

Validation of Zambia:

Final assessment of progress in implementing the EITI Standard

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Acronyms

BO	Beneficial owner/ownership
CSO	Civil Society Organisation
EGPS	Extractives Global Programmatic Support
FQM	First Quantum Minerals
IA	Independent Administrator
IPs	Indigenous Peoples
LEL	Large Scale Exploration Licence
LGU	Local Government Unit
LML	Large Scale Mining Licence
MMDA	Mines and Minerals Development Act
MMMD	Ministry of Mines and Minerals Development
MOSES	Mineral Output Statistical Evaluation System
MSG	Multi-Stakeholder Group
MVCMP	Mineral Value Chain Monitoring Project
NRGI	Natural Resource Governance Institute
OAG	Office of the Auditor General
PACRA	The Patents and Companies Registration Agency
PAYE	Paye-As-You-Earn
PEL	Petroleum Exploration License
PWYP-Zambia	Publish What You Pay Zambia
SOE	State-owned enterprise
TOR	Terms of Reference
TPIN	TaxPayer Identification Number
URL	Uniform Resource Locator/online hyperlink
USD	United States Dollar
ZAMSTATS	Zambia Central Statistical Office
ZCCM	Zambia Consolidated Copper Mines Investment Holdings Plc
ZEC	Zambia EITI Council
ZEITI	Zambia EITI
ZMW	Zambian Kwacha
ZRA	Zambia Revenue Authority

Executive summary

This draft Validation report presents the findings of the International Secretariat's Validation of Zambia, which commenced on 1 July 2021. The draft report was finalised for review by the multi-stakeholder group (MSG), the Zambia EITI Council (ZEC), on 27 August 2021. Following comments from the ZEC expected by 26 September 2021, the Validation report will be finalised for consideration by the EITI Board. The final assessment suggests that Zambia has exceeded one EITI Requirements, fully met 20, and mostly met 4 requirements.

Key achievements

- Zambia, as part of their reporting on government revenues from the extractive sector in 2019, demonstrated the added value of EITI reporting by identifying and mitigating shortcomings of government systems. From 2018 to 2019, Zambia EITI ensured that even though the government does not monitor financial data at a project/license level, data is increasingly made publicly accessible at this level albeit through EITI Reports. At the time of writing, Zambia EITI remains the sole platform to publicly disclose such data in Zambia, using its data collection platform. This resulted in the coverage of publicly available revenue data by project increased from 30% in 2018 to 70% in 2019. This represents strong progress on EITI fulfilling disclosure requirements in the absence of government disclosures.
- Zambia EITI and the Zambia EITI Council (ZEC) platform have firmly established themselves as a resource for government, industry, and civil society stakeholders. ZEITI has led contributions on the reform of the mining fiscal regime and the proposed transparency bill, the ZEITI Bill. ZEITI has also provided data analysis and training on analysing financial models and sub-national payments and this has contributed to government practice reform and civil society advocacy at the local community level. Based on consultations with industry and civil society, it was noted that Zambia EITI has contributed to structured dialogue through provision of credible data. While some national and stakeholder priorities such as the enactment of the ZEITI Bill and amendments of the Mines and Minerals Act remain to be addressed through the ZEITI platform, all stakeholders cited the ZEITI process as instrumental for collection and disclosure of information, as well as data use.
- Zambia's EITI reporting, increasingly builds on findings of systematic disclosures of audit reports. As an example, a 2017 audit report¹, summarises and synthesises concerns surrounding the historic awards of licenses. ZEITI summarises the findings and ensure the findings are more accessible to a wider audience. ZEITI also used these findings as grounds for requesting additional assurances from government agencies for the purpose of EITI reporting. Focusing its reporting on gathering and synthesising findings of audit

¹ Office of the Auditor General, republished by ZEITI (2019), 'Compliance Audit Report on the awarding and Monitoring of Mining Rights for 2017 Accounts'. Available at: <http://zambiaeiti.org/wp-content/uploads/2020/04/Compliance-Audit-Report-on-the-awarding-and-Monitoring-of-Mining-Rights-for-2017-Accounts.pdf>

reports is crucial for EITI's continued added value in ensuring data reliability, with a relatively lower cost than reconciliation findings.

Areas for development

- Zambia should increase their efforts to ensure the comprehensiveness of government and corporate data, and public access, by further advancing systematic disclosures. This Validation assessment identifies three wider-reaching systems where companies and governments both have responsibility for reporting, collection and (to some extent) publishing data:
 - i. The Mining cadastre portal of Zambia provides up to date and comprehensive overviews of extractive license locations but does not yet provide easy access to this information in open formats, nor the full texts of contract or license documents. If current systems are not suitable for responding to current information demands of stakeholders and EITI, other solutions should be explored to ensure better public access to the underlying information.
 - ii. PACRA's corporate registry provides access key information required by the EITI Standard for a prescribed fee of ZMW 90 per company printout. This information includes BO data and an indication of companies' compliance with certain reporting obligations to the Government of Zambia. However, the registry could improve on its data access by providing options for broader access to such data in open formats, including access to financial statements by companies.
 - iii. The MOSES monitoring system serves as a potential data collection and reporting tool to facilitate additional disclosures on more disaggregated revenue data for extractive companies.

These provisions would ensure that Zambia EITI assesses whether (i) government and corporate systems contain the relevant information required by the EITI Standard, (ii) that this information is comprehensively collected and assured for all extractive operations, and (iii) that the disclosures are made publicly accessible using open formats with minimum practical, technical or financial barriers.

- Related to the systematic disclosure focus above, Zambia EITI and the ZEC could further advance and strengthen its work on domestic resource mobilisation through more complex analyses that combine relevant and current disclosures. Zambia EITI has begun its efforts to fully clarify who benefits from extractive sector operations, what work operators are obliged to undertake, and how this translates into national and subnational benefits. However, Zambia EITI could further facilitate analysis that combines such information to provide a comprehensive entity-by-entity overview. As was cited a specific demand from civil society and certain government stakeholders, overviews that holistically cover information available for different extractive companies are challenging to obtain or assess, with a multitude of sources of data and information flows.
- Zambia is encouraged to further consider how the Zambian extractive industry contributes and responds to the opportunities presented by the energy transition. Disclosures, especially at a mine (license) level on emissions or carbon intensity, and

dissemination activities in local communities could help address stakeholders' demand for information regarding the impact of mining at the local level and contribute to the national debate related to Zambia's position as a key mineral producer in the face of climate change, and the need for critical minerals such as cobalt, manganese and copper, for the energy transition.

Progress in implementation

EITI Validation assesses countries against three components – “Outcomes and impact”, “Stakeholder engagement”, and “Transparency”.

Outcomes and impact

Zambia has taken steps to ensure that EITI implementation contributes to national priorities and is relevant to the national context. ZEC has contributed to national debate on mining taxes through modelling the impact of the mining fiscal regime on companies' profitability, comparing Zambia copper mines' revenue performance to other copper mining jurisdictions and training of government and civil society stakeholders on analysing mining financial models and financial statements.² Industry and government stakeholders have come to rely on Zambia EITI for public awareness, public debate, and policy considerations.³ ZEITI provided evidence highlighting presentations on mining fiscal reforms to Ministry of Mines and Mining Development Directors and the Permanent Secretary; and subsequently to a national mining indaba convened by government. Industry sources stated that ZEITI is useful for shedding light on issues where industry and government differ vis-à-vis data, and in establishing a consensus based on data, for example, on issues related to VAT accruals and rebates.

On the other hand, government representatives cite ZEITI activities as key for engaging and updating local communities in legislative changes. According to civil society during consultations, EITI reporting has contributed to improved monitoring of sub-national revenues particularly property taxes and business fees, in the copper-belt region. A civil society report documents how EITI data contributed to civil society advocacy and the amendment of the Property Rate Tax to allow for local councils to collect more taxes.⁴ Zambia EITI actively consults on legal and policy discussions within government. This includes the review of the Mines and Mining Development Act and on developing a Zambia EITI Bill. Designing and implementing an optimal fiscal regime has been of national interest in Zambia for several years and Zambia EITI is now actively contributing data towards a current review. Zambia EITI has also contributed to reforming administrative practices through, in part, triggering an audit of mining license process in Zambia and through capacity building of government officers and other stakeholders on analysing financial statements.

² ZEITI shared several reports and presentations including (i) Review Report on Financial Models Submitted by Copper Mining Companies in Zambia In Response to the 2019 Fiscal Regime Changes, June 2020; (ii) Report on ZCCM-IH Acquisition of Mopani Copper Mine, June 2021, and (iii) Fiscal Regimes, Financial Analysis and Model Review Training Report 2021.

³ Validation templates cited examples of companies using ZEITI data to showcase economic contribution. See one example cited here <http://mines.org.zm/mining-companies-accounted-for-more-than-a-quarter-of-governments-income-zambia-eiti-report/>

⁴ Citizens' groups use revenue disclosures to advocate for local service funding, PWYP Zambia, 2021, https://www.pwyp.org/wp-content/uploads/2021/07/PWYP_Stories_Rev_Zambia.pdf

Stakeholder engagement

The government, civil society and companies are active in EITI implementation. All three constituencies participate in identifying the objectives of EITI implementation, agreeing the scope of disclosures, and contributing to public discussion on disclosures. The Zambia EITI Council (ZEC) members, particularly civil society representatives, have a wide reach into local communities in mining areas.

Consultations with civil society indicated that they have leveraged this reach to contribute to public debate on extractives, in part, based on EITI data. Government representatives confirmed in consultations that they use civil society platforms⁵ to engage with community members in the copper-belt region on reforms and administration of the Mines and Minerals Act. The industry constituency is also representative of large-scale mines and artisanal and small-scale miners through the Chamber of Mines and the Federation of Small-Scale Miners, respectively. Engagement in EITI implementation within government has gone beyond EITI ZEC membership with ZEITI coordinating with the Directorate in the MMMD, the Office of the Auditor General, PACRA and relevant parliamentary committees, facilitating capacity building of government officials, providing input to legislative changes and complex analyses (see Outcomes and Impact above).

There was a dispute between an industry representative and civil society related to alleged defamation. Consultations with stakeholders highlighted that ZEC members were satisfied with how the EITI ZEC platform resolved the issue in a manner that allowed continued EITI implementation and concurrently, resolution of the dispute.

Due to the COVID-19 impact, ZEITI developed a flexible report using a risk-based approach to reconciliation. The report addressed stakeholder information needs on the impact of the pandemic on the sector and on government revenues.⁶ The report still retained reconciliation but focused on only the revenues that have had discrepancies and are areas of discussion between industry and government, that is, value added tax and corporate income tax.

While the government has contributed funding for Zambia EITI activities, sustainability of EITI implementation in Zambia will require increased government support. Lastly, there is currently low representation of women on the ZEC with only four women among the current 26 members of the ZEC. However, the ZEC has taken steps to address this, requiring consideration of gender-balance in election of new members, which was postponed due to the COVID-19 pandemic until Spring 2022.

Transparency

Zambia has improved its procedures and reporting practices related to corrective actions from previous Validations. Zambian government entities systematically disclose some data such as on licenses through their portals⁷, and where routine disclosures by government systems are lacking – such as for production and export data – Zambia EITI facilitates public disclosures in open

⁵ Civil society platforms include the National, Provincial and District Alternative Mining Indabas that are held annually.

⁶ The ZEITI 2019 Report through a survey of government departments and companies projected revenue declines for the Zambia Environmental Management Agency and revised production targets due to the impact of Covid-19 and legislative response to the pandemic.

⁷ Ministry of Mines and Minerals Development (2021), 'Mining cadastre portal of Zambia'. Available at: <https://portals.landfolio.com/zambia/>

formats. Our assessment suggests that Zambia is also progressing on recently established requirements, which could facilitate more complex analyses in the future. Still, additional efforts are needed to ensure comprehensive and reliable data pertaining to (i) *what* operations extractive companies are obliged to undertake, (ii) *who* benefits from extractive activities, and (iii) *how much* each extractive project generates in government revenues. If these opportunities are realised, ZEITI and ZEC will be much better placed to verify that governments and companies are effectively monitoring extractive operations in the country, build public trust in public disclosures made and inform governance reform.

Firstly, publication of the full text of contracts and licenses are hampered by legal barriers⁸, and barriers in government systems⁹ do not currently allow for assessing whether the Zambian government or third-party providers comprehensively disclose license and contract documents/appendices. Second, in determining which beneficial owners¹⁰ (BO) exist, a legal framework is largely in place but there are challenges in data collection tools and processes related to Zambia's corporate registry.¹¹ In consultations, stakeholders highlighted issues related to assessing the reliability of collected BO data. Lastly, Zambia EITI is quickly improving its disclosures of revenues by project. From 2018 to 2019, Zambia increased its project-level data coverage from 30% to more than 70%. However, the government does not yet collect such data through government systems. Therefore, Zambia EITI remains the sole platform to publicly disclose the data and is presented with a challenging task to increase its coverage further, devoid a government system to facilitate such disclosure in the short term. As an interim solution Zambia EITI will have to continue its parallel data collection and disclosures of company-reported data, and to ensure companies are adequately sensitised and report data at project (license) levels.

