

8.8.8 Revamping of Ndola Lime

The Committee observes with concern that Ndola Lime Company, which is wholly owned by ZCCM-IH, has consistently performed poorly. The Committee further observes with concern that ZCCM-IH has since procured a shareholder's agreement with China Machinery Construction Group (SinoConst) for the development of a US\$480 million cement plant in Masaiti in which ZCCM-IH anticipates holding 35.0 per cent of the shares as opposed to revamping the operations of Ndola Lime which is still a viable company.

The Committee recommends that in addition to various ventures being undertaken by ZCCM-IH, such as investing in the new cement plant, the Government should as a matter of urgency also seek an equity partner to invest in Ndola Lime Company and share the risk through a diversified ownership structure as opposed to the ZCCM IH having 100 per cent shareholding.

8.8.9 Investigations through Interpol on the Procured Kiln

The Committee observes with serious concern the handling of the procurement process relating to the VK2 kiln at Ndola Lime Company. The Committee further observes that the turn of events where the company that supplied the equipment went into liquidation soon after the Kiln failed to operate appears to suggest that there was a syndicate to deprive the state.

The Committee, therefore, strongly recommends that IDC should engage Interpol to pursue the matter in which over US\$ 7, 976,140, which was part of the recapitalisation project under the contract total sum of US\$ 100 million. The Committee further recommends that a forensic audit should be conducted with a view to bringing to book all the Zambian consultants and employees of NLC who may be found wanting in this transaction.

8.8.10 Recapitalisation of Misenge Environmental Technical Services

The Committee observes that Misenge Environmental Technical Services (METS) manages environmental liabilities and has expertise in managing toxic reaction materials.

The Committee recommends that ZCCM-IH should recapitalise the operations of METS, considering that the campaign for a clean environment and safe mining without causing damaged to the environment was being championed and also on having a sustainable use of the environment which provided a viable market for Misenge.