ZICTA

Annual Report 2021

A Regulator Advancing
the Nation to a Digital Society

ZICTA

A Regulator at the Nexus
of an Inclusive Digital Economy

Annual Report **2021**

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ZICTA

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Acronyms

2G	Second Generation Mobile Network
3G	Third Generation Mobile Network
4G	Fourth Generation Network
7NDP	Seventh National Development Plan
ATU	African Telecommunication Union
CCPC	Consumer and Competition Protection Commission
DCA	Department of Civil Aviation
DFS	Digital Financial Services
DTT	Digital Terrestrial Transmission
e-GP	E-Government Procurement
ECT	Electronic Communications & Transactions
GCI	Global Cybersecurity Index
GPRS	General Packet Radio Services
GRZ	Government of the Republic Zambia
GSM	Global System for Mobile Communication
IBA	Independent Broadcasting Authority
ICT	Information and Communication Technology
IEC	Information Education and Communication
IMS	Intelligence Mobility Solutions
IMT	International Mobile Telecommunications
INRIS	Integrated National Registration Information System
IoT	Internet of Things
ISP	Internet Service Provider
M2M	Machine To Machine
MNO	Mobile Network Operator
MoU	Memorandum of Understanding
OTT	Over-The-Top
PAYG	Pay As You Go
PSTN	Public Switched Telephone Network
QoE	Quality of Experience

QoS	Quality of Service
SDO	Standards Development Organisations
SIS	Student Information System
SMS	Short Message Service
SRD	Short Range Device
SRS	Space Research Service
SSA	Sub-Saharan Africa
UASF	Universal Access and Service Fund
UNDP	United Nations Development Programme
UPU	Universal Postal Union
WRC	World Radio-Communication Conference
ZABS	Zambia Bureau of Standards
ZEMA	Zambia Environmental Management Agency
ZICTA	Zambia Information and Communications Technology Authority
ZMW	Zambian Kwacha
ZPPA	Zambia Public Procurement Authority

The Authority

1. Vision, Mission and Values
2. Our Mandate
3. Strategic Pillars

About Us

The Zambia Information and Communications Technology Authority (ZICTA) is a statutory body established under the Information and Communication Technologies Act No. 15 of 2009 to regulate the Information and Communication Technology (ICT) sector. ZICTA is also responsible for the regulation the Postal and Courier Services sector as well as providing oversight on Cyber Security in the country. ZICTA draws its mandate from the following 4 pieces of legislation:

a) **The Information and Communication Technologies Act No. 15 of 2009** whose objective is to provide for the regulation of Information and Communication Technologies;

b) **The Postal Services Act No. 22 of 2009** whose objective is to provide for the regulation of the postal and courier services in Zambia, and facilitate investment and innovation in the postal sector;

c) **The Cyber Security and Cyber Crimes Act No. 2 of 2021** whose objective is to provide for cyber security in Zambia and empower ZICTA to implement the provisions of this Act; and

d) **The Electronic Communications and Transactions Act No. 4 of 2021** whose objective is to provide for a safe and effective environment for electronic transactions and empower ZICTA to supervise compliance relating to this Act.

Vision, Mission and Values

Vision

A Regulator Advancing the Nation to a Digital Society.

Mission

To ensure quality, secure, accessible and affordable ICT services and products for all through effective regulation.

Values

Integrity — Consistent moral and ethical standards
Transparency — Openness, communication and consultative
Innovation — Creative and dynamic
Teamwork — Unity of purpose
Fairness — Equity and free from discrimination
Excellence — Providing services of supreme quality at all times
Effectiveness — Working to address stakeholder expectations all the times
Accountability — Answerable to stakeholders for all our actions and results

Our Mandate

1. Regulate the Information communication and technology and postal sectors.
2. Monitor the performance investment, access, quality, costs and standards in the ICT and postal sectors.
3. Administer the Country Code Top Level Domain (ccTLD) addresses.
4. Disseminate information and promote the participation by the public in the provision of electronic communication and postal services.
5. Manage the national frequency and numbering plan.
6. Promote competition in the ICT and postal sectors.
7. Protect the rights and interests of consumers, service providers, suppliers and manufacturers in the postal and ICT sector
8. Create a safe and secure cyber space in Zambia.