Finally, Zambia EITI documentation – and their participation in an on-going study related to production and export monitoring systems – has helped uncover issues in the government's Mineral Output Statistical Evaluation System (MOSES), which currently only covers base and precious metals. This presents a challenge for Zambia to ensure comprehensive disclosure of production and export volumes and values for other extractive commodities, industrial and energy minerals, as well as for gemstones. Comments from a member of ZEC confirmed that refinements of the MOSES system and its practical extension to cover the full range of commodities produced in Zambia should form an integral part of Zambia's progress towards credible systematic disclosures.

⁸ The Validation templates and the ZEITI 2019 Report reference Section 117 of the Mines and Minerals Act (2015)

⁹ Ibid.

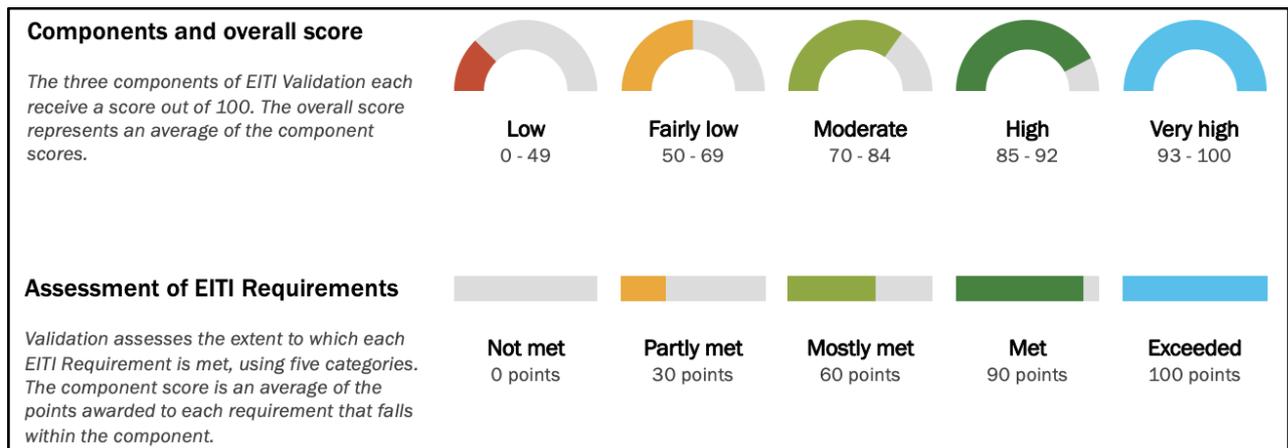
¹⁰ A beneficial owner in respect of a company means the natural person(s) who directly or indirectly ultimately owns or controls the corporate entity.

¹¹ Patents and Companies Registration Agency (2020), 'PACRA online registration system'. Available at: <https://portal.pacra.org.zm/dashboard>

Figure 1 Draft scorecard: Summary of progress in the Validation of Zambia 2021

EITI Requirements			Final assessment		
Validation of Zambia (2021): draft assessment per EITI Requirement			Level of progress	Score	Direction
Component	Module	Requirements			
Outcomes and impact	Extra points	Effectiveness and sustainability indicators		3	-
	Outcomes and impact	Work plan (#1.5)	Fully met	90	=
		Public debate (#7.1)	Fully met	90	=
		Data accessibility and open data (#7.2)	Fully met	90	→
		Recommendations from EITI (#7.3)	Fully met	90	=
	Outcomes & impact (#7.4)	Fully met	90	=	
Stakeholder engagement	Multi-stakeholder oversight	Government engagement (#1.1)	Fully met	90	=
		Industry engagement (#1.2)	Fully met	90	=
		Civil society engagement (#1.3)	Fully met	90	=
		MSG governance (#1.4)	Exceeded	100	→
Transparency	Overview of the extractive industries	Exploration data (#3.1)	Fully met	90	=
		Economic contribution (#6.3)	Fully met	90	=
	Legal and fiscal framework	Legal framework (#2.1)	Fully met	90	=
		Contracts (#2.4)	Fully met	90	→
		Environmental impact (#6.4)	Not assessed	-	-
	Licenses	Contract and license allocations (#2.2)	Exceeded	100	→
		License register (#2.3)	Fully met	90	=
	Ownership	Beneficial ownership (#2.5)	Mostly met	60	→
	State participation	State participation (#2.6)	Fully met	90	=
		In-kind revenues (#4.2)	Not applicable	-	=
		SOE transactions (#4.5)	Fully met	90	=
		SOE quasi-fiscal expenditures (#6.2)	Not applicable	-	=
	Production and exports	Production data (#3.2)	Mostly met	60	←
		Export data (#3.3)	Mostly met	60	←
	Revenue collection	Comprehensiveness (#4.1)	Fully met	90	=
		Barter agreements (#4.3)	Not applicable	-	=
		Transportation revenues (#4.4)	Not applicable	-	=
		Disaggregation (#4.7)	Mostly met	60	→
		Data timeliness (#4.8)	Fully met	90	=
		Data quality (#4.9)	Fully met	90	→
	Revenue management	Distribution of revenues (#5.1)	Fully met	90	=
		Revenue management & expenditures (#5.3)	Not assessed	-	=
	Subnational contributions	Direct subnational payments (#4.6)	Fully met	90	=
Subnational transfers (#5.2)		Not applicable	-	=	
Social and environmental expenditures (#6.1)		Not applicable	-	=	

How EITI Validation scores work



The overall score (out of 100) represents an average of the scores of each component.

Each requirement will be assessed following the scale below and assigned corresponding points:

- **Exceeded** (100 points): All aspects of the requirement, including 'expected', 'encouraged' and 'recommended' aspects, have been implemented and the broader objective of the requirement has been fulfilled through systematic disclosures in government and company systems.
- **Fully met** (90 points): The broader objective of the requirement has been fulfilled, and all required aspects of the requirement have been addressed.
- **Mostly met** (60 points): Significant aspects of the requirement have been implemented, and the broader objective of the requirement is mostly fulfilled.
- **Partly met** (30 points): Significant aspects of the requirement have not been implemented, and the broader objective of the requirement is not fulfilled.
- **Not met** (0 points): All or nearly all aspects of the requirement remain outstanding, and the broader objective of the requirement is far from fulfilled.

Where the evidence does not clearly suggest a certain assessment, stakeholder views on the issue diverge, or the multi-stakeholder group disagrees with the Secretariat's assessment, the situation is described in the assessment.

1. Effectiveness and sustainability indicators

The country is awarded 0, 0.5 or 1 point for each of the five indicators. The points are added to the component score on Outcomes and impact.

1.1 National relevance of EITI implementation

EITI implementation is contributing to addressing structural legal and fiscal regime aspects of extractive governance that are nationally relevant in Zambia. Stakeholder consultations highlighted that the issues of whether the fiscal regime is optimal; if Zambia is benefiting from its resource endowment and if the legal framework provides for full transparency in the mining sector are the main issues of national concern. Zambia EITI has used financial modelling and EITI data to ensure an evidence-based review of the mining fiscal regime in Zambia, with the full engagement of the several departments at the MMMD and presenting the review at a national mining indaba. Zambia EITI has subsequently been invited to support government in considering options for a new mining fiscal regime. More recently, Zambia's latest disclosures surveyed industry and different government departments' reactions to the impact of the COVID-19 pandemic on the sector and on government revenue.¹² Reporting still includes reconciliation but only for revenue streams that generate public debate. Consultations indicated that the report responded to stakeholder needs for information on the impact of the pandemic on the extractive sector. ZEITI, in evidence submitted through the Validation templates, indicated that the 2020 report is now being developed using the same approach because there was a realisation that this could reduce costs while retaining robust disclosures. ZEITI has advocated for a ZEITI Bill to institutionalise EITI implementation and address gaps related to contract transparency and disclosures of audited financial statements. A draft is now under consideration by government.

Zambia EITI disclosures go beyond collating and publishing data, and highlight government monitoring efforts and the underlying systems to do so. EITI implementation have contributed to the review of the mining licencing process by Zambia's supreme audit institution.¹³ Zambia EITI also supported PACRA to enrol in a pilot project to review the BO data collection and quality assurance process, going beyond requirement of the EITI Standard. ZEITI has also promoted dialogue on non-revenue issues, for example on gender and environmental issues. Evidence submitted by ZEITI indicates that agreed to grant observer status to Oxfam¹⁴ and the organisation made a presentation on gender and extractives. EITI reporting has also covered disaggregated social payments data including some gender related payments. Civil society consultations that EITI reporting has provided the basis to engage with local councils and companies.

EITI implementation in Zambia is contributing to building trust among different constituencies. Stakeholder consultations indicated that there has been mistrust particularly between government and industry. While not explicitly stated as an objective, EITI implementation,

¹² The ZEITI 2019 Report through a survey of government departments and companies projected revenue declines for the Zambia Environmental Management Agency and revised production targets due to the impact of Covid-19 and legislative response to the pandemic.

¹³ Parliamentary Committee Report on the Report of the OAG: The compliance audit on the awarding and monitoring of mining rights for 2017 accounts pg. 25

¹⁴ ZEC Minutes of 8 October 2020

according to industry representatives consulted, has contributed to creating a space in which stakeholders remain engaged in dialogue and building trust particularly on VAT and the contribution of the mining sector to tax and government revenue. Industry noted that ZEITI reporting has helped ground the on-going discussions on the issue in evidence.

An impediment to fully meeting some of the objectives set out by Zambia seems to be inconclusive follow up on recommendations identified in EITI disclosures. While Zambia EITI has followed up on recommendations, not all have been mitigated or addressed. But neither would they be expected to be completed within the current timeframe, as they are more long-term legislative and policy reforms. ZEITI is still following up on establishing a clear plan for disclosing the full text of mining licenses, improving BO data capture and data assurances, and ensuring that the online mining license register provides for downloading data in open format and includes a history of withdrawals, transfers, and renewals. According to ZEITI, work on these recommendations is still ongoing and requires coordination with different government departments and in some cases requires upgrading systems with cost implications.

The Secretariat's preliminary proposal is that 0.5 additional point be added to the score on Outcomes and impact for this indicator.

1.2 Systematic disclosures of extractive industry data

Zambia systematically discloses information on licences through its online mining cadastre. Zambia claims to also disclose information about the legal and licensing framework and some data on production volumes and export data^{15,16} through various government reports. However, these disclosures are not comprehensive. For example, the MMMD's disclosure of legislative documents do not encompass all relevant laws, policies, and regulations, nor refer to the most recent and active ones. The most material mining operations including Chambishi Copper Smelter Ltd¹⁷, Kalumbila Minerals Ltd¹⁸, Kansanshi mining Plc¹⁹, Konkola Copper Mines Plc²⁰, Lumwana Mining Company Ltd²¹, and Mopani Copper Mines Plc²² are owned by listed companies that systematically disclose a variety of information. The companies' disclosures contain some data on tax payments, production data, reserves, environmental information, and employment data from their operations in 2020, however, we did not uncover a review of whether information is comprehensive, nor how it compares to disclosures required by the EITI Standard. ZCCM-IH systematically discloses its audited financial statements, production data from its interests and

¹⁵ Bank of Zambia (n.d.), 'Export value statistics'. Available at: <https://www.boz.zm/balance-of-payments-statistics.htm>

¹⁶ Zamstats (2021), 'Monthly Bulletin July 2021', pp.13,33. Available here: <https://www.zamstats.gov.zm/index.php/publications/category/51-2021>

¹⁷ China Nonferrous Mining Corporation Limited (2021), 'Hong Kong Stock Exchange Listing 01258: Annual Report 2020'. Available at: <https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0428/2021042801694.pdf>

¹⁸ First Quantum Minerals Limited (2021), '2020 Annual report'. Available at:

https://s24.q4cdn.com/821689673/files/doc_financial/2020/First-Quantum-2020-Annual-Report.pdf

¹⁹ Ibid.

²⁰ Vendanta Resources (2021), 'Annual report 2020'. Available at:

<https://www.vedantaresources.com/InvestorReports/VRL%20IR2020%20Web.pdf>

²¹ Barrick Gold Corporation (2021), 'Annual report 2020'. Available at:

<https://www.barrick.com/English/investors/annual-report/default.aspx>

²² Glencore (2021), 'Annual report 2020'. Available at: <https://www.glencore.com/investors/reports-results/2020-annual-report>

or subsidiaries in the mining sector, dividends paid from its subsidiaries; and governance and ownership information related to all its interests in the mining sector.²³

ZEITI is prioritising systematic disclosure. A mainstreaming feasibility study is currently being finalised and ZEITI is working with different government departments to promote routine public disclosure. Some government departments, including the mineral economics department of the MMMD, already have great potential to improve on their systematic disclosures through e.g. statistical systems such as the Mineral Output Statistical Evaluation System (MOSES). This information is shared monthly with Zamstats (Central Statistical Office of Zambia), Zambia Revenue Authority and other agencies. ZEITI ensured to cover gaps in public disclosures, by e.g. publishing production data for 2016-2019 drawing on the MOSES system.

