for the disposal of public assets by ensuring transparency and accountability in the process; and
- vi) Facilitate disposal of public assets in accordance with the Public Finance Management Act No. 1 of 2018.

#### 4.2.2 Optimum Values

**Objective Two:** To ensure that all public assets show optimum values and are accounted for appropriately.

##### Policy Measures

- i) Strengthen the mechanism for identification for public assets;
- ii) Strengthen the mechanism for valuation of public assets;
- iii) Ensure assets are valued and revalued using internationally accepted depreciation methods;
- iv) Strengthen mechanism for recording and accounting for public assets;
- v) Facilitate the decentralisation in the provision of valuation services to provinces and districts;

- vi) Ensure that public assets are valued in line with applicable valuation standards;
- vii) Review the current pieces of legislation on valuation of public assets and to align it to modern international standards;
- viii) Establish an electronic information management system of public assets with linkage to all MPSAs; and
- ix) Establish a National Asset Register at National level.

#### **4.2.3 Prudent Utilisation of Public Assets**

**Objective 3:** To promote prudent utilisation of public assets in order to ensure efficient public service delivery

##### **Policy Measures**

- i) Ensure that all MPSAs adhere to prudent utilization of public assets in accordance with approved norms and standards;
- ii) Enhance Public health and safety on utilization of public assets in MPSAs;
- iii) Promote the insurance of public assets; and
- iv) Ensure transfer of public assets is in accordance to the approved procedures.

#### **4.2.4 Maintenance of Public Assets**

**Objective 4:** To ensure that all public assets, locally and abroad, are well maintained in order to prolong their life span and usability.

##### **Policy Measures**

- i) Enhance the Asset Maintenance Management systems in all MPSA's;
- ii) Ensure coordination in the maintenance of public assets locally and abroad;
- iii) Establish cost effective systems of maintaining public assets in mission abroad;
- iv) Promote Research and Development in maintenance of public assets;
- v) Ensure mind-set change on maintenance of public assets through awareness programmes and collaboration among MPSAs;
- vi) Ensure MPSAs develop maintenance plans; and
- vii) Facilitate timely maintenance of public assets for prolonged the life span.

#### **4.2.5 Financial Resources for Maintenance**

**Objective 5:** To ensure adequate financial resources for maintenance of public assets in order to prolong the lifespan and usability.

##### **Policy Measures**

- i) Strengthen the mechanism for planning, budgeting and reporting maintenance works; and
- ii) Establish maintenance fund for public assets;

#### **4.2.6 Regulatory and Operational Framework**

**Objective 6:** To establish a regulatory and operational framework for maintenance of public assets in order to effectively coordinate and facilitate public asset maintenance works.

##### **Policy Measures**

- i) Strengthen the legislation framework on maintenance of public assets;
- ii) Ensure compliance to the applicable laws, regulations and statutory requirements on public asset maintenance;
- iii) Ensure transparency and accountability in the maintenance procedures for public assets; and
- iv) Ensure that operational challenges associated with mandate overlaps, financing and inadequate skilled manpower as well as structural irregularities are addressed.

#### **4.2.7 Optimise Government Revenue**

**Objective 7:** To optimise Government revenue and minimise expenditure on public assets through redevelopment of idle and wasting assets.

##### **Policy Measures**

- i) Design a system of re-developing idle and wasting public assets through innovative financing such as Public Private Partnership in order to reduce government expenditure;
- ii) Optimise the usage of public assets; and
- iii) Prioritise the redevelopment of idle and wasting public assets both locally and abroad to raise revenue for the treasury.

#### **4.2.8 Gender, Disability, wellness and HIV/AIDS, ICT and Climate Change**

**Objective 8:** To promote the mainstreaming of gender, disability, wellness and HIV/AIDS, ICT and climate change in the management of public assets.

##### **Policy Measures**

- i) Ensure mainstreaming of climate change issues in public asset management;
- ii) Promote collaboration with all MPSAs and civil society involved in the promotion of issues for persons with disabilities in public asset management;
- iii) Integrate wellness and HIV/AIDS activities in the management of public assets;
- iv) Integrate activities in the reduction of non-communicable diseases in the management of public assets;
- v) Promote the Mainstreaming of Information and Communication Technology in the management of public Assets in order to reduce government expenditure; and
- vi) Promote collaboration with all MPSAs and civil society involved in the promotion of gender issues in public asset management.