Strategic Pillars

The Zambia Information and Communications Technology Authority had the following strategic pillars:

1. Growth and Inclusiveness;
2. Sustainability;
3. Innovation and Partnerships; and
4. Institutional Capacity.

Our Goal

To bridge the digital divide and increase access for all to ICTs by 2021

Board and Management of the Authority

Board of the Authority

Mr. Frightone Sichone
Chairperson

Ms. Celine Meena Nair
Member

Mr. Yese Bwalya
Member

Eng. Willie M. Muyambo
Member

Mrs. Maureen B. Mwanza
Member

Mr. Isaac Nonde
Member

Mr. David Kasongo
Member

Eng. Dunstan Chola
Member

Eng. Mwenya Mutale
Acting Director General

Mr. Benaiah M. Mupenda
Authority Secretary

Management Team of the Authority

Eng. Mwenya Mutale
Acting Director General

Mr. Mulenga M. Chisanga
Director - Economic Regulation

Mr. Thomas K. Malama
Director - Legal
& Regulatory Affairs

Mr. Mofya Chisala
Director - Consumer Protection
& Information Management

Mrs. Pethel C. Phiri
Director - Finance

Mr. Thomas Matandala
Director - Human
Capital & Operations

Mr. Benaiah M. Mupenda
Director - Board Services/
Authority Secretary

Mr. Collins Chomba
Director - Universal Access
and Service Fund

Mr. Austin Sichinga
Director - Cybersecurity

Eng. Elliot N. Kabalo
Acting Director - Technology
& Engineering

Foreword

Board Chairperson's Foreword

Mr. Frightone Sichone
Board Chairperson

"The Authority continued to support the development of communication infrastructure across the country with over 20 communication towers constructed in strategic areas"

I am delighted and greatly honoured to present the annual report of the Authority for the year 2021.

The year 2021 saw the Authority undertake activities which were critical not only in ensuring universal ICT coverage, but also in the quest to attain a digitally inclusive economy. This was seen as necessary owing to the fact that in the modern age of data, servers and lightning-fast transactions, business is happening faster than ever.

In 2021, the Authority remained committed to creating a conducive environment for change within the sector in areas such as technology, infrastructure and legal frameworks, among others. In line with this, the Authority continued to support the development of communication infrastructure across the country with over 20 communication towers constructed in strategic areas. The expansion had enabled the deployment of advanced technologies across the country to reinforce quality of service.

Leveraging Collaborative Efforts

In an environment where change was constant and rapid, the Authority remained abreast of advancements in technologies in the ICT sector. We remained committed to working hand-in-hand with all players and licensees and cross-sectoral stakeholders to ensure that the products and services offered by operators continued to respond to these trends without stifling growth and innovation. For instance, the proliferation of mobile financial services had presented new opportunities to consumers as well as a different dimension to regulation.

As a first step to ensuring that consumer interest were upheld without limiting innovation and growth among operators, the Authority leveraged on the memorandum of understanding and joint working initiatives with relevant stakeholders such as the Bank of Zambia (BOZ), the Rural Finance Expansion Programme (RUFEP), Zambia Police Service (ZPS), among others to facilitate collaboration on areas of common regulatory jurisdiction.

Corporate Performance

The Authority leveraged on successes made in the previous years which undoubtedly aided in the achievement of a high corporate performance. Notably, the achievements were made amidst the coronavirus pandemic and uncertainties brought about by other operational challenges.

The corporate performance of the Authority in 2021 was bolstered by effective risk management put in place with the continued use of the Risk Register and Treatment Plan and the formulation and approval of the Risk Management Framework and Policy. As at

December 2021, the Authority had made quite significant achievements in the ICT and Postal sectors as indicated below:

a. Spectrum allocation of 800MHz to MTN through a competitive bidding process;
b. Licensing of a fourth mobile network operator named Beeline Telecoms Limited;
c. Achievement of non-tax revenue target;
d. Re-election of Zambia into the Pan African Postal union (PAPU) Administrative Council; and
e. Winning the 2021 African Telecommunication Union (ATU) Best Ecosystem Practice in Africa – Enabling Youth ICT Innovation.