The Zambia Environmental Management Agency (ZEMA) recently launched an online portal and some environmental impact assessments are now publicly accessible on its website. PACRA is developing an online legal and BO register. ZEITI has been supporting efforts by PACRA to develop and operate a comprehensive BO register and is facilitating discussions with the Cadastre Department, which licenses mining companies, to consider making BO disclosures a mandatory requirement in the application for a license.

While there has been progress on systematic disclosure, a key challenge is that access to some of the databases require administrative fees and data is not comprehensive. Additionally, legal and practical barriers exist; present legislation does not facilitate for full-text contract and license transparency, and government laws and systems currently do not facilitate financial reporting at a project (license) level. The 2020-2021 EITI work plan includes activities to strengthen systematic disclosures, as does the 2019 EITI Report itself. If leveraged, it could ensure that EITI implementation in Zambia becomes increasingly routine and sustainable.

The Secretariat's preliminary proposal is that 0.5 additional points be added to the score on Outcomes and impact for this indicator.

1.3 Environment for citizen participation in extractive industry governance

The CIVICUS civic space monitor²⁴ indicates that civic space in Zambia is obstructed. This rating means that civic space is heavily contested by power holders, who impose a combination of legal and practical constraints on the full enjoyment of fundamental rights. Stakeholder consultations however, indicated that Zambia allows broader citizen participation in extractive governance. Civil society and other stakeholders are free to engage in all EITI processes. Representatives on the ZEC such as the Zambia Council of Churches and Caritas Zambia are organisations with wide reach as they have local provincial or district offices. Publish-What-You-Pay Zambia (PWYP-Zambia) played a key role in coordinating civil society engagement for extractive governance matters. To enable wider civil society participation, ZEC extended MSG observer status to Oxfam Zambia.

ZEITI's outreach activities to local communities are primarily made through CSO channels. There is evidence of public community dialogues with mining companies in the areas in which they

²³ ZCCM-IH Annual reports <https://zccm-ih.financifi.com/financials/annual-reports/>

²⁴ CIVICUS civic space monitor Zambia, 2020 <https://monitor.civicus.org/country/zambia/>

operate, and recently a mining indaba was jointly organised by government and civil society. As a result, these activities have contributed to improved knowledge and debate on extractives nationally and in regions with extractive activities. The COVID-19 pandemic has negatively impacted outreach efforts, offset by increased use social media and public radio for dissemination, including a virtual launch of the 2019 EITI Report.

Citizen participation in the EITI and extractives governance is robust, with active calls for improved environmental management and benefit sharing. Consultations with civil society highlighted that ZEITI reporting has contributed to improved monitoring of sub-national revenues in the Copperbelt region. Civil society representatives that are based in the copper producing regions who were part of consultations indicated that EITI reporting enabled them to monitor local social and tax payments to districts.²⁵ Communities have also engaged on extractive governance issues through taking on litigation.

The Secretariat's preliminary proposal is that 0.5 additional points be added to the score on Outcomes and impact for this indicator.

1.4 Accessibility and use of extractive industry data

This indicator considers the extent to which extractive sector data is accessible and used for analysis, research, and advocacy. Zambia EITI disclosures have been timely with the 2019 report and the relevant annexes in open format published in 2020. Disclosures have been used by industry to showcase mining's contribution to the economy and in some cases, have been used for due diligence. Civil society²⁶ and the media have used available data for research and for raising public awareness on extractives.²⁷ Data, including EITI reports, and some summary data has been made available on ZEITI's website. Some of the data, such as production and license, data are in an open format.

The disclosures from ZEITI have moved beyond regular EITI reporting to more analytical work. EITI data is informing ongoing discussions on reforms of the extractives legal and policy framework. Zambia is currently drafting a ZEITI Bill with the aim to create a legislative mandate for additional accessibility of data, as prescribed by the EITI Standard. Additionally, EITI data analysis has contributed to the OAG's work in identifying corruption risks as part of their 2017 audit into the mining license process.²⁸ Lastly, ZEITI is actively engaged in the review of the current fiscal regime, by using EITI revenue data for financial modelling and analysis; in part for training, and in part for impact analysis of fiscal regime changes.²⁹

²⁵ Citizens' groups use revenue disclosures to advocate for local service funding, PWYP Zambia, 2021, https://www.pwyp.org/wp-content/uploads/2021/07/PWYP_Stories_Rev_Zambia.pdf

²⁶ Citizens' groups use revenue disclosures to advocate for local service funding, PWYP Zambia, 2021, Op.cit.

²⁷ Caritas Zambia contributed to the publication 'Experiences and Benefits of Optimised Mineral Resource Governance for Zimbabwe: Lessons from SADC Extractive Industries Transparency Initiative (EITI) Implementing Countries.', 2021, SARW/ZELA

²⁸ Parliamentary Committee Report on the Report of the OAG: The compliance audit on the awarding and monitoring of mining rights for 2017 accounts pg. 25. Submitted by Zambia EITI to the EITI Secretariat as part of Validation.

²⁹ ZEITI has shared training reports and the reports of the fiscal analysis. This work has also been supported by the EITI International Secretariat.

To strengthen data disclosure and accessibility, ZEITI could ensure that comprehensive extractive data is made available in a timely fashion and in an open format.

The Secretariat's preliminary proposal is that 0.5 additional points be added to the score on Outcomes and impact for this indicator.

1.5 EITI-related changes to extractive industry policy and practice

This indicator considers the extent to which EITI has informed changes in extractive sector policies and practices. EITI implementation in Zambia have made significant inroads in influencing extractives legal, policy and practice reforms. The Outcomes and Impact file demonstrates that ZEITI is trusted by policy and decision makers to provide data and analysis that informs discussions on reform.

ZEITI has contributed to the drafting of the ZEITI Bill which is now under consideration by government. This is expected to contribute to institutionalising EITI implementation and institute critical reforms such as contracts and license disclosure. ZEITI has been invited by the MMMD to provide commentary on the review of the Mines Act where there may be need for reform. ZEITI has used financial modelling to assess the impact of the current mining fiscal regime on mining companies and on the effective tax rate and government take. This has resulted in the government inviting ZEITI to develop proposals on options for a new mining fiscal regime. According to the Outcomes and Impact template, ZEITI's reporting identified disclosure gaps in the technical and financial criteria for assessing license applications. There were also deviations between the licensing procedures and actual practice. Zambia's Supreme Audit Institution drew on these findings in its risk assessment, subsequently auditing whether licenses were awarded in line with the mining legislation, and whether licensees then adhered to their obligations. provided, resulted in 874 licenses being cancelled.

Zambia EITI's approach of combining data disclosures with technical capacity building is influencing practice reforms. ZEITI has facilitated training on financial model and financial statements analysis for government officers and other stakeholders. This has resulted in government making a concerted effort to follow up on the submission of financial statements and financial models to the Ministry as required by the law and has also resulted in government commitment to make more use of the data. According to ZEITI, the EITI is now being consulted and requested to provide data within the framework of external missions by the International Monetary Fund (IMF) on mining taxation.

The Secretariat's preliminary proposal is that 1 additional points be added to the score on Outcomes and impact for this indicator.

2. Outcomes and impact

This component assesses EITI Requirements 7 and 1.5, which relate to progress in addressing national priorities and public debate.

Progress by requirement and corrective actions

The detailed assessment of progress in addressing each EITI Requirement or corrective action is available from the data collection templates referenced in annex to this report.

EITI Requirement	Summary of progress in addressing the EITI Requirement	Final assessment
Work plan (Requirement #1.5)	Zambia have fully met the objective that the annual planning for EITI implementation supports implementation of national priorities for the extractive industries while laying out realistic activities that are the outcome of consultations with the broader government, industry, and civil society constituencies. The 2021-2022 workplan is structured using a clear results chain showing how the activities are expected to contribute to identified outcomes and impact. The templates demonstrate clear links between the objectives and national priorities including the Companies Act implementation, the 7 th National Development Plan, Zambia's Economic Recovery Plan (2020-2023) and public interest as indicated through media coverage. The workplan covers the scope of the standard and there is focus on newer requirements of the Standard including beneficial ownership disclosures, gender mainstreaming and environmental disclosures. Operational and strategic objectives related to Validation, systematic disclosures, and the institutionalisation of EITI implementation through the ZEITI Bill are also covered in the workplan. The workplan is costed and identifies funding sources. The level of progress in addressing this requirement has been maintained since the previous Validation.	Fully met
Public debate (Requirement #7.1)	<p>Zambia have fully met the objective to enable evidence-based public debate on extractive industry governance through active communication of relevant data to key stakeholders in ways that are accessible and reflect stakeholders' needs. As per the requirement, Zambia have ensured that disclosures are comprehensible by disclosing summaries of findings from audit reports relevant to the sector, as well as MMMD monitoring reports on production and export data. EITI data is actively used to inform Parliamentary debate and decision-making within government as evidenced by ZEITI being asked to provide evidence on licensing, legal reform, and discussions on the mining fiscal regime.</p> <p>Zambia has exceeded the requirements by undertaking more analytical work in the form of financial modelling reports, a quarterly production bulletin and reports that cover ASM and other issues, in addition to responding to regular media and</p>	Fully met

	<p>governmental requests for data and analysis. Even though dissemination efforts have been affected by the COVID-19 pandemic, events have been led by civil society members of the ZEC, and ZEITI meetings have been live-streamed through social media channels. However, ZEITI is not exceeding all recommendations of this requirements as it does not yet provide sufficient evidence for catering to differences in age, gender, ethnicity, languages, or others. Written comments by ZEC argued that meetings with local communities are held in local languages <i>and</i> in English, with an explicit focus on gender balance in both engagement and in participation in outreach activities. While recognising these comments, the International Secretariat did not locate explicit documentation or data translated to local languages or specific actions that would cater to marginalised groups in the documentation provided, with the exception of a hashtag referring to gender equality.</p>	
<p>Data accessibility and open data (Requirement #7.2)</p>	<p>Zambia have fully met the objective to enable the broader use and analysis of information on the extractive industries, through the publication of information in open data and interoperable formats. ZEITI has an policy that mandates open format publication and use, and publish EITI data on production, exports, and licences in Excel format on their ZEITI portal. ZEITI has finalised all summary data files for all fiscal years covered by EITI reporting. Data on production and exports is collated through the government system named MOSES and is shared monthly with Zambia EITI, Zamstats and ZRA. However, the government and companies themselves do not publish most information online using open formats. Zamstats publishes monthly data in the form of a pdf bulletin. This covers some export data. Zamstats also has an open data portal although this does not have the latest data. Zamstats and ZEITI have begun applying Harmonised System commodity codes in their regular reporting which ensures much better clarity and comparability in their disclosures.</p>	<p>Fully met</p>
<p>Recommendations from EITI implementation (Requirement #7.3)</p>	<p>Zambia have fully met the objective to ensure that EITI implementation is a continuous learning process that contributes to policymaking, based on the ZEC regularly considering findings and recommendations from the EITI process and acting on those recommendations it deems are priorities. The ZEC uses the EITI report to review progress in meeting recommendations from the EITI process. ZEITI also submitted evidence demonstrating that recommendations from EITI implementation are the focus of the current workplan and there is an annual process of reviewing progress in implementation. This implementation status reports highlights if a recommendation is at planning stage, partially implemented or fully implemented. The level of progress in addressing this requirement have been maintained since the previous Validation.</p>	<p>Fully met</p>

Review the outcomes and impact of EITI implementation (Requirement #7.4)	Zambia have fully met the objective of ensuring regular public monitoring and evaluation of implementation, including evaluation of whether the EITI is delivering on its objectives, with a view to ensuring the EITI's own public accountability. The level of progress in addressing this requirement have been maintained since the previous Validation.	Fully met
New corrective actions and recommendations		
<ul style="list-style-type: none"> • To improve public debate, ZEITI could consider developing summaries of EITI reports focusing on different constituent needs. This could include developing summaries on sub-national payments and environmental issues for local communities. Government could also benefit from receiving an overview of the economic contribution from industry and the areas where there may be wide differences in revenue or payment data. Other summarised data could include an overview of and progress on beneficial ownership and contract transparency. • To enhance the impact of EITI implementation in Zambia, the ZEC is encouraged to strengthen follow up on recommendations from EITI reporting particularly on contracts disclosure, beneficial ownership and providing a legal basis for EITI implementation. Putting a timeline to action plans around some of the areas could accelerate progress. • To improve the impact of EITI implementation, ZEC is encouraged to continue doing complex analyses of EITI data and disclosures to inform national discussions on fiscal regime reforms, oversight of state-owned enterprises and debt. • To strengthen EITI implementation, the ZEC may wish to further improve public access to open data. Additionally, ZEC is encouraged to ensure that any additional efforts to consider marginalised groups by accommodating different languages, ages, genders or others, is actively documented and publicised to ensure added accessibility by all interested stakeholders, including for Zambia EITI publications. 		

3. Stakeholder engagement

This component assesses EITI Requirements 1.1 to 1.4, which relate to the participation of constituencies and multi-stakeholder oversight throughout the EITI process.

Progress by requirement and corrective actions

The detailed assessment of progress in addressing each EITI Requirement or corrective action is available from the data collection templates referenced in annex to this report.