## **CHAPTER FIVE**

### **5.0 Implementation Frameworks**

The implementation framework for this policy outlines mechanisms for the institutional arrangement, legal framework, resource mobilisation and financing and monitoring and evaluation.

#### **5.1 Institutional Arrangement**

All MPSAs play a critical role in the implementation of the Asset Management Policy, however, a few have been highlighted as they are key players in the management of public assets. The implementation of this policy shall be undertaken in a comprehensive and broad-based manner through the following stakeholders:

##### **5.1.1 Cabinet Office**

Cabinet Office will be responsible for:

- i) Providing Policy direction and oversight on public asset management; and
- ii) Issuance of administrative circulars on public asset management.

##### **5.1.2 Ministry of Finance**

The Ministry responsible for finance as the custodian of all public assets will be responsible for:

- i) Providing advice and guidance on matters relating to public asset management, accounting systems and general financial management of Government assets;
- ii) Ensuring that annual consolidated statement of assets for the Republic are promptly prepared by Controlling Officers for certification by the Auditor General;
- iii) Preparation of the annual consolidated financial statements of public assets;
- iv) Preparation of country balance sheet based on Valuation reports of public Assets;
- v) Mobilising and timely disbursement of funds for effective implementation of the Policy;
- vi) Advising on financial matters related to asset management in MPSAs;
- vii) Authorising the disposal of obsolete assets in accordance with the Public Finance Management Act No. 1 of 2018; and

- viii) Advising on procurement of assets in accordance with the Zambia Public Procurement Act No. 12 of 2008 and the Public Private Partnership Act No. 9 of 2018.

### **5.1.3 Ministry of Works and Supply**

The Ministry responsible for works and supply mandated to manage all public assets, in accordance with Gazette Notice No. 836 of 2016, will be responsible for:

- i) Development and maintenance of a consolidated register of all public assets for the Republic to ensure accountability;
- ii) Regulating standardization, registration, valuation, maintenance and usage of public assets according to international standards;
- iii) Undertaking inspections on public assets and recommending or applying appropriate interventions where necessary;
- iv) Allocation/distribution of public assets to MPSAs;
- v) Labelling and classification of public assets;
- vi) Valuation and revaluation of public assets to determine their value and facilitate proper accounting by MPSAs;
- vii) Providing guidelines and procedures for sound asset management to all Public bodies;
- viii) Ensuring availability and accessibility to existing and procured tools and equipment for maintenance works of Public assets;
- ix) Receiving, reviewing and consolidating reports on asset registers submitted by controlling bodies;
- x) Preparing of the annual consolidated asset register for submission to the ministry responsible for finance;
- xi) Determining whether the assets earmarked for disposal can be used by another user or jointly by different users;
- xii) Ensuring that maintenance activities are mainstreamed during the design and construction of infrastructure in collaboration with the MPSAs involved in construction;
- xiii) Ensuring that all acquired/completed assets (e.g. infrastructure together with the As-Built-Drawings) are officially handed over to the Ministry responsible for works and supply for management and maintenance;
- xiv) Undertaking and coordinating major maintenance works on public assets in MPSAs;
- xv) Providing technical advice to MPSAs on preparation of budgets and maintenance plans;
- xvi) Supervising maintenance works in MPSAs;