Appreciation

I would like to first of all thank the Government of the Republic of Zambia through the Ministry of Transport and Communications as well as the Ministry of Technology and Science for the policy guidance and support to the Authority during the implementation period. The same magnitude and measure of gratitude goes to various partners who made it possible for us to fulfil not only the mandate but also the aspirations of the government through the just ended strategic plan. It was an exciting 5-year journey together were we gathered lessons and experiences as we built a strong base for the next strategic plan.

I will fail in my duties if I do not recognise the various individual efforts from the ZICTA Board, Management and Staff for their tireless contribution during the period under review. Yours was an undertaking done for and on behalf of the people of Zambia, and your contribution could not go unnoticed.

Finally, as we open a new page in the year 2022, we will endeavour to yet again develop a strategic focus that will create a conducive environment for digital transformation through ICTs. It is our hope and desire that we continue on this positive trajectory through out the life span of the new strategic plan and beyond as we make strides aimed at stamping and positioning the ICT sector as the nexus of an inclusive digital economy.

Mr. Frightone Sichone
Board Chairperson

Director General's Statement

Eng. Mwenya Mutale
Acting Director General

"We realised that the best way to contribute towards the attainment of a smart society was through transitioning from a dependent, prescriptive, static uncontrolled regulatory regime to interdependent, collaborative and open market regime"

It is my honour to reflect and highlight some of the key aspects of the Authority's performance in the year 2021.

Indisputably, various industry regulators and other players world over put in place strategies and regulatory mechanism to keep up with the increasing changes in business practices, technologies and new growth areas within industries. However, more often than not, regulatory requirements changed and compliance demands on organizations grew.

As a regulator, we realised that the best way to contribute towards the attainment of a smart society was through transitioning from a dependent, prescriptive, static uncontrolled regulatory regime to interdependent, collaborative and open market regime. We recognized that through collaborative regulation, the country would yield the full benefits of ICTs which cut across all economic sectors, thereby facilitating government's attainment of the vision 2030 as well as the Smart Zambia Vision 2064, which would position Zambia as a regional and international flagship in the realization of a digital society.

In order to achieve and safeguard such advancements, the Authority understood the need for a balanced regulation, one that promoted self-regulation by industry players and allowed for seamless communication which addressed cross-cutting issues relating to data protection, financial inclusion, cybersecurity as well as cloud computing.

During the period under review, the 2017 – 2021 Strategic Plan was appraised in order to adopt a performance management system that was based on the Balanced Scorecard Approach.

The Strategic Plan was premised on four strategic pillars, namely growth and inclusiveness, sustainability, innovation and partnerships as well as institutional capacity. The pillars underpinned the Authority's high performance from 2017 until the end of 2021.

The expiry of the strategic plan led to the ushering in of the new 3-year strategic plan, which was planned to run from 2022 to 2024. The shorter strategic horizon was intended to allow the Authority adapt to rapid changes in the ICT and Postal sectors. In addition to the revised mission, values and vision the Authority would facilitate the achievement of the following in the new Strategic Period:

1. Ensuring that the minimum broadband internet speed was at 10Mbps;
2. Attainment of a Cyber Security Readiness Index of 85%;
3. Facilitate the sector's contribution of at least 5% to the Gross Domestic Product (GDP); and
4. Improve QoS and QoE compliance to at least 95% by 2024.

In supporting Zambia's transitioning into a digital economy, we continued to leverage collaborations and strategic partnerships that would create a safe and secure cyberspace.

On behalf of Management and Staff, I wish to express my gratitude to the Ministry of Transport and Communication, as well as the Ministry of Technology and Science for the invaluable contribution made to ensure that a stable ICT sector was assured in Zambia. The Management's warmest thanks goes to the Board of Authority, for its overall oversight and offering unmeasurable leadership during the period under review.

