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PRESS STATEMENT

ZTP CALLS ON GOVERNMENT TO REVISE TOLL FEES AND NRFA ACT

Lusaka, 27th August 2021: The Zambia Tax Platform (ZTP) has called on the Government to amend the Tolls Act of 2011 and NRFA Act to harmonize the usage of revenues collected from toll fees with; road maintenance and rehabilitation projects only. The platform maintains that use of tolls exclusively for road maintenance and rehabilitation can improve management and transparency is in accordance with the principle rationale of tolling i.e. that those using roads must be in fact bare the cost of maintaining the roads. ZTP has stressed that the use of toll fees towards this purpose is also critical in restoring public confidence in the tolling program.

In a recent study conducted by ZTP titled "Tracking the Utilization of Road Toll Fees in Zambia" the platform found that the general perception among most road users is that toll fees are not exclusively utilized for road maintenance or rehabilitation purposes and that some users even sited the state of roads which remain deplorable despite the collection of toll fees.

Zambia Tax Platform Private Sector Enhancement Specialist Ellen Makinishi said during the virtual launch of the study which was conducted in partnership with the Centre for Trade Policy and Development – CTPD that NRFA should consider prioritizing maintenance and rehabilitation of roads where tolls are collected in order to encourage public compliance and ownership. The implementation of the Road Toll Maintenance Program (RoToMaP) which involves pothole patching, road markings and signage and construction of speed humps on the tolled roads and adjacent towns connecting to tolled roads should be upgraded to include road rehabilitation.

National Road Fund Agency – NRFA - Chief Executive Officer Engineer Wallace Mumba said during the same meeting that a total of K6.8 billion toll fees have been collected from November, 2013 since the tolling programme started to July, 2021. Mr. Mumba further

The Zambia Tax Platform is a multi-stakeholder group that provides critical analysis of Zambia's tax policy regime, tax administration and promotes sustained advocacy on improving public finance management.

highlighted that since January 2021 to July 2021, K1.38 billion has been collected out of the targeted K1.768 billion for the year.

The Study on Toll Fees in Zambia sought to track the utilization of revenue from tolls fees in Zambia from the point of collection to use from 2013 to 2019. Thereby, establish whether the toll fees collected under the National Road Tolling Program (NRTP) are being managed in accordance with the legal framework. Ultimately, the study sought to establish the perception of the General Public i.e., civil society organizations, local councils, and the business community on the NRTP.

Zambia implemented the Treasury Single Account (TSA), a unified structure of bank accounts which gives a consolidated position of Government's cash resources and has been informally termed 'control 99.' The TSA system seeks to improve the Government's ability to efficiently and effectively manage public financial resources and eliminate redundant procedures. This new public finance management system however increases the risk of resource diversion into other government projects. Not only are toll revenues channeled into control 99 but also Zambia Revenue Authority (ZRA) tax revenues and external borrowing are collected into one basket, which presents a significant limitation to effectively track toll revenues collected in Zambia as the Ministry of Finance (MoF) re-allocates funds to NRFA. Even though NRFA reports that the money the government sends in accordance with the budget is always more than the tolls collected during the year, there is no way of strongly affirming whether these funds are coming from other sources. In light of these findings, the Zambia Tax Platform further recommends that MoF and NRFA consider clearly separating the revenue of toll fees for improved management, transparency and accountability.



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