EITI Requirement	Summary of progress in addressing the EITI Requirement	Final assessment
Government engagement (Requirement #1.1)	<p>There is evidence of high government engagement in EITI implementation in Zambia. Both the Ministry of Mines and Mining Development and the Ministry of Finance actively participate in EITI. The Secretary to the Treasury chairs the ZEC. The Minister of Mines recently launched the 2019 EITI report.</p> <p>The national secretariat has high capacity and commitment. The government partly funds EITI implementation. There was a reduction in funding in 2020, in the wake of the Covid-19 pandemic. The</p>	Fully met

	Secretariat's assessment is that the objective of the government's engagement in EITI implementation is fully met and the level of progress in addressing this requirement have been maintained since the previous Validation.	
Industry engagement (Requirement #1.2)	Zambia have fully met the objective of ensuring that extractive companies are fully, actively and effectively engaged in the EITI, both in terms of disclosures and participation in the work of the multi-stakeholder group, and that the government ensures an enabling environment for this. The representative body of small-scale miners also actively participate in EITI activities. The level of progress in addressing this requirement have been maintained since the previous Validation.	Fully met
Civil society engagement (Requirement #1.3)	Zambia have fully met the objective of ensuring that civil society is fully, actively and effectively engaged in the EITI process, and that there is an enabling environment for this. The active participation of civil society in the EITI process is key to ensuring that the transparency created by the EITI can lead to greater accountability and improved governance of oil, gas, and mineral resources. The provisions related to civil society engagement seek to establish the conditions that permit this to occur over time. Documentation and stakeholder consultations imply there has been a legal dispute between a mining company and a CSO representatives. However, all stakeholders confirmed that the constituencies resolved representation issues and the matter separately without affecting EITI implementation. Obstacles do not influence CSOs' freedom to express views, operate, and associate on issues related to the EITI. The level of progress in addressing this requirement have been maintained since the previous Validation.	Fully met
Multi-stakeholder group (Requirement #1.4)	<p>The ZEC have exceeded the objective that there is an independent ZEC that can exercise active and meaningful oversight of all aspects of EITI implementation that balances the three main constituencies' (government, industry and civil society) interests in a consensual manner. As a precondition for achieving this objective, the ZEC must include adequate representation of key stakeholders appointed on the basis of open, fair and transparent constituency procedures, make decisions in an inclusive manner and report to wider constituencies. The ZEC has technical working groups on gender and legislative advocacy, and has considered gender-balance in the election of new members. Many elections have been postponed due to the COVID-19 pandemic until Spring 2022, but newly elected representatives are conforming with this ambition within each constituency (4 out of 10 new representatives were female from 2020 onwards).</p> <p>ZEITI has been able to extend government participation beyond the ZEC members. Agencies such as PACRA and the OAG are actively engaged in EITI implementation. Government departments share information requested by EITI regularly and make use of EITI disclosures and analysis in their work. ZEITI has emerged as a platform to consult and</p>	Exceeded

	influence policy discussions from an evidence basis. Government engagement is beyond regular participation in the ZEC and in the reporting process. The government consults ZEITI in various policy processes. This includes on legal reform such as on the ongoing review of the Mines and Minerals Act and the proposed development of the ZEITI Bill. PACRA has consulted with ZEITI on strengthening BO disclosures while the Ministry of Finance and the Ministry of Mines have consulted with ZEITI on the mining fiscal regime including on engagements with the IMF.	
New corrective actions and recommendations		
<ul style="list-style-type: none"> • To strengthen the accountability of the EITI process in Zambia, the ZEC is encouraged to make public and available online ZEC meeting minutes and a register of the ZEC's decisions. • To enhance the impact of EITI implementation in Zambia, the government is encouraged to strengthen follow up on recommendations from EITI reporting particularly on contracts disclosure, beneficial ownership and providing a legal basis for EITI implementation. • ZEITI is encouraged to continue its demonstrated progress on improving gender representation on the ZEC, by setting clear goals of gender balance per constituency, and to ensure adherence starting from membership renewals scheduled for the second quarter of 2022 and onwards. Additionally, Zambia EITI and ZEC should engage with diverse stakeholders particularly at subnational level. 		

4. Transparency

This component assesses EITI Requirements 2 to 6, which are the requirements of the EITI Standard related to disclosure.

Overview of the extractive sector (Requirements 3.1, 6.3)

Overview of progress in the module

EITI reporting in Zambia continues to provide an overview of the extractive activities in the country, including its recent, on-going, and planned exploration activities. However, Zambia does not systematically disclose this information by government agencies, as is also highlighted in ZEITI's draft mainstreaming feasibility study which was shared with the EITI Secretariat for this Validation. The study does highlight that access to up-to-date information on which exploration licenses exist through the Mining cadastre portal³⁰, though it is not possible to isolate recent activities associated with these licenses, nor provide an overview of the industry that would capture developments pertaining to a particular fiscal year. The requirement pertaining to exploration activities was deemed to be of "Satisfactory progress"³¹ during Zambia's second Validation, and the EITI Secretariat's review of the relevant disclosures indicate that the level of

³⁰ Ministry of Mines and Minerals Development (2021), 'Mining cadastre portal of Zambia'. Available at: <https://portals.landfolio.com/zambia/>

³¹ Satisfactory progress in the previous Validation model (see [EITI Standard 2019](#), p.35), is equivalent to "Fully met" of the [current EITI Validation model](#).

progress in addressing this requirement have been maintained since the previous Validation process.

For the extractive sector's contribution to the economy, Zambia was also assessed as having made "Satisfactory progress" under the previous Validation. However, since then new aspects have been included to the requirement, specifically related to employment data of the sector, disaggregated by gender which is now disclosed. While disclosures do not include estimates of ASM and the informal sectors' contribution to GDP, GDP benchmark estimates (though outdated from 2010) imply that ASM and the informal sector are insignificant in Zambia, at less than 1% of the extractive sector's total contribution to the economy.³²

Progress by requirement and corrective actions

The detailed assessment of progress in addressing each EITI Requirement or corrective action is available from the data collection templates referenced in annex to this report.

EITI Requirement	Summary of progress in addressing the EITI Requirement	Final assessment
Exploration (Requirement #3.1)	Zambia have fully met the objective of ensuring public access to an overview of the extractive sector in the country and its potential, including recent, ongoing, and planned significant exploration activities. The level of progress in addressing this requirement have been maintained since the previous Validation.	Fully met
Contribution of the extractive sector to the economy (Requirement #6.3)	Zambia have fully met the objective of ensuring a public understanding of the extractive industries contribution to the national economy and the level of natural resource dependency in the economy. The level of progress in addressing this requirement have been maintained since the previous Validation, providing data for the extractive sector's contribution to GDP, government revenues, and exports. Additionally it provides employment data disaggregated by gender. ZEITI notes that there is no data to estimate informal sector activity, though it is not a significant contributor to macroeconomic indicators.	Fully met
New corrective actions and recommendations		
<ul style="list-style-type: none"> • To further progress on systematic disclosures of exploration activities in Zambia, the ZEC is encouraged to collaborate with the Ministry of Mines and Minerals Development, to ensure that an overview of exploration activities is provided by the Zambian government on a regular basis, in accordance with Requirement 3.1. • To fully capture the contribution of mining to the economy, ZEC should attempt to document government plans to formalise Artisanal and Small-scale Miners' subsector. This could include documentation of plans of ZCCM-IH to increase its participation in mineral trading markets, particularly in gold trade. 		

³² Zamstats (2014), 'GDP Benchmark Estimates: Summary report'. Available at: <https://www.zamstats.gov.zm/index.php/publications/category/10-national-accounts>

Legal environment and fiscal regime (Requirements 2.1, 2.4, 6.4)

Overview of progress in the module

The requirement related to the legal and fiscal framework was deemed to be of “Satisfactory progress” during Zambia’s second Validation, and the EITI Secretariat’s review of the relevant disclosures indicate that the level of progress in addressing this requirement have been maintained since the previous Validation process. EITI reporting in Zambia continue to monitor all aspects of the regulatory framework for the extractive industries, including the legal framework, fiscal regime and the roles of government entities and reforms. Zambia EITI has not highlighted systematic disclosures legislation or regulation documents, other than with reference to ZambiaLii.org³³, which is a non-governmental free-access-to-law movement. Therefore, there is ample scope for Zambia to improve on its systematic disclosures of this requirement. The draft Mainstreaming feasibility report for Zambia, shared as part of documentation for the Validation process, highlight the Ministry of Mines and Minerals Development as the only responsible government entity for systematically disclosing information regarding the legal and fiscal framework.

Since Zambia’s last Validation, new requirements have come into force related to contract transparency. EITI countries are now required to ensure that the contents of all contracts and licenses are publicly accessible for all agreements entered or amended from 1 January 2021 onwards, regardless of whether they are considered material or not. The only exception from full disclosure, is that *“that the MSG be given the discretion to select which exploration contracts [and licenses] are considered material and should be disclosed”* and that *“where there are claims that all contracts [and licenses] under these regimes have standard stipulations as mandated by law and that there are no deviations from such provisions, the onus is on the country to substantiate such claims”*.³⁴

According to documentation provided by Zambia EITI, the main challenge facing full implementation and adherence to the EITI Standard is the current legal framework, which does not guarantee comprehensive disclosure of the contents of future nor current licenses or other legal agreements. The Mines and Minerals Development Act 2015, section 117, and the Petroleum (Exploration and Production) Act 2008, section 86, is cited as hindering publication of contracts and licenses by government agencies. Even so, stakeholder consultations with government representatives also indicated that this barrier depends on the interpretation of the MMDA 2015. The ZEC in its written comments to the draft version of this report reemphasised the interpretation that the government’s policy on contract transparency is non-disclosure through the above-mentioned legislation, and provided an additional reference to the Mines and Minerals Development (General) Regulations of 2016. In practice Zambian government agencies are referencing the barrier of the MMDA 2015 section, there may therefore be scope for disclosure within regulations, as section 43(2) of the regulations state that “The Director of Mining Cadastre shall make electronically filed, scanned documents and mining rights

³³ ZambiaLii (n.d.), ‘ZambiaLii: Welcome to Zambia Legal Information Institute’. Accessed on 14 July 2021. Available at: <https://zambialii.org/>

³⁴ EITI (2020), ‘EITI Board decision 2020-69: The Board agreed clarifications to Requirement 2.4’. Available at: <https://eiti.org/board-decision/2020-69>

information available to the public.” While this section relates to license applications for mineral rights, and the subsequent Form I of the regulations (the application document) indicate that all license appendices are an integral part of those applications and thus might be possible to publicly disclose.

The key would be to identify which precise appendices and documents would be relevant under EITI Requirement 2.4 and whether there is cause for public disclosure under the MMDA 2015, and its related regulations. However, the prevailing interpretation and practice is that the government does not systematically publicise the full text of its licenses and contracts.

While no overview is presented that indicates which precise contracts and/or licenses are *not* publicly accessible, Zambia EITI does fulfil their obligation to present examples and references to those licenses and minerals development agreements are publicly accessible through a third-party provider; ResourceContracts.org. During stakeholder consultations, it was clarified that there is no formal relationship between the Zambian government and the Zambia-specific platform. Thus, these cannot be considered systematic disclosures. Several of the publicly accessible documents relate to “Minerals Development Agreements”, and these legal agreements are void within Zambia’s current legal framework. ZEC comments to the draft version of this assessment indicated that the disclosure practices do not deviate from government policy requirements, i.e. that the government does not publish licenses or contracts. One ZEC member commented that the terms of a license is stipulated by the Third Schedule of the Statutory Instruments of the Mines and Minerals Development (General) Regulations of 2016, though the comments did not identify whether disclosure would include annexes and supporting documents. The representative also noted that petroleum licenses and contracts are more difficult to assess.

Separately, Zambia EITI is the only known source of information providing a complete list of licenses that are active in Zambia.³⁵ However, there is no clear link between these publications and the list of publicly accessible contracts and licenses. The registry data does not contain status on disclosure of licenses and contracts awarded after 1 January 2021, though at least nine licenses were found to be awarded ahead of and after commencement of Validation.³⁶ The Mining cadastre system would require several system changes or an overhaul in order to facilitate disclosure of contracts and/or licenses, and ZEC comments confirmed that no comprehensive disclosure of contracts and licenses exist in full at present, as it would require long-term solutions.

In conclusion, license and contract transparency faces legal barriers in Zambia. However, the ZEC and ZEITI do not yet have a clear plan for disclosing the full text of licenses granted or amended from 1 January 2021. Even with some limited activities highlighted in Zambia’s 2020-2021 Workplan, it does not address the identified challenges and barriers to public disclosure as identified above. It is also evident that a clear plan was not in place by the time of publication of the 2019 EITI Report, as a key recommendation in table 15 is to develop and implement such a

³⁵ Annex 1 of Zambia’s 2019 EITI Report includes a list of mining licenses *granted* in 2019, annex 16 a list of licenses *transferred*, while annex 6 provides a complete list of the mining license register – up and until July 2020.