May I also take this opportunity to also pay great tribute to my Management and entire Authority staff for their immense dedication to duty.

Eng. Mwenya Mutale
Acting Director General

Corporate Governance

Statement on Corporate Governance

Mr. Benaiah M. Mupenda
Authority Secretary

As a public institution, the Authority boasts of strict adherence to principles of good corporate governance practices. These principles are entrenched in Articles 8 and 173 of the Republican Constitution, the ICT Act No. 15 of 2009, the Public Finance Management Act No. 1 of 2018 as well as the Companies Act No. 10 of 2017. The principles ensure that the Authority executes its mandate with efficiency, effectiveness, transparency, disclosure, accountability, risk management, internal controls, ethical leadership as well as good corporate citizenship. In this regard, the Authority has put in place detailed governance tools including the Board Charter, Corporate Governance Assessment Framework, Board Evaluation Framework as well as various policies and procedures to ensure that the principles of good corporate governance are adhered to.

Board Leadership
ZICTA is governed by the Board of the Authority which has been given the mandate to exercise and perform the powers and functions of the Authority.

The Board is appointed by the Minister of Technology and Science in terms of Part I of the First Schedule to the Information and Communication Technologies Act No. 15 of 2009 (the ICT Act).

Some of the specific responsibilities of the Board include the following:
• Setting the vision, mission and value of the Authority;
• Provide strategic direction by approving management strategies and plans including financial budgets, and monitor the Authority's performance against such strategies and plans;
• Determine employee remuneration and conditions of service to ensure that they are consistent with sustainable achievement of the Authority's objectives and prudent management of operations;
• Approve and regularly review the performance and effectiveness of the Authority's corporate governance policies and procedures;
• Approve and monitor the effectiveness of the Authority's risk management and control framework; ensure that management takes actions to mitigate identified risks;
• Ensuring preparation of the annual financial statements, reports and disclosure of information to stakeholders; and
• Appoint the Director General and the Authority Secretary as well as approve the appointment of senior staff of the Authority as recommended by the Director General.

In carrying out its responsibilities and exercising its powers, the Board recognizes its overriding responsibility to act honestly, fairly, diligently, and in accordance with the law. Individually and collectively, the Board upholds the good governance principles of discipline, transparency, independence, accountability, fairness and social responsibility.

Composition of the Board
As at December 31, 2021, the ICT Act provided that the Board should consist of the following members:
a. one representative each from the Ministries responsible for information and communications technology and home affairs;
b. one member from an agency responsible for national security;
c. a representative of the Attorney General;
d. (d) one person nominated by the Zambia National Farmers Union (ZNFU)
e. one person nominated by the Zambia Consumers Protection Association;
f. one person nominated by the Law Association of Zambia (LAZ);
g. one person nominated by the Engineering Institution of Zambia (EIZ);
h. one person nominated by a trade union representing staff employed by the Authority (NUCW); and
i. one other person appointed by the Minister.

The Director General, who is the Chief Executive Officer of the Authority, was an ex-officio Member of the Board.

The Board, which was appointed on January 12, 2021, consisted of the following:

	Name	Designation
1	Mr. Frightone Sichone	Chairperson
2	Mr. Yese Bwalya	Member
3	Eng. Willie Muyambo	Member
4	Ms. Celine M. Nair	Member
5	Mrs. Maureen B. Mwanza	Member
6	Mr. Isaac Nonde	Member
7	Eng. Dunstan Chola	Member
8	Mr. David Kasongo	Member

Board Committees

In accordance with Paragraph 5 of the First Schedule to the ICT Act No. 15 of 2009 and the Board Charter, the Board constituted Committees to assist in the performance of its functions under the Act. The Committees were as follows:

i. Audit & Risk Committee

Subject to the provisions of the Public Finance Management Act No. 1 of 2018, the primary purpose of the Committee is:

• to monitor the integrity of the financial statements of the Authority;

• to review the Authority's internal financial control system, risk management systems as well as ethics and governance;