- xvii) Monitoring and evaluating the implementation of public asset maintenance plans in MPSAs;
- xviii) Developing and operationalising the infrastructure maintenance manuals;
- xix) Coordinating the implementation of the asset maintenance management system;
- xx) Managing the infrastructure maintenance fund for major works locally and abroad;
- xxi) Developing and implementing a comprehensive maintenance Master Plan for all infrastructure including buildings, roads, rail, aviation and maritime;
- xxii) Developing training plans and coordinating training for infrastructure maintenance;
- xxiii) Identification of wasting /idle assets for redevelopment;
- xxiv) Budgeting and undertaking maintenance works where MPSAs share immoveable assets;
- xxv) Facilitating maintenance works on behalf of the MPSAs through a service delivery/agreement;
- xxvi) Supervision of maintenance works for roads in collaboration with the RDA, Zambia National Service and any other institutions responsible for maintenance;
- xxvii) Facilitating research and development on maintenance of infrastructure;
- xxviii) Ensuring mainstreaming of climatic change issues in infrastructure maintenance in MPSAs in liaison with Ministries responsible for national development planning and finance;
- xxix) Ensuring availability of adequate number of technically qualified staff at all levels in liaison with Public Service Management Division;
- xxx) Monitoring and evaluation of the utilisation of all public assets; and
- xxxi) Ensuring availability and accessibility to existing and procured tools and equipment for maintenance works of public assets.

#### **5.1.4 Ministry of National Development Planning**

The Ministry responsible for national development planning shall be responsible for:

- i) Mainstreaming asset management in national development planning process;
- ii) Providing guidelines for general monitoring and evaluation of management of public assets;
- iii) Providing support in the establishment of management information systems for management of public assets;

- iv) Providing a coordinated support in mainstreaming climatic change in management of public assets in MPSAs; and
- v) Collaborating with the ministries responsible for finance ,works and supply and other relevant MPSAs on public investment appraisals to help inform management of public assets.

#### **5.1.5 Ministry of Housing and Infrastructure Development**

The Ministry responsible for housing and infrastructure development shall be responsible for:

- i) Ensuring that maintenance activities are mainstreamed during the design and construction of infrastructure in collaboration with the Ministry responsible for works and supply;
- ii) Handing over of the completed facilities together with the As-Built-Drawings to Ministry responsible for works and supply for subsequent allocation to the user Ministry;
- iii) Ensuring availability and accessibility to existing and procured tools and equipment for maintenance works of public assets; and
- iv) Undertaking the construction of facilities based on the needs and requests from MPSAs through the Ministry responsible for works and supply.

#### **5.1.6 Ministry of Transport and Communication**

The Ministry responsible for transport and communication shall be responsible for:

- i) Liaising with the Ministry responsible for works and supply on the preparation of plans and budgets for aviation, ICT, maritime and rail infrastructure maintenance;
- ii) Supervising of aviation and rail infrastructure maintenance works in collaboration with Ministry responsible for works and supply;
- iii) Monitoring and evaluation of aviation, ICT, maritime and rail infrastructure maintenance works; and
- iv) Developing and implementing a comprehensive maintenance Master Plan for all infrastructure including rail, ICT, aviation, waterways and canals and other maritime infrastructure.

### **5.1.7 Ministry of Local Government**

The Ministry responsible for local Government through local authorities, shall be responsible for:

- i) Ensuring all local Government assets are maintained to serviceable levels e.g. pontoons, ferries, harbours, roads, drainages, buildings, vehicles, plant and equipment, abattoirs, markets, community halls, bus stations, graveyards, etc.;
- ii) Ensuring provision of waste management services;
- iii) Ensuring provision of firefighting services;
- iv) Mobilising resources for the management of public assets;
- v) Ensuring maintenance of water supply and reticulation and sewerage disposal systems;
- vi) Ensuring landscaping and maintenance of local parks, recreation facilities and tree planting; and
- vii) Ensuring that the environments are kept clean with aesthetics in the districts at all times.

### **5.1.8 Ministry of Labour and Social Security**

The Ministry responsible for labour and social security shall be responsible for:

- i) Ensuring that labour laws are adhered to by those undertaking maintenance projects; and
- ii) Ensure occupational health and safety.

### **5.1.9 Smart Zambia Institute**

Smart Zambia Institute shall be responsible for:

- i) Providing oversight and guidance on the development, management and maintenance of an Electronic Asset Register; and
- ii) Advising on the monitoring and tracking systems of public assets.

### **5.1.10 Asset Management in MPSAs**

All MPSAs shall be responsible for the following:

- i) Managing the public assets under their charge in accordance with the laws and regulations. e.g. Public Finance Management Act No. 1 of 2018;
- ii) Recording of public assets under their charge;
- iii) Maintaining an electronic sub database on all public assets under their charge;

- iv) Updating of data on assets in an applicable Asset Management Information System as prescribed;
- v) Compiling and submitting of quarterly reports to the Ministries responsible for finance, works and supply, and local government concerning asset register;
- vi) Ensuring that an annual statement of assets under their charge is promptly prepared and submitted to the Ministry responsible for works and supply;
- vii) Ensuring adherence to the asset regulatory framework;
- viii) Ensuring that assets are safeguarded and utilised for the intended purpose;
- ix) Maintaining of a system of internal control for proper management of assets;
- x) Appointing of the annual Committees of Survey or Disposal Committees to assess assets to be retained or disposed of;
- xi) Identifying of public officers to oversee the effective implementation of the asset policy under their charge;
- xii) Ensuring that assets are valued in accordance with GAAP as directed by the Treasury;
- xiii) Ensuring that revaluations for all classes of public assets are undertaken;
- xiv) Co-ordinating and submitting for capitalisation amounts and updating asset register for donated assets to Ministries responsible for finance, works and supply, and local government respectively;
- xv) Ensuring that all assets acquired are adequately covered by an insurance policy;
- xvi) Ensuring that all public assets acquired are appropriately labelled with indelible ink;
- xvii) Ensuring that reports on public assets are prepared for incorporation into the financial report;
- xviii) Timely assessing, collecting and submitting of information pertaining to technologically impaired assets;
- xix) Ensuring that designated officers of asset management work in liaison with Valuation Officers whenever undertaking revaluations of public assets;
- xx) Undertaking routine/minor maintenance of public assets;
- xxi) Preparing of budgets for maintenance of public assets;
- xxii) Undertaking minor maintenance works by in-house teams or outsource services from the private sector in consultation with the Ministry responsible for works and supply;
- xxiii) Procuring of private sector maintenance service providers in accordance with the existing procurement laws and regulations;

- xxiv) Ensuring that all warranties and guarantees terms are honoured;
- xxv) Preparing and implementing of maintenance plans;
- xxvi) Ensuring the proper use of public assets;
- xxvii) Establishing an infrastructure maintenance database;
- xxviii) Liaising with the Ministry responsible for works and supply to undertake minor maintenance works through a service delivery agreement /arrangement;
- xxix) Identifying and recording public assets for transfer from one entity to another;
- xxx) Identifying and recommending public assets for disposal;
- xxxi) Ensuring that transfers of public assets to another entity is authorised in accordance with laid down procedures;
- xxxii) Maintaining a record of disposed of public assets; and
- xxxiii) Monitoring and evaluating utilisation of all public assets under their charge.

#### **5.1.11 Road Development Agency**

The institution responsible for roads development shall be responsible for:

- i) Liaising with the Ministry responsible for works and supply on the preparation of plans and budgets for road infrastructure maintenance;
- ii) Supervising of road infrastructure maintenance works in collaboration with the Ministry responsible for works and supply;
- iii) Ensuring standardisation of road infrastructure in relation to shoulders for pedestrians and cyclists, road humps/ dips, road furniture (signage), drainages etc.;
- iv) Monitoring and evaluating of road infrastructure maintenance works in collaboration with the Ministry responsible for works and supply; and
- v) Developing and implementing a comprehensive maintenance Master Plan for road infrastructure (trunk roads, feeder roads, pontoon access roads), bridges and other crossing points.

#### **5.1.12 National Road Fund Agency**

The institution responsible for national roads fund shall be responsible for:

- i) Mobilising funds; and
- ii) Managing funds for construction and maintenance of road infrastructure.

#### **5.1.13 Zambia National Service**

The Zambia National Service shall be responsible for:

- i) Maintaining of rural and feeder roads in collaboration with the ministry responsible for works and supply; and
- ii) Liaising with the Ministry responsible for works and supply on the preparation of plans and budgets for maintenance of rural/feeder road infrastructure.

#### **5.1.14 Zambia Bureau of Standards**

The institution responsible for national standards shall be responsible for:

- i) Certifying of construction / maintenance materials;
- ii) Standardising of road infrastructure in relation to shoulders for pedestrians and cyclists, road humps/ dips, road furniture (signage), drainages etc.; and
- iii) Consulting and training in the areas of standardisation, quality management Systems & Measurement Technology.

## **5.2 Legal Framework**

The Policy will be implemented in an enabling legal framework that will facilitate its successful implementation. The legal framework governing this sector is outlined below:

**Table 4: Legal Framework**

| <b>Enabling act</b>                               | <b>Purpose</b>                                                                                                                                                                                                                |
|---------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Public Finance Management Act No. 1 of 2018       | The Act provides for the control and management of public finances                                                                                                                                                            |
| Public Procurement Act No. 12 of 2008             | The Act regulates the conduct of public procurement to ensure transparency, fairness, integrity and accountability of public resources                                                                                        |
| Appropriation Act (Annual)                        | An act to authorise the expenditure from the consolidated fund of monies required for the services of Republic of Zambia in each financial year                                                                               |
| Factories Act, CAP 441 of the laws of Zambia      | Requires the employer to provide for clean working environment, adequate ventilation, first aid, lighting, sanitary facilities and fire extinguishers. It also requires the employer to prevent overcrowding in the workplace |
| Occupational Health and Safety Act No. 36 of 2010 | To establish the occupational health and Safety institute and provide for its functions. Provides among others for the protection of persons, other than persons                                                              |

| Enabling act                                                 | Purpose                                                                                                                                                                                                                                                             |
|--------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                              | at work, against risk to health or safety arising from, or in connection with, or the activities of the person at work                                                                                                                                              |
| Zambia Environmental Management Authority Act No. 12 of 2011 | Provides among other things that are necessary to protect the environment and control pollution, so as to provide for the health and welfare of persons, animals, plants and environment                                                                            |
| Minister of Finance (Incorporation) Act, Cap 349             | An act to incorporate the Minister charged with responsibility for finance                                                                                                                                                                                          |
| Local Government Act, Cap 281 of the Laws of Zambia          | The Act provides for an integrated three tier local administration system and defines the functions of local authorities                                                                                                                                            |
| Lands Act, Cap 184 of 1995                                   | The Act provides for the management and administration of land in Zambia                                                                                                                                                                                            |
| Lands and Deeds Registry (Amendments) Act No. 40 of 2010     | Provides for the registration of documents relating to land, certification of title, legal proceedings and effects of transfer of land                                                                                                                              |
| National Road Fund Act. No. 13 of 2002                       | Provides for the establishment of the National Road Fund Agency and to define its functions; Under the provision 'Application of moneys of Road Fund', the Agency shall apply the moneys of the Road Fund in the construction, maintenance and care of public roads |
| Urban and Regional Planning Act No.3 of 2015                 | Provides among others, the development, planning and administration principles, standards and requirements for urban and regional planning processes and systems, as well as implementation and operation of human settlement development                           |
| Public Health Act No. 22 of 1995                             | Provides for duties of Local Authorities to maintain cleanliness and prevent nuisances and to prevent or remedy danger to health arising from unsuitable dwellings                                                                                                  |
| The Civil Aviation Act No. 5 of 2016                         | Provides for the construction, rehabilitation and maintenance of International Airports; Provincial Airports; Strategic Airports; District Airports; and Private Airstrips/Small Airstrips                                                                          |
| National Council for Construction Act No.13 of 2003          | Provides for the establishment of the National Council for Construction and to define its function; to provide for the promotion and development of the construction industry in Zambia                                                                             |

| Enabling act                                                        | Purpose                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|---------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The Education Act No. 23 of 2011                                    | Provides for the provision of accessible, equitable and qualitative education; provide for the establishment, regulation, organisation, governance, management, maintenance and funding of educational institutions                                                                                                                                                                                                                                                                                                              |
| Tolls Act No. 14 of 2011                                            | Establishes and provides for the operation of toll roads; provide for the charging and collection of tolls; provide for private sector participation in the tolling of roads; repeal and replace the Tolls Act No. 11 of 1983 and Tolls Act No. 2 of 1988; and provide for matters connected with, or incidental to, the foregoing                                                                                                                                                                                               |
| The Railways Act Cap 453 of 1994                                    | Provides for the vesting of the undertaking and assets of the Zambia Railways Board in Zambia Railways Limited and the provision of rail services within, into and out of Zambia                                                                                                                                                                                                                                                                                                                                                 |
| The Tanzania Zambia Railways Act Cap 454 of 1995                    | Provides for maintenance and repair services at any foundry, workshop or other factory owned or operated by the Authority. However, the two shareholding Governments of Tanzania Zambia Railways have resolved and embarked on reviewing the Tanzania Zambia Railways Act of 1995 to encourage private sector participation and to enhance management performance. The piece of legislation in question is not adequate given that the provision of maintenance and rehabilitation of the railway infrastructure is not included |
| Information and Communication Technology Act No. 15 of 2009         | Provides for the economic and technical regulation of information and communication technology; facilitates access to ICTs; "protects the rights and interests of service providers and consumers"; and regulates and manages radio spectrum                                                                                                                                                                                                                                                                                     |
| Engineering Institute of Zambia Act No 17 of 2010                   | Promotion and regulation of the engineering profession in Zambia                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Quantity Surveyors Act No. 37 of 1995 Cap 438 of the Laws of Zambia | Establishes the Quantity Surveyors registration board to provide for the registration Quantity Surveyors and to provide for matters connected with or incidental to the foregoing                                                                                                                                                                                                                                                                                                                                                |
| Roads Act No. 12 of 2002                                            | Provide for care, maintenance and construction of roads.                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Valuation Surveyors Act Cap. 207 of 1979                            | Provides for the registration of Valuation Surveyors; and to provide for matters connected to or incidental thereto                                                                                                                                                                                                                                                                                                                                                                                                              |

| Enabling act                                          | Purpose                                                                                                                                                                                                                                                                                                        |
|-------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Workers Compensation Act No.10 of 1999                | Provides for establishment and administration of the fund for compensation of workers and disabled by occupational accidents or diseases; the payment of compensation to dependant of workers who die as a result of occupational accidents or diseases; the payment of contributions to the fund by employers |
| Zambia Institute of Architects Act. Cap. 442 of 1995; | Provides for the promotion and regulation of architectural profession in Zambia                                                                                                                                                                                                                                |
| Estate Agents Act No. 21 of 2000                      | Provides for the registration of the practice and business of the estate agents, to provide for the establishment of the Zambia Institute of Estate Agents and for its functions and membership; to provide for the establishment of the council for the institute for its functions and compositions          |

However, there is need to enact, amend, repeal and replace some of the laws in order to provide for the following:

- (a) Enact a law to provide for the creation of a fund for the maintenance of public assets;
- (b) Amend the Valuation Surveyors Act of 1979 to provide for management of real estate and licensing of Surveyors; and
- (c) Amend the NCC Act to incorporate maintenance of public assets.

### **5.3 Resource Mobilisation and Financing**

In order to implement the measures proposed in this Policy, financial resources will be required. In this regard, funding for implementation of the Policy will be secured from the following sources:

- (a) Government's National Budget;
- (b) Financing through Public Private Partnerships;
- (c) Cooperating partners; and
- (d) Leasing out of property.

### **5.4 Monitoring and Evaluation Framework**

The Ministries responsible for works and supply, and finance will spearhead the implementation of the Policy anchored on an effective and efficient monitoring and evaluation of assets using the available legal frameworks.

The implementation of the objectives and measures outlined in the Policy requires robust result-based monitoring and evaluation with appropriate feedback mechanisms from all MPSAs and other stakeholders. Monitoring and evaluation functions will be undertaken at all levels in line with the decentralisation policy to enhance accountability and effectiveness such as conducting physical inventory of public assets twice every financial year. Skills training in the asset maintenance development planning, monitoring and evaluation will be undertaken by all stakeholders.

The Treasury and the Ministry responsible for Works and Supply shall conduct spot checks on public assets to monitor Public bodies' compliance to this Policy and applicable legal framework, thereafter, apply appropriate interventions for the effective management of public assets. The Policy will be reviewed periodically to take on board new and emerging issues related to public asset management.

## **5.5 Implementation Plan**

As part of the Implementation Framework for this Policy, a comprehensive implementation plan shall be prepared, which will detail how the Policy shall be implemented, monitored and evaluated.