³⁶ Three LMLs were awarded to Chillerton Group Limited (28210-HQ-LML, 28212-HQ-LML) and Kumbela Mining Company Limited (28753-HQ-LML), with six LELs attached to Mwepago Mineral Resources Limited (29255-HQ-LEL), Project for Agricultural and Individual Development Limited (28418-HQ-LEL), Black Inkalamu Mining Limited (28036-HQ-LEL), Easiearth Resources Limited (27665-HQ-LEL), Webs Electrical Engineering Limited (26522-HQ-LEL) and Kavs Equipment Limited (26563-HQ-LEL).

plan. At the time of writing, Zambia EITI has commissioned a study which will explore how Zambia could approach public disclosure of the full text of all licenses and contracts in the future, through developing a plan in order to address the legal and practical gaps.

In its comments to the draft version of this assessment ZEC referenced the 2021-2022 Workplan, which includes a series of activities. The draft mainstreaming feasibility study, the TORs for the above-mentioned contract disclosure study, and its work on the draft Extractive Transparency and Accountability Bill are cited as a cogent plan for addressing legal and practical barriers to contract disclosure. The International Secretariat recognises the on-going efforts and progress, and the documentation provided does indicate that ZEC considers the above activities as a plan with a clear time frame to address any barriers to comprehensive disclosure.

On the one hand, the ZEITI Bill is well-documented as containing language to ensure license and contract disclosure. On the other hand the draft mainstreaming feasibility study concludes that “Zambia does not have a plan for disclosure of contract with clear timelines and responsibilities” and “Currently, the government does not have a contract disclosure policy or a plan that explains any deviations from the law” (pages 15-16). Yet another workstream is the TORs for the on-going contract disclosure study which confirms that its main deliverables include a plan for what would constitute full contract or license disclosure in the context of Zambia’s mining or petroleum sector, and to produce a full overview of which licenses exist and are or are not fully disclosed. However, in its interpretation of what constitutes a “published plan with a clear time frame reflected in work plans addressing any barriers to comprehensive disclosure”, the EITI Secretariat considers that Phase I of EITI requirements on license and contract disclosure have been fully met. Though there are still concerns related to whether Zambia EITI will be able to fully meet the requirements of Phase II which requires legal and practical barriers to contract disclosure to have been addressed and that all new extractive contracts and licenses are fully disclosed from 1 January 2022 onwards.

Lastly, on environmental impact, an encouraged aspect of the EITI Standard and therefore not subject to scoring, EITI disclosures include an overview of the legal and regulatory framework for managing environmental impact. Zambia also made disclosures related to government environmental rehabilitation projects and the performance of the Environmental Protection Fund (EPF), which is aimed at environmental remediation at extractive project closure. These disclosures provide a basis for stakeholders to evaluate the policy and practice related to managing the environmental impact of extractive industries.

Progress by requirement and corrective actions

The detailed assessment of progress in addressing each EITI Requirement or corrective action is available from the data collection templates referenced in the annex to this report.

EITI Requirement	Summary of progress in addressing the EITI Requirement	Final assessment
Legal framework and fiscal regime	Zambia have fully met the objective of ensuring public understanding of all aspects of the regulatory framework for the extractive industries, including the legal framework, fiscal regime, roles of government entities and reforms. The	Fully met

(Requirement #2.1)	level of progress in addressing this requirement have been maintained since the previous Validation.	
Contracts (Requirement #2.4)	Zambia have fully met the Phase I of this requirement, with the objective to ensure the public accessibility of all licenses and contracts underpinning extractive activities. Additional efforts will be needed for Zambia to fully meet Phase II of the requirement, to be assessed in its next Validation. Licenses awarded in 2021 are not publicly disclosed. In their comments to the draft Validation report, ZEC noted that government entities do not deviate from its (non-disclosure) policies on license and contract disclosures. Additionally, there is currently no legal framework or practice guaranteeing comprehensive disclosure of the contents of future or current licenses. However, Zambia EITI have made a first attempt to provide a partial list of which extractive licenses, concessions and development agreements are publicly available, through third-party sources, but only for a few licenses awarded ahead of the latest legislation. Zambia EITI also publishes the complete list of licenses that exist in Zambia, while noting that no license or contract is currently systematically disclosed apart from through third-party sources. However, Zambia EITI is also currently undertaking a study to further its ambitions for public disclosure of all licenses and contracts awarded or amended in 2021 onwards. ZEC noted that this study, combined with other activities such as adoption of a transparency bill, all represent a cogent plan for overcoming technical and legal challenges to contract disclosure. In its interpretation of what constitutes a “published plan with a clear time frame reflected in work plans addressing any barriers to comprehensive disclosure”, the International Secretariat considers that Phase I of EITI requirements on license and contract disclosure have been fully met. However, there are still concerns related to whether Zambia EITI will be able to fully meet the requirements of Phase II, when legal and practical barriers to contract disclosure must have overcome and that all new extractive contracts and licenses are fully disclosed from 1 January 2022 onwards.	Fully met
Environmental impact (Requirement #6.4)	Requirement 6.4 is an encouraged aspect of the EITI Standard and is therefore not assessed in Validation unless there is evidence that the country has exceeded the requirement. Still, Zambia have met the objective of providing a basis for stakeholders to assess the adequacy of the regulatory framework and monitoring efforts to manage the environmental impact of extractive industries, and to assess extractive companies’ adherence to environmental obligations. The report clarifies the role of various government agencies, the nature of an Environmental Protection Fund which provides financial assurances of environmental rehabilitation after mine closure, as well as the lack of public access to Environmental Impact Assessments and similar documentation through centralised government portals.	Not assessed
New corrective actions and recommendations		
<ul style="list-style-type: none"> To further progress on systematic disclosures of the legal and fiscal framework for the extractive sector in Zambia, the ZEC is encouraged to collaborate with the Ministry of Mines and Minerals Development, to ensure that all relevant legal acts and regulations are systematically disclosed, provide an overview of how the government oversees extractive activities, including which institutions are responsible for oversight over the sector. The regular publications could be reviewed annually by the ZEC, to assess whether the 		

disclosures conform with Requirement 2.1, including highlights of relevant changes and/or reforms underway or recently completed.

- In accordance with Requirement 2.4, by 1 January 2022, Zambia should ensure that any contracts and licenses in the extractive industries that are granted, entered into, or amended from 1 January 2021 are publicly disclosed in their entirety. In accordance with Phase II of Requirement 2.4.b the ZEC is expected to have addressed any barriers to comprehensive disclosure. In accordance with Requirement 2.4.c.ii, Zambia should clarify which license appendixes and attachments exist for licenses and contracts, publish a list of all active contracts and licenses, and indicate which are publicly available versus which are not. In accordance with Requirement 2.4.c.iii, Zambia should publish an explanation for any deviations between disclosure practices and legislative or government policy requirements concerning the disclosure of contracts and licenses.
- In order to strengthen systematic disclosures, Zambia EITI is strongly encouraged to work with the Mining Cadastre Office (MCO) to explore how license certificates and all their appendixes can be made publicly accessible through the existing cadastre system, and to ensure that information is further interlinked with the MOSES system and other government portals. Zambia EITI is recommended to complete its on-going study on contract transparency and use its findings and recommendations to overcome the barriers to disclosures. Zambia may also wish to ensure that the draft Extractive Transparency and Accountability Initiative Bill progresses and includes adequate provisions that enable contract and license transparency. Additional improvements could also be made in data accessibility, by incorporating opportunities for downloading the full *lists* of licenses and license holders in open data formats. This feature is currently held within the internal systems and it may be possible to provide it to external audiences as well. To this end, Zambia EITI and the MCO could work together to identify sources for funding to ensure that the necessary revisions and changes to the system are made.
- To strengthen EITI implementation, ZEITI is encouraged to collaborate with the Zambia Environmental Management Agency (ZEMA) to systematically disclose environmental licences granted each year, any environmental audits carried out including audits of the environmental management fund, and environmental reports produced by companies.
- To further strengthen citizens' understanding of environmental rights and obligations, Zambia EITI could consider summarising the precedence-setting court decisions driven by civil society's litigations related to the environmental impact of mining operations.

Licenses and property rights (Requirements 2.2, 2.3)

Overview of progress in the module

In Zambia's second Validation³⁷, the EITI Board concluded that Zambia had met most of the aspects required for license and contract allocations. ZEITI and other public sources disclosed which licenses were allocated, what statutory rules and procedures exist, and what criteria was used for the 2016 petroleum bidding rounds. However, the existence of award criteria in the mining license allocation process was not sufficiently clear, nor were the impact of newly introduced regulations. Lastly, Zambia did not include an assessment of non-trivial deviations from statutory procedures.

³⁷ EITI (2019), 'Board decision 2019-71: The Board agreed that Zambia has made meaningful progress with considerable improvements in implementing the 2016 Standard.'. Available at: <https://eiti.org/board-decision/2019-71>

Since the previous Validation process, ZEITI have overcome these challenges. In particular, ZEITI and other actors have made progress in clarifying the statutory procedures. The 2019 report provides detailed instructions of the process for licenses are awarded and transferred. This includes the technical and financial criteria on which awards and transfers of licenses were approved in 2019. It also contains confirmation from relevant government agencies that there were no deviations from these statutory processes.

Furthermore, the report goes beyond EITI requirements by building on findings of a 2017 audit report³⁸ describing concerns surrounding the historic awards of licenses. The 2019 Zambia EITI Report summarises the findings of the audit report, including presenting an explanation of which statutory procedures were not adhered to. The findings were furthermore used as grounds further engaging and requesting additional assurances from government agencies for the purpose of reporting for the 2019 report. As Zambia EITI arguably has included additional information on the allocation of licenses as part of EITI disclosures, at least for the mining sector, the review concludes that Zambia has exceeded EITI requirements on this matter.

The requirement related to the license registry was deemed to be of “Satisfactory progress” during Zambia’s second Validation. At first, the EITI Secretariat’s review of disclosures for the 2019 fiscal year indicated that the level of progress in this requirement had declined. EITI reporting in Zambia continued to monitor the license registry, and provide a complete list of licenses (as opposed to providing all information through a cadastre portal³⁹ maintained by the Mining Cadastre Department). By analysing the data, the EITI Secretariat identified some gaps in disclosures were identified through a review of ZEITI’s annexes to the 2019 Report, containing various lists of all licenses in Zambia.⁴⁰

The Transparency templates submitted by ZEITI, identified seven licenses that did not identify any area or size related to the licensed area, or did not identify "map area" through the Cadastre system, as required by requirement 2.3.b.ii. Stakeholder consultations revealed these licenses were inactive and were considered a database issue. Additionally, nine licenses lacked an identification of the commodities covered, as required by requirement 2.3.b.iv. During the course of stakeholder consultation, these information gaps were remedied by the MCO.⁴¹ None of these gaps were captured through EITI reporting or through other public disclosures, as per requirement 2.3.c, but were remedied through stakeholder consultations for Validation.

Progress by requirement and corrective actions

The detailed assessment of progress in addressing each EITI Requirement or corrective action is available from the data collection templates referenced in the annex to this report.

³⁸ Office of the Auditor General, republished by ZEITI (2019), ‘Compliance Audit Report on the awarding and Monitoring of Mining Rights for 2017 Accounts’. Available at: <http://zambiaeiti.org/wp-content/uploads/2020/04/Compliance-Audit-Report-on-the-awarding-and-Monitoring-of-Mining-Rights-for-2017-Accounts.pdf>

³⁹ Ministry of Mines and Mineral Development (n.d.), ‘Zambia Mining Cadastre Portal’. Available at: <https://portals.landfolio.com/zambia/>

⁴⁰ The gaps relate to the completeness of information of annex 6 of the EITI Report.

⁴¹ 8403-HQ-LML (Chambishi Copper Smelter Limited), 7074-HQ-LML (Konkola Copper Mines Plc), 7625-HQ-LML (Mopani Copper Mines Plc), 7069-HQ-LML (NFC Africa Mining Plc), 19619-HQ-LML (Sino-Metals Leach Zambia Limited).

EITI Requirement	Summary of progress in addressing the EITI Requirement	Final assessment
Contract and license allocations (Requirement #2.2)	Zambia have exceeded the objective of this requirement, to provide a public overview of awards and transfers of oil, gas and mining licenses, the statutory procedures for license awards and transfers and whether these procedures are followed in practice. While an audit report of 2017 caused concerns surrounding the award processes of several mining licenses, the report now summarises these findings, as well as the recommendations and follow up from government. The report goes beyond what is required by the EITI Standard in providing an overview of non-trivial deviations from statutory processes.	Exceeded
Register of licenses (Requirement #2.3)	Zambia have fully met the objective of this requirement to ensure the public accessibility of comprehensive information on property rights related to extractive deposits and projects. While some disclosure gaps were identified through documentation review, the gaps were remedied by the Mining Cadastre Office by the time of drafting this assessment, and the level of progress in addressing this requirement have been maintained since the previous Validation.	Fully met
New corrective actions and recommendations		
<ul style="list-style-type: none"> To ensure continued adherence with Requirement 2.3.c, the ZEC should ensure that license registry information gaps, including for licenses held by non-material entities, are highlighted and remedied through the EITI reporting process, ahead of EITI Validation processes. 		

Beneficial ownership (Requirement 2.5)

Overview of progress in the module

Adherence to Requirement 2.5 on beneficial ownership is assessed in Validation as of 1 January 2020 as per the framework agreed by the Board in June 2019.⁴² The assessment consists of a technical assessment focusing on initial criteria and an assessment of effectiveness.

Technical assessment

Zambia EITI, through the 2019 EITI Report, clarifies the government's position on beneficial ownership. The Companies Act 2017⁴³, requires beneficial ownership registration by all companies, to be maintained by each company themselves and by the Patents and Companies Registration Agency (PACRA). As all companies that apply for mining licenses must be incorporated in Zambia, it implicitly means that all companies must provide BO information in order to acquire exploration or mining rights. The report furthermore identifies that BO data is collected by PACRA through annual returns submitted to them. However, the report also indicates

⁴² EITI (2019), 'Assessing implementation of EITI's beneficial ownership requirement'. Available at: <https://eiti.org/document/assessing-implementation-of-eitis-beneficial-ownership-requirement>.

⁴³ ZambiaLii (2017), 'Zambia Lii: The Companies Act 2017'. Available at: <https://zambialii.org/node/13532>

that there are no prerequisites to provide BO data in order to obtain petroleum rights in Zambia. The report provides recommendations for how to overcome this challenge.

The definition of the term “beneficial owner”, is disclosed in the EITI Report and through a third-party source providing public access to the legal acts underpinning the definition.⁴⁴ While Zambia EITI claims the third-party source constitutes systematic disclosure, it is in fact not in the custody of any government entity. Nonetheless, the definition coincides with the requirements of the EITI Standard.

The EITI Report explains that, while the Companies Act 2017 falls short of defining or requiring an indication of Politically Exposed Persons (PEP), the Financial Intelligence Centre Act of 2010⁴⁵ (amended in 2016) defines this concept. The report further explains how ZEC has adopted, and expanded on, these definitions. Additionally, the Financial Intelligence Centre issued a new and more detailed definition of PEPs in December 2017.

BO data was obtained from PACRA for the companies covered in the scope of reporting. However, it was found that PACRA's registry does not include (i) indication of PEPs, (ii) level of ownership, nor (iii) how control is exerted. The PACRA's Declaration of Beneficial Ownership Form⁴⁶ confirm these gaps in requested information. Thus ZEITI also requested the additional information directly from in-scope companies. While BO data was *requested* from all material companies, only five companies provided the requested information (out of a total of 16). The report furthermore provides several recommendations for how PACRA can improve on the data of their registry.

Four material companies provided information that their parent companies were publicly listed. Each of these included the name of the listed entity as well as the stock exchanges of the listing.

Our review implies that only seven companies provided information about their legal owners. Data is therefore only partially disclosed. The companies that did not submit comprehensive data on legal owners are: Chambishi Copper Smelter Limited, CNMC Luanshya Copper Mines Plc, Dangote Quarries Zambia Limited, First Quantum Mining and Operations Ltd, Kagem Mining Ltd, Lafarge Cement Zambia Plc, Lubambe Copper Mine Ltd, NFC Africa Mining Plc and Sino Metals Leach Zambia Ltd.

In its comments to the draft version of this assessment, ZEC indicated that most technical aspects of the requirement are addressed, though also confirmed that some gaps and challenges exist. ZEC highlighted that while some companies have disclosed BO information, this does not cover all companies. Additionally, their comments confirmed there are some information gaps of companies with parent companies publicly listed on stock exchanges. Lastly, ZEC indicated that legal ownership was comprehensively addressed, although they did not provide any reference to the comprehensive disclosure of legal owners as evidence for this claim (see Transparency template for details).

⁴⁴ Ibid.

⁴⁵ Blackhall Publishing (2018), 'Laws of Zambia'. Available at: <https://zambialaws.com/principal-legislation/financial-intelligence-centre-act>

⁴⁶ Patents and Companies Registration Agency (2018), 'Declaration of Beneficial Ownership'. Available at: <https://www.pacra.org.zm/applications/pacra/html/attachments/2019form21.docx>

Assessment of effectiveness

Zambia's work on beneficial ownership disclosures goes beyond the EITI platform. Beneficial ownership requirements in Zambia are general, and applicable to all companies – also those beyond the extractive industries. In addition, Zambia EITI assesses to what extent all extractive companies have to submit BO data. The report notes that, as none of the material companies were bidders or applicants for new licenses during the fiscal year in question, there is no BO information reported for them. Also, the report clarifies that petroleum companies do not have to submit BO data for obtaining petroleum rights, as petroleum rights holders are not required to incorporate in Zambia and therefore could circumvent the Companies Act 2017. The EITI Report therefore has developed a recommendation to close this gap. Even so, section (299) of the Companies Act 2017 encourages non-Zambian companies to register in Zambia, which would require submission of BO data. Additionally, government representatives confirmed that BO data is required as part of their filings to the MCO and/or MMMD.

So far, the PACRA register does not provide legal or beneficial ownership information without a payment for a printout of ZMW 90 per company (just short of USD 5). PACRA's company register allows to search for companies by name or corporate ID. If an official printout is purchased, the company entries include Corporate name, registration number, status (active/inactive), date of incorporation, local/foreign company and compliance with annual returns, nominal capital and value. Legal ownership information is possible (there is a section for this information), as is it for beneficial ownership information, however, according to government stakeholders there is minimum threshold for how comprehensive legal ownership data should be when submitted to PACRA. Such minimum thresholds do exist for BO data.

As part of our review, documentation and consultations did not provide any evidence of a complete assessment of BO disclosures, made by either ZEITI or by PACRA. However, in 2019 the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) performed a mutual evaluation of Zambia's progress on legal persons and beneficial ownership transparency. In 2019, Zambia was concluded to be partially compliant on legal persons and beneficial ownership transparency.⁴⁷ The review found that, while the legal and to a large extent practical aspect enable BO disclosures in Zambia, there are certain gaps. The authorities had not yet considered whether all types legal persons in Zambia would have to provide BO information, nor whether these presented risks for money laundering in the country. The review also indicated that there were no provisions that force companies to “cooperate with competent authorities in determining the beneficial owner.” It also highlighted a weakness in that companies are not prohibited from issuing *bearer shares*. In conclusion, the review highlights that Zambia had largely established the legal platform and mandate for declarations of beneficial owners. However, the review also indicated that steps were necessary to mitigate reliability risks and data access.

To supplement this review, the team also performed an assessment of the data available from PACRA's website (see table in Annex A).⁴⁸ Of the 16 material companies, corporate printouts were located and purchased for 14 of them.⁴⁹ None of the printouts presented BO data, under

⁴⁷ Eastern and Southern Africa Anti-Money Laundering Group (2019), 'Zambia's measures to combat money laundering and terrorist financing', pages 158-161. Available at: <http://www.fatf-gafi.org/publications/mutualevaluations/documents/mer-zambia-2019.html>

⁴⁸ Patents and Companies Registration Agency (2020), 'PACRA online registration system'. Available at: <https://portal.pacra.org.zm/dashboard>

⁴⁹ The search was unable to locate Maamba Collieries Limited and Sino-Metals Leach Zambia Limited.

either the “Individual Beneficial Owner” headings, or the “Beneficial Owner Body Corporate” heading. Legal ownership was partly included for most of the companies, but only complete for three. The remaining nine company entries either did not provide the number of authorised shares for the company as a whole, or identified a number of authorised shares held by individuals or legal entities that was less than the total. Combined with the gaps in the EITI Report, this implies that comprehensive data is not readily available either through systematic disclosures, nor through EITI reporting, and it is not certain that complete BO and legal ownership data has been requested from all extractive companies.

The EITI Report relies on additional measures for data reliability, but explain that data submissions are deemed reliable only through corporate sign-off and guarantees, as well as oversight clauses and requirements stipulated in the Companies Act 2017. BO data submitted to EITI countries followed the regular data assurances as listed under Requirement 4.9.

As there is no indication of whether any of the companies are owned by PEPs, it is difficult to ascertain the significance of the BO omissions by several material companies. Still gaps exist in both PACRA’s systems, as well as in EITI Reporting. It is therefore unclear whether this will cause a challenge for PACRA to complete the gaps in their databases. Still, EITI Reporting does provide several recommendations to ensure that data is made more accessible. So far, stakeholders have not questioned the statutory fee required for accessing BO data for companies, and whether this would imply that data is or is not accessible for the general public. However, it has been cited as a concern when the question was posed as part of consultations. This fee, ZMW 90 per individual company printout, or roughly USD 4-5, represents 1.5% of an average monthly salary for a teacher.

Progress by requirement and corrective actions

The detailed assessment of progress in addressing each EITI Requirement or corrective action is available from the data collection templates referenced in the annex to this report.

EITI Requirement	Summary of progress in addressing the EITI Requirement	Assessment
Beneficial ownership (Requirement #2.5)	Zambia have mostly met the objective of this requirement to enable the public to know who ultimately owns and controls the companies operating in the country’s extractive industries, particularly those identified by the ZEC as high-risk, to help deter improper practices in the management of extractive resources. While most aspects of Phase I of beneficial ownership requirements have been addressed, there is no evidence that the ZEC has published an assessment of the comprehensiveness and reliability of beneficial ownership disclosures to date from all companies holding or applying for extractive licenses (i.e. not only of material companies included in the scope of EITI reporting in accordance with EITI Requirement 2.5.c). In its comments to the draft version of this assessment, ZEC indicated that most technical aspects of the requirement are addressed, though also confirmed that some gaps and challenges exist. In addition, the PACRA's company register and portal does not provide the name of the stock exchange where publicly-listed companies (or their wholly-owned subsidiaries) are listed. Lastly, legal ownership of extractive companies is only partially disclosed by Zambia EITI, and while	Mostly met

	the PACRA registry contains some information on legal owners, for most companies it is not possible to ascertain that all legal owners and their respective shares have been disclosed. BO data is not available through the PACRA register for the material companies.	
New corrective actions and recommendations		
<ul style="list-style-type: none"> In accordance with Requirement 2.5 and to prepare for the second phase of Validation of Requirement 2.5 from January 2022 onwards, Zambia is required to ensure that the beneficial ownership of all companies holding or applying for a mining, oil and gas license is comprehensively and reliably disclosed as of January 2022. In the meantime, in accordance with Requirement 2.5.c, Zambia is required to ensure that the ZEC publishes an assessment of the comprehensiveness and reliability of beneficial ownership disclosures of all companies holding or applying for a mining or oil and gas license. Publicly listed companies, including wholly owned subsidiaries of companies listed on stock exchanges, are required to disclose the name of the stock exchange, and include a link to the stock exchange filings where they are listed, in accordance with Requirement 2.5.f.iii. Lastly, Zambia is also required to ensure that legal ownership data is available either through Zambia EITI reporting or through systematic disclosures, in accordance with Requirement 2.5.g. 		

State participation (Requirements 2.6, 4.2, 4.5, 6.2)

Overview of progress in the module

All the requirements related to state participation were deemed to either be of “Satisfactory progress” or “Not applicable” in Zambia’s second Validation. The EITI Secretariat’s review of the relevant disclosures indicate that the level of progress in addressing these requirements have been maintained since the previous Validation process.

Progress by requirement and corrective actions

The detailed assessment of progress in addressing each EITI Requirement or corrective action is available from the data collection templates referenced in the annex to this report.

EITI Requirement	Summary of progress in addressing the EITI Requirement	Final assessment
State participation (Requirement #2.6)	Zambia have fully met the objective of ensuring an effective mechanism for transparency and accountability for well-governed SOEs and state participation more broadly through a public understanding of whether SOEs’ management is undertaken in accordance with the relevant regulatory framework. This information provides the basis for continuous improvements in the SOE’s contribution to the national economy, whether financially, economically or socially. The level of progress in addressing this requirement have been maintained since the previous Validation.	Fully met
Sale of the state’s in-kind revenues (Requirement #4.2)	Requirement 4.2 remains 'Not Applicable' in Zambia in the period under review. The SOE operating in the mining sector, Zambia Consolidated Copper Mines – Investment Holding (ZCCM-IH), or other government	Not applicable

	agencies do not receive revenues paid in kind or directly from the sale of the state's share of production.	
Transactions related to state-owned enterprises (Requirement #4.5)	Zambia have fully met the objective of ensuring the traceability of payments and transfers involving SOEs and strengthen public understanding of whether revenues accruable to the state are effectively transferred to the state and of the level of state financial support for SOEs. The level of progress in addressing this requirement have been maintained since the previous Validation.	Fully met
Quasi-fiscal expenditures (Requirement #6.2)	Requirement 6.2 remains 'Not Applicable' in Zambia in the period under review. The SOE operating in the mining sector, Zambia Consolidated Copper Mines – Investment Holding (ZCCM-IH), does not appear to make material quasi-fiscal payments. There is only evidence of smaller social contributions being made, which are disclosed in the company's annual financial report.	Not applicable

Production and exports (Requirements 3.2, 3.3)

Overview of progress in the module

The requirements related to production and export data were deemed to be of “Satisfactory progress” during Zambia’s second Validation. The EITI Secretariat’s review of disclosures for the 2019 fiscal year indicates that the level of progress in addressing this requirement have declined. While EITI reporting in Zambia continue to monitor production volumes and values, as well as export volumes and values, the 2019 Zambia EITI Report and Validation templates did not contain production values for amethyst, dolomites and quartz. Although Zambia EITI in the past published supplementary data files^{50,51} that covered for these data gaps (and several other commodities), no additional data disclosures were located other than through the 2019 Report. ZEC comments to the draft version of this assessment imply that the Mines Development Department does not assign any values to industrial minerals largely due to its informal nature, referencing a letter provided by the agency. Furthermore, ZEC comments imply that value-assignment is only possible to ascertain once the “sector is fully understood by the government.” These comments, while they may explain why Zambia EITI did not publish additional production data on volumes and values, do not explain why the same level of data was not made available as for previous years (ref footnotes 50 and 51).

Export data, although progressing greatly by applying international data standards for commodities, did not provide a complete picture of export volumes and values of commodities produced in Zambia. Export volumes and values were not available for coal and silver, though does not present a significant gap as it is due to domestic consumption and lack of exports (confirmed by both stakeholders and the Independent Administrator). Lastly, 2019 export values

⁵⁰ Zambia EITI (2019), 'Mineral Production Values 2013-2018'. Available at: <http://zambiaeiti.org/wp-content/uploads/2019/04/Mineral-Production-Values-2013-to-2018.xlsx>

⁵¹ Zambia EITI (2019), 'Mineral Production Data 2016-2019'. Available at: <http://zambiaeiti.org/wp-content/uploads/2019/04/Mineral-Production-Data-2016-2019.xlsx>

were not provided for different precious stones, nor for cement and limestone exports, separately. ZEC comments indicated that values are only collected by ZRA after a sale or auction, and in some instances ZRA does its own calculations. The comments referred to example data from ZRA, though none of the information appeared to cover the gaps of 2019 export volumes and values for all commodities.

Zambia EITI has managed to position itself as an integral part of the country's efforts to monitor production and exports, given the license/royalty regime. The Mineral Output Statistical Evaluation System (MOSES) system made mineral production and export data collection increasingly efficient and led to improved compliance of reporting for extractive companies, by removing duplication of efforts.

Companies submit data through MOSES within 15 days from the end of the month. A monthly report is distributed to government stakeholders by the end of the following month. However, in the event that government agencies question the submitted information, the data remains static. It triggers a process to request companies to clarify or address inconsistencies, though there are no procedures in place currently in the event of refusal.

Another challenge associated with the MOSES system is coverage. It encompasses production and export of base metals and precious metals only. While the administrators have sought funding to expand this scope to apply for gemstones and other commodities as well, disruption in available funding has halted any expansion. The closure of the Mineral Value Chain Monitoring Project (MVCMP), which spawned the MOSES system, is related to the issue of missing production and export data. Furthermore a letter from the Geological Survey Department indicates that values exports and sales are valued on a "lot by lot basis", making aggregation and average price estimation difficult. Stakeholder consultations confirmed this, and indicated that new trading permits are not permissible to persons or companies that have not provided monthly returns for the last three months, but the quality of then-reported data is very difficult to ascertain. This has also been highlighted through Zambia's participation in a forthcoming study exploring what production and export disclosures take place in EITI countries, including the systems for monitoring such activities.

The 2019 EITI Report indicates MMMD is responsible for an initial valuation of gemstones, which was confirmed by stakeholders to be done based on quantity, clarity and colour. The main gemstone in production is emeralds. Stakeholders also noted that actual auction/sales prices differ substantially from this initial valuation, and while MMMD strives to monitor these sales, it is a challenge to ensure comprehensiveness of reporting due to capacity constraints. Consultations confirmed that any monitoring of gemstones, industry minerals or energy minerals rely on hard-copy filings and is not readily accessible, and quality assurance remains a challenge due to the number of filings per month in hard copy, with subsequent transposition to an excel workbook.

In conclusion, due to the capacity constraints of MMMD's monitoring systems, comprehensive monitoring of the production and/or sales values is challenging, and might help explain the missing production data for some gemstones, and other commodities. However, export data is regularly monitored through ZRA's customs department, even though some representatives highlighted issues in ensuring high-quality data. It does not seem to explain the issue of insufficient disaggregation of export data for cement and limestones. While Zambia EITI published additional data supplementing ZEITI reports of the past and ensured comprehensive

disclosure for all commodities, no such publication exists covering gemstones, industry minerals or energy minerals in 2019.

Progress by requirement and corrective actions

The detailed assessment of progress in addressing each EITI Requirement or corrective action is available from the data collection templates referenced in the annex to this report.

EITI Requirement	Summary of progress in addressing the EITI Requirement	Final assessment
Production (Requirement #3.2)	Zambia have mostly met the objective of ensuring public understanding of extractive commodity(ies) production levels and the valuation of extractive commodity output, as a basis for addressing production-related issues in the extractive industries. Since the previous Validation production values of Amethysts, Dolomites and Quartz have not been provided for 2019. ZEITI has also not performed additional disclosures as in past years to cover additional commodities missing from EITI reports. Comments from ZEC provided reasoning behind why such data is difficult to collect and publish, but did not indicate why Zambia EITI's former disclosures of production data were not extended to 2019. Lastly, as identified in previous Validations, constraints continue to exist in the MOSES system's scope. Thus this leads to capacity constraints of the related government agencies (MMMD and ZRA), providing comprehensive and disaggregated production data due to a non-digital monitoring system for industrial and energy minerals, as well as gemstones.	Mostly met
Exports (Requirement #3.3)	Zambia have mostly met the objective of ensuring the public understands of extractive commodity(ies) export levels and the valuation of extractive commodity exports, as a basis for addressing export-related issues in the extractive industries. Since the previous Validation, Zambia has improved on data access and interoperability by publishing export numbers in open data formats applying international data standards. However, export volumes and values of different gemstones and industrial minerals have not been provided for individual commodities nor has it been for cement or limestone products specifically. Comments from ZEC referred to example data from ZRA, though none of the information appeared to cover the gaps of 2019 export volumes and values for all commodities.	Mostly met
New corrective actions and recommendations		
<ul style="list-style-type: none"> • In accordance with EITI Requirement 3.2, Zambia should ensure that production volumes and values are made publicly accessible for all commodities, including for each gemstone and industrial/energy mineral produced. • In accordance with EITI Requirement 3.3, Zambia should ensure that export volumes and values are made available for all commodities, including for coal and silver where production do not translate into exports. Additionally, Zambia should ensure that export volumes and values are publicly accessible for various gemstones, and for different construction-related products such as cement versus limestone. • To further enhance the impact of EITI implementation, the Zambia EITI Council is encouraged to engage with the Ministry of Mines and Minerals Development and the Zambian Revenue Authority to further expand the scope and added value of the MOSES system, in order to ensure regular monitoring and valuation of commodities beyond base and precious metals. The Government of Zambia through the Ministry of Minerals and Mining Development 		

should consider options for obtaining the necessary funds to ensure expansion of the MOSES system to cover industrial and energy minerals and gemstones. This could include use of the national budget or engaging with development partners.

Revenue collection (Requirements 4.1, 4.3, 4.4, 4.7, 4.8, 4.9)

Overview of progress in the module

With the exception of EITI Requirement 4.9 on Data quality, all the requirements related to revenue collection were deemed to either be of “Satisfactory progress” or “Not applicable” during Zambia’s second Validation. The EITI Secretariat’s review of the relevant disclosures indicate that the level of progress in addressing these requirements have been maintained since the previous Validation process.

Additionally, since the previous Validation a new requirement has come into force related to disaggregation. EITI countries are, for any fiscal year ending on or after 31 December 2018, to ensure that EITI data is disaggregated by each individual project – defined as each legal agreement between companies and governments that form the basis for payment liabilities. The only exceptions are either (i) where multiple agreements are substantially interconnected both operationally and geographically, or (ii) where payment obligations are levied at company level instead of per project.

In Zambia, a lot of progress has been made on project-level reporting to overcome challenges of government systems to adequately monitor extractive sector revenues at a granular level. The first issue has been existing systems and legislation related to the ZRA, and their ability to provide data on a per-license basis. As noted in EITI reporting, and through stakeholder consultations, ZRA only monitors payments per taxpayer identification number not by license numbers. However, a government representative did indicate that certain income taxes were subject to ring-fencing laws in the events that a single license agreement covered multiple deposits. Another government representative also indicated that there are provisions in existing laws that award the Minister of Mines and Minerals Development with powers to ask companies to provide additional data as the ministry deems necessary, within certain limitations.⁵²

As such, the government systems are not currently fit to comprehensively monitor extractive operations and payments to the government per individual project. As an interim measure to overcome this barrier to systematic disclosure, Zambia EITI relied on corporate reporting to ensure public disclosure of per-project revenue data. Zambia EITI, through the 2018 and 2019 EITI reports, identified what constitutes a project (a single license), as well as which payment types are indeed levied and imposed at the level of licenses.⁵³

In 2018, the first attempt at project-level disclosures in Zambia, 30% of the revenues levied or imposed at license level was reported as such. In 2019, payments made by material companies

⁵² See MMDA 2015, section 117(2)(e).

⁵³ These include Annual Business Fees, Application Fees, Area Charges, Chemical analysis, Environmental Protection Fund payments, Ground Rent, Mineral Royalty, Property Rates, Property Transfer Tax, and Valuation Fees.

that were levied on license level amounted to ZMW 4.4 billion, or more than 30% of total extractive sector receipts. Only some of the 16 companies did not provide data by project, namely Kalumbila Minerals Limited, ZCCM Investments Holdings Plc, Kagem Mining Ltd, Sino-Metals Leach Zambia Ltd, Lafarge Cement Zambia Plc, and CNMC Luanshya Copper Mines Plc. The reported payments encompass more than 70% of companies payments that should have been disaggregated by project, representing a 40-percentage point increase in coverage – a significant improvement.

However, to ensure that project-level reporting remains a sustainable and regular monitoring practice of the Zambian government, reforms in legislation and monitoring systems needs to be sought. The level of legislative and practicable changes needed, however, depends on which government agency should uphold project-level monitoring. According to a draft mainstreaming feasibility study, submitted for the purpose of this Validation process, recommendations are being developed to ensure that Zambia is able to progress further on its routine monitoring of revenues at the project-level. A representative from ZEC confirmed the highlighted restrictions of government systems, and noted that long term solutions for systematic disclosure at project level would entail significant changes to the government's tax system. However, the comments did not consider other alternative approaches such as ring-fencing requirements or other regular reports to government agencies. Otherwise the comment by the ZEC representative confirmed the findings of this Validation report and does not dispel that ZEITI can function as an interim platform to ensure these disclosures are made through ZEITI reporting.

Lastly, in Zambia's second Validation⁵⁴, the EITI Board concluded that Zambia had met most of the aspects required for data reliability, but not all. According to the Board's decision, ZEITI had altered their procedures for data quality assurances after completing data collection, and the Independent Administrator had not provided an assessment of the data's reliability.

For their 2019 EITI Report, Zambia EITI deviated from the standard procedures of Requirement 4.9.b, as part of the Board-approved application of flexible reporting.⁵⁵ Zambia EITI used a Terms of Reference and procedure which continues to use a form of reconciliation, though companies and revenue streams were selected using a risk-based approach. The full details are included in the Transparency template annex. ZEC meeting minutes and other documentation proves that Zambia EITI and the ZEC followed the standardised, though flexible, Terms of References (ToR).

Additionally, the Zambia has further improved on assessments of reliability and comprehensiveness, as the IA now provides such assessments in the 2019 EITI Report. In fact, the IA provided an opinion that there were issues with the data due to unresolved discrepancies that exceeded the 1% maximum threshold agreed by the ZEC, but that the overall integrity of the revenue data was maintained due to the regular and additional data assurances.⁵⁶ However, some procedural gaps occurred in Zambia's assessment of audit practices by companies; falling short of assessing whether all companies were subject to credible, independent audits, applying

⁵⁴ EITI (2019), 'Board decision 2019-71: The Board agreed that Zambia has made meaningful progress with considerable improvements in implementing the 2016 Standard.'. Available at: <https://eiti.org/board-decision/2019-71>

⁵⁵ EITI (2020), 'The Board approved measures relating to reporting deadlines and extension requests'. Available at: <https://eiti.org/board-decision/2020-31>

⁵⁶ These assurances included a review of existing controls as well as senior officials' signatures and certifications that the accounts provided were truthful.

international auditing standards. The legislative environment and various requirements for audits have been adequately performed, as per EITI Requirement 4.9.a, though no assessment of *practice* was undertaken to clarify which companies had undergone audits of their 2019 accounts, versus those that had not.

Supplementing this review, the EITI Secretariat purchased company entry printouts for all the companies located through PACRA's online portal. Fourteen of the 16 companies were possible to locate. Of these, all of the 14 companies with the exception of one⁵⁷ indicated that all Annual returns had been filed, but did not indicate whether the filings were adequate or included audited financial statements.

Stakeholders consulted with these findings in mind, did not view EITI data reliability as concerning. Some industry representatives also implied that additional audits undertaken by ZRA are on-going in addition to regular and independent audits by external auditors. Stakeholders indicated that the additional assurances, combined with the reconciliation exercise was sufficient for them to conclude that the data was comprehensive and reliable, satisfying the overall objective of Requirement 4.9. According to the IA, companies were all subject to a compliance-check review using PACRA's filings portal, and assessed whether companies applied (i) international accounting standards, (ii) whether annual accounts were subject to audits, and (iii) whether international auditing standards were applied to these audits. While not explicitly documented in the EITI Report, the IA clarified in writing that ECAF and IAA scores were considered as *medium* for non-listed companies, and *high* for listed companies. Neither the EITI Report nor the written feedback explicitly identifies why this score was reached per company, nor which companies were represented in each group. The IA's written response provided hyperlinks to eight material companies' annual reports for 2019⁵⁸, that were not identified through EITI reporting. Thus, Zambia is recommended to improve their procedures to ensure that a detailed assessment is made explicit through EITI reporting, identifying for each corporate and government entity which weaknesses exist in their accounting and assurance procedures.

Progress by requirement and corrective actions

The detailed assessment of progress in addressing each EITI Requirement or corrective action is available from the data collection templates referenced in the annex to this report.

EITI Requirement	Summary of progress in addressing the EITI Requirement	Final assessment
Comprehensive disclosure of taxes and revenues (Requirement #4.1)	Zambia have fully met the objective of ensuring comprehensive disclosures of company payments and government revenues from oil, gas, and mining as the basis for detailed public understanding of the contribution of the extractive industries to government revenues. The level of progress in addressing this requirement have been maintained since the previous Validation.	Fully met

⁵⁷ Under the heading of Annual returns, one company's entry was blank: Kalumbila Minerals Limited.

⁵⁸ Chambishi Copper Smelter Limited, CNMC Luanshya Copper Mines Plc, Kansanshi Mining Plc, Konkola Copper Mines Plc, Lumwana Mining Company Limited, NFC Africa Mining Limited, SINO – Kalumbila Minerals Company Limited, and ZCCM-IH.

Infrastructure provisions and barter arrangements (Requirement #4.3)	Requirement 4.3 remains 'Not Applicable' in Zambia in the period under review. The level of progress in addressing this requirement have been maintained since the previous Validation.	Not applicable
Transportation revenues (Requirement #4.4)	Requirement 4.4 remains 'Not Applicable' in Zambia in the period under review. The level of progress in addressing this requirement have been maintained since the previous Validation.	Not applicable
Level of disaggregation (Requirement #4.7)	Zambia have mostly met the objective of this requirement to ensure disaggregation in public disclosures of company payments and government revenues from oil, gas and mining that enables the public to assess the extent to which the government can monitor its revenue receipts as defined by its legal and fiscal framework, and that the government receives what it ought to from each individual extractive project. Zambia has adequately identified what constitutes a project in the Zambian context, as well as which revenue streams are levied/imposed on project level. The approach taken to report revenues by Zambia EITI is also fully in line EITI's Requirement 4.7. However, there are weaknesses in companies' actual reporting of revenues by project, where only 70% of companies' payments that were made by project were reported as such. The companies that failed to provide information with adequate detail include Kalumbila Minerals Limited, ZCCM Investments Holdings Plc, Kagem Mining Ltd, Sino-Metals Leach Zambia Ltd, Larfage Cement Zambia Plc, and CNMC Luanshya Copper Mines Plc. Even so Zambia EITI has greatly increased the coverage of data per project, increasing its coverage from 30% in 2018 to 70% in 2019. However, the barriers for the government to report mineral revenues by project is an issue for the sustainability for the availability of project-level data, and the report falls short of providing concrete recommendations for how to overcome this issue of government systems in the medium- to long-term.	Mostly met
Data timeliness (Requirement #4.8)	Zambia have fully met the objective of ensuring that public disclosures of company payments and government revenues from oil, gas and mining are sufficiently timely, as defined by the EITI Standard, to be relevant to inform public debate and policy-making. The level of progress in addressing this requirement have been maintained since the previous Validation.	Fully met
Data quality and assurance (Requirement #4.9)	Zambia have fully met the objective of ensuring that appropriate measures have been taken to ensure the reliability of disclosures of company payments and government revenues from oil, gas and mining. The aim is for the EITI to contribute to strengthening routine government and company audit and assurance systems and practices and ensure that stakeholders can have confidence in the reliability of the financial data on payments and revenues. The EITI report falls short of providing an explicit/detailed overview of which precise companies or government entities have undergone audits. Still, stakeholder consultations confirmed that the additional assurance procedures are sufficient for stakeholders to maintain confidence in the reliability of the financial data in the EITI Report. Finally, the report improves from previous validations of Zambia by providing an assessment of the	Fully met

	reliability of government and company data, and an independent review by the EITI Secretariat of companies' filings did not reveal any significant deviation by companies from their annual returns obligations to PACRA, even if deviations were publicly accessible and confirmed by the IA.	
New corrective actions and recommendations		
<ul style="list-style-type: none"> In accordance with Requirement 4.7, the ZEC should continue to improve its coverage of government revenues by project (license). In order to further improve on Zambian government systems, and their ability to monitor payments on a per-license basis, Zambia EITI is encouraged to engage the MMMD and ZRA to ensure that government revenues are recorded as part of regular corporate reports to government that occur on a per-license basis. While exploring with these government agencies whether any changes are needed in laws or in statutory instruments and regulations, Zambia may wish to focus these additions to existing reports on a per-license basis that may cover other topical areas such as Forms XXXI to XXXIV of the Mines and Minerals Development (General) Regulations of 2016 (or other more relevant statutory instruments) to ensure that any changes are cost-effective. To ensure continued adherence with Requirement 4.9.a, the ZEC should rectify the procedural errors which are highlighted as part of this Validation report. Zambia should ensure that there is a clear assessment, for each material company, whether they have conformed with applicable laws and regulations related to external audits. The assessment should indicate (i) which companies should be subject to credible and independent audits, and (ii) which companies undertook such audits and complied with filing obligations towards government entities. 		

Revenue management (Requirements 5.1, 5.3)

Overview of progress in the module

The requirements related to revenue management were deemed to be of “Satisfactory progress” during Zambia’s second Validation. The EITI Secretariat’s review of the relevant disclosures indicate that the level of progress in addressing these requirements have been maintained since the previous Validation process.

Progress by requirement and corrective actions

The detailed assessment of progress in addressing each EITI Requirement or corrective action is available from the data collection templates referenced in the annex to this report.

EITI Requirement	Summary of progress in addressing the EITI Requirement	Final assessment
Distribution of extractive industry revenues (Requirement #5.1)	Zambia have fully met the objective of ensuring the traceability of extractive revenues to the national budget and ensure the same level of transparency and accountability for extractive revenues that are not recorded in the national budget. The level of progress in addressing this requirement have been maintained since the previous Validation.	Fully met
Revenue management and	Progress in addressing Requirement 5.3 is not assessed in Validation unless there is evidence that the country has exceeded the requirement. The level of	<i>Not assessed</i>

expenditures (Requirement #5.3)	progress in addressing this requirement have been maintained since the previous Validation.	
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Subnational contribution (Requirements 4.6, 5.2, 6.1)

Overview of progress in the module

All the requirements related to the subnational contributions of the extractive sector were deemed to either be of “Satisfactory progress” or “Not applicable” during Zambia’s second Validation. The EITI Secretariat’s review of the relevant disclosures indicate that the level of progress in addressing these requirements have been maintained since the previous Validation process.

Progress by requirement and corrective actions

The detailed assessment of progress in addressing each EITI Requirement or corrective action is available from the data collection templates referenced in the annex to this report.

EITI Requirement	Summary of progress in addressing the EITI Requirement	Final assessment
Subnational payments (Requirement #4.6)	Zambia have fully met the objective to enable stakeholders to gain an understanding of benefits that accrue to local governments through transparency in companies’ direct payments to subnational entities and to strengthen public oversight of subnational governments’ management of their internally-generated extractive revenues. Direct payments made by companies to subnational government entities are included in the EITI Report, consisting of property rates and annual business fees paid directly to local councils. The level of progress in addressing this requirement have been maintained since the previous Validation.	Fully met
Subnational transfers (Requirement #5.2)	Requirement 5.2 remains 'Not Applicable' in Zambia in the period under review. No transfers between national and subnational government entities are explicitly related to only revenues generated by the extractive industries and mandated to be distributed using a revenue-sharing formula. The level of progress in addressing this requirement have been maintained since the previous Validation.	Not applicable
Social and environmental expenditures (Requirement #6.1)	Requirement 6.1 remains 'Not applicable' in Zambia in the period under review. Zambia does not have mandatory social expenditures. Voluntary expenditures (Annex 8) have been unilaterally disclosed disaggregated by beneficiary, cash/in-kind and the nature of support (with the exception of Lubambe, Maamba, Kansanshi). Mandatory environmental payments that relate to the Environment Production Fund are partially disclosed though we do not find to be payments to government. Payments to the EPF only appear to be held in trust by the Government of Zambia, until mine project closure. If a company adequately rehabilitate their mine areas, a company would be reimbursed their original contribution to the EPF. On this basis, we conclude that payments to the EPF are not environmental payments from companies to governments, as the	Not applicable

	<p>government only has a contingent claim to the EPF assets. This requirement would therefore only be applicable under Requirement 6.4. Therefore, the level of progress in addressing this requirement have been maintained since the previous Validation.</p>	
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Background

Overview of the extractive industries

An overview of the extractive industries is accessible on the [country page](#) of the EITI website for Zambia.

History of EITI implementation

The history of implementation is accessible on the [country page](#) of the EITI website for Zambia.

Explanation of the Validation process

An overview of the Validation process is available on the EITI website.⁵⁹ The [Validation Guide](#) provides detailed guidance on assessing EITI Requirements, while the more detailed [Validation procedure](#) include a standardised procedure for undertaking Validation by the EITI International Secretariat.

The International Secretariat's country implementation support team include Bady Balde, Ines Schjolberg Marques and Gilbert Makore, while the Validation team was comprised of Christoffer Claussen and Gilbert Makore.

Confidentiality

The detailed data collection and assessment templates are publicly accessible, on the internal Validation Committee page [here](#) (only accessible by EITI Board members).

The practice in attribution of stakeholder comments in EITI Validation reports is by constituency, without naming the stakeholder or its organisation. Where requested, the confidentiality of stakeholders' identities is respected, and comments are not attributed by constituency.

Timeline of Validation

The Validation of Zambia commenced on 1 July 2021. A public call for stakeholder views was issued on 1 March 2021. Stakeholder consultations were held virtually from 14 July to 19 August 2021 – the prolonged consultation period was due to Covid-19-related issues and difficulties in consulting stakeholders. The draft Validation report was finalised on 27 August 2021. Following

⁵⁹ See <https://eiti.org/validation>

comments from the ZEC submitted on 24 October 2021, the Validation report will be finalised for consideration by the EITI Board.

Resources

- Validation data collection file – [Stakeholder engagement](#)
- Validation data collection file – [Transparency](#)
- Validation data collection file – [Outcomes and impact](#)

Annex A: PACRA printouts for extractive companies material in 2019

Companies	PACRA ID no.	Available?	Legal ownership info? *	BO info?	2019 Annual filings submitted? **
CHAMBISHI COPPER SMELTER LIMITED	120060062959	Yes	Partial	No	Yes
CNMC LUANSHYA COPPER MINE PLC	120030052849	Yes	Yes	No	Yes***
DANGOTE QUARRIES ZAMBIA LIMITED	120080074570	Yes	Yes	No	Yes***
FIRST QUANTUM MINING AND OPERATIONS LTD	119960036100	Yes	Yes	No	Yes
KAGEM MINING LTD	119850012958	Yes	Partial	No	Yes
KALUMBILA MINERALS LIMITED	120070067114	Yes	Partial	No	Not available
KANSANSHI MINING PLC	119970037529	Yes	Partial	No	Yes
KONKOLA COPPER MINES PLC	119990043628	Yes	Partial	No	Yes***
LAFARGE CEMENT ZAMBIA PLC	120080000304	Yes	Partial	No	Yes
LUBAMBE COPPER MINE LTD	119960037227	Yes	Partial	No	Yes
LUMWANA MINING COMPANY LIMITED	119990043254	Yes	Partial	No	Yes
MAAMBA COLLIERIES LIMITED	N/A	Not available	N/A	N/A	N/A
MOPANI COPPER MINES PLC	120000044139	Yes	Partial	No	Yes***
NFC AFRICA MINING PLC	119980040172	Yes	Partial	No	Yes***
SINO METALS	N/A	Not available	N/A	N/A	N/A
ZCCM INVESTMENTS HOLDINGS PLC (ZCCM- IH)	119540000771	Yes	Partial	No	Yes***
	TOTAL	14/16	3/16	0/16	13/16

* Yes – When the number of authorised shares per class of shares is equal to those listed as held by individuals or legal entities. Partial – When the number of authorised shares per class of shares exceed the number of shares held by individuals or business entities, or where total number of authorised shares are not available even if those held by individuals or legal entities are.

** Does not indicate whether annual returns were made on time or not. Several appear to be filed quite irregularly.

*** Annual returns appear delivered ahead of calendar year end.

Source: PACRA (2020), 'PACRA online registration system'. Available at: <https://portal.pacra.org.zm/dashboard>