• to monitor and review the effectiveness of the Authority's internal audit function;

• to make recommendations to the Authority in relation to the appointment of the external Auditor and to approve the remuneration and terms of engagement of the external Auditor following appointment by the Board;

• to monitor and review the external Auditor's independence, objectivity and effectiveness; and

• to develop and implement policy on the engagement of an external Auditor to supply non-audit services.

ii. Policy, Legal and Regulatory Affairs Committee

The Committee assists the Board in ensuring that policies and strategies essential for the discharge of the Authority's mandate are developed, that the legal framework within which the Authority discharges its mandate is adequate, and advises the Board on the Authority's regulatory functions such as licensing and enforcement of licence conditions.

iii. Technical Committee

The Committee oversees any appropriate technical related matters that the Authority may encounter both in the discharge of its regulatory mandate as well as in its operations such as quality of service, frequency assignment and spectrum monitoring, cybersecurity, innovation and uptake of new technologies by entities in the sector.

iv. Finance, Human Resource and Administration Committee

The Committee makes recommendations to the Board on any appropriate matters relating to financial matters, human capital as well as general administration of the Authority.

Risk Management

The Board of the Authority is responsible for ensuring that Management maintains an effective system of risk management. The system is intended to manage the risk of failure to achieve the Authority's objectives. During the year, the Board approved the Risk Management Policy and Framework which defines the responsibility of the Board, the Audit & Risk Committee as well as Management to enable effective risk identification, evaluation and management. Based on the new Framework, the Board ensured that the risk register was reviewed and updated every quarter.

Internal Control Systems

The Board of the Authority oversees internal controls. The internal control processes are designed to provide reasonable assurance regarding the achievement of objectives relating to efficiency and effectiveness of operations, reliability of financial reporting and compliance with applicable laws are regulations. To this end, Management has put in place systems of internal controls, which include approved policies and procedures that provide for operational and financial controls.

Throughout the year, the Authority monitored adherence to these systems by undertaking audits in line with the approved Internal Audit Charter and international auditing standards and guideless.

Mr. Benaiah M. Mupenda
Authority Secretary

1

Global Developments

ICT and Postal Sectors

1.0. Recent Global Developments in the ICT and Postal Sectors

1.1. Global Trends in Mobile Cellular Subscriptions

The total number of global mobile cellular subscriptions increased from 107 per 100 inhabitants in 2020 to 110 per 100 inhabitants in 2021. The most significant increase was observed in the Americas where the penetration rate increased from 114 percent to 119 percent, representing an increase of 4 percent. On the other hand, the total number of mobile cellular subscribers in Africa decreased by 1.2 percent between 2020 and 2021. Commonwealth Independent States (CIS) retained the highest number of mobile subscribers and the highest penetration rate at 4.88 billion and 146.2 percent respectively (see Figure 1).[1]

Figure 1: Mobile Cellular Penetration, 2020 - 2021
Source: ITU Report on Measuring Digital Development: Facts and Figures 2021

1.2. Trends in Global Internet Usage

The total number of internet users increased from 4.1 billion in 2020 to 4.9 billion people in 2021 representing 63 percent of the population. In 2020, the number of internet users grew by 10.2 percent, the largest increase in a decade, driven by developing countries where internet use went up 13.3 percent. This was attributed to the COVID-19 pandemic which increased the uptake of internet based technologies. However, in 2021, a modest growth of 5.8 percent was recorded, in line with pre-pandemic rates. The growth was mostly attributed to developed countries where internet subscribers increased from 3.4 billion in 2020 to 3.7 billion in 2021 representing a growth rate of 8 percent. Developing countries also recorded a growth of 2.5 percent in internet subscribers, from 1.2 billion to 1.3 billion over the review period. Nonetheless, this figure translated to at least 2.9 billion people remaining offline, 96 percent of whom lived in developing countries (see figure 2)[2].

[1] https://www.itu.int/en/ITU-D/Statistics/Documents/facts/FactsFigures2021.pdf
[2] TU Report on Measuring Digital Development: Facts and Figures 2021

Figure 2 — Trends in Global Internet Usage

1.3. Global Network Broadband Coverage

The global population covered by mobile cellular network increased marginally from 96.7 percent in 2020 to 96.9 percent in 2021. The increase was dominant in least developed countries and developing countries while the network coverage of developed countries remained constant. The global population covered by LTE/4G mobile network continued to increase in 2021 with an average of 87.6 percent covered by 4G while 95 percent of the population was covered by 3G mobile network. In Africa, 3G coverage remained dominant, increasing from 78.3 percent to 82.4 percent over the review period while 4G coverage increased from 40.7 percent to 49.2 percent.

Figure 3 — Global Network Broadband Coverage

1.4. Performance in the Global Cybersecurity Index 2020

The Global Cybersecurity Index (GCI) was a composite index produced, analyzed and published by the International Telecommunication Union (ITU) to measure the commitment of countries to cybersecurity in order to raise cybersecurity awareness. The GCI was rooted in the ITU Global Cybersecurity Agenda (GCA) that was launched in 2007, and reflects its five pillars: legal, technical, organizational, capacity building, and cooperation. The GCI 2020 showed that 64 percent of the countries had adopted a national cybersecurity strategy (NCS) by year-end, and that more than 70 percent of them conducted cybersecurity awareness campaigns. According to the 2020 GCI estimates, Zambia scored 68.88, giving it a global rank of 73 and an African rank of 10.

1.5. Mid-Band Spectrum Required to Meet UN Targets

According to a study commissioned by the GSMA, the mobile industry needed an average of 2GHz of mid-band spectrum from 2020 to 2030 to meet the UN's International Telecommunications Union (ITU) data speed requirements. Such an achievement would minimise environmental impact and lower consumer costs of 5G. The study showed that policymakers should license spectrum to mobile operators in harmonised bands, such as 3.5 GHz, 4.8 GHz and, 6 GHz to meet the ITU's requirements by 2030. Without the additional spectrum, it would be impossible to realise the full potential of 5G in some cases. In other bands, the number of antennas and base stations needed would lead to higher carbon emissions and consumer prices. The additional mid band spectrum would lower the carbon footprint of networks by 2 to 3 times while enhancing the sustainable development of mobile connectivity[4].

1.6. Postal Development Index Ranking

The UPU published its Postal development report for 2021 which included a ranking index for levels of postal development of various states. The index was based on big data and administrative data gathered by the UPU. The index focused on Reliability, Reach, Relevance and Resilience. For 2021, Ghana was ranked highest in the African region, based on the reliability, improved reach and a level of resilience of its postal network, moving closer to the global average. Guinea, Cameroon and Zambia were all reported to have made the largest relative gains in the Africa region, moving up by 36, 34 and 25 places, respectively. The report highlighted that countries with the most developed postal services were likely to continue to race ahead, diversifying their offering and eventually reaping the benefits of strongly interconnected global supply chains, boosted by e-commerce[5].

1.7. 2021 Universal Postal Union Congress

The UPU hosted its Congress in August 2021, an event that was held every 4 years. At the Congress, Zambia was elected as a member of the Council of Administration (CA) in the UPU for the African region. The country was also elected as the Chair of Committee 3 of the CA focusing on strategy and postal economics which entailed coordinating discussions and work on competition, pricing and postal statistics. The Committee was also responsible for the development, implementation and monitoring of the strategic plan. A new management and leadership of the UPU was also voted into office comprising Mr. Masahiko Hetoki of Japan as the Director General of the UPU and Mr. Marjan Osvald from Slovenia as the Deputy Director General.

1.8. Tenth Pan African Postal Union Plenipotentiary Session

The Pan African Postal Union held its 10th meeting during the year. The plenipotentiary meeting was held every four years to make major decisions such as the leadership and strategy of the organization. Zambia was re-elected as a member of PAPU's Administrative Council for a second and final four-year term. In addition, Mr. Sifundo Moyo from Zimbabwe was elected as the new Secretary General for PAPU while Ms. Jessica Sengooba from Uganda was elected as the Assistant Secretary General.

[3]https://www.itu.int/en/ITU-D/Cybersecurity/Pages/global-cybersecurity-index.aspx
[4]https://www.computerweekly.com/news/252503872/GSMA-calls-for-2GHz-of-mid-band-spectrum-to-meet-UN-targets
[5]2IPD Report 2021

2.0. Recent Local Developments in the ICT and Postal Sectors

2.1. Issuance and Renewal of Licences to Operators in the ICT Sector

As at end of December 2021, there were a total of 73 valid licences in the ICT sector compared to 71 valid licences that were issued in 2020 (See Table 1). The licences constituted of 43 Network licences, 27 Service with Network licences and 3 Service without Network licences.

Type of Licence	Coverage	Licences 2020	Licences 2021
Network (Service & Facilities)	International	3	4
	National	28	28
	Provincial	4	4
	District	6	7
Service (With a Network-Category A)	National	19	20
	Provincial	2	2
	District	3	5
Service (Without a Network-Category B)	National	6	3
	Provincial	0	0
	District	0	0
Total		**71**	**73**

Table 1 — Number of Valid Licences Issued in the ICT Sector, 2020 — 2021

2.2. Issuance and Renewal of Licences to Operators in the Postal Sector

As at December 31, 2021, the Authority issued a total of 49 valid licences in the Postal sector compared to 35 valid licences that were issued in 2020 (See Table 2).

Licence Type	Licences 2020	Licences 2021
Public Postal Operator	1	1
International & Domestic Courier Licence	18	22
Domestic Courier Licence	14	18
Local Courier Licence	2	8
Total	35	49

Table 2 — Number of Valid Licenses Issued in the Postal Sector

2.3. Award of 800MHz Frequency Band Radio Spectrum to MTN Zambia

The Authority awarded MTN Zambia radio frequency spectrum in the 800MHz frequency band in accordance with Section 54 (6) of the ICT Act No. 15 of 2009. The additional spectrum, awarded at a fee of US$13.5 million, was intended to complement the utilization of existing spectrum and improve the quality of voice and data services. Mobile broadband coverage was also expected to improve in both rural and urban areas as the spectrum band supported a longer range and superior indoor coverage.

2.4. Trends in Mobile Money Adoption and Usage

The increase in adoption and usage of mobile money services as observed in the recent past, continued during the year 2021. The total number of active mobile money subscribers in the country increased from 8.6 million in 2020 to 9.8 million subscribers in 2021 representing a growth rate of 15 percent. The performance was mainly attributed to the continued reliance on electronic and mobile platforms to send and receive funds as well as payment of utility services such as electricity, water and pay TV subscriptions. The value of mobile money transactions increased significantly from ZMW 105.6 billion recorded at the end of 2020 to ZMW 169.4 billion at the end of 2021 reflecting an increase of 60.39 percent. Similarly, the volume of mobile money transactions increased from 747 million transactions at the end of 2020 to 834 million transactions at the end of 2021 reflecting an improvement of 11.74 percent (see Table 3).

	2018	2019	2020	2021	YtD change
Volumes of Transactions	303,955,243	522,829,070	746,500,187	843,121,817	11.73%
Values of Transactions (ZMW)	22,191,565,753.86	49,576,813,972.80	105,619,623,780.67	169,402,432,643.17	60.4%
Active Subscribers	3,443,973	4,852,040	8,607,461	9,867,409	14.63%

Table 3 — Trends in Volumes and Values of Electronic Money Transactions
Source: Bank of Zambia

2.5. Enactment of various ICT related Legislation

The Government of the Republic of Zambia enacted four pieces of legislation that were intended to enhance the regulation of the ICT sector in 2021. The legislation included: the Cyber Security and Cybercrimes Act No. 2 of 2021, the Data Protection Act No. 3 of 2021; the Electronic Communications and Transactions Act No. 4 of 2021 following the repeal of the Electronic Communications and Transactions Act No. 21 of 2009; and the Electronic Government Act No. 41 of 2021. The legislation would allow for the expansion of the ZICTAs' regulatory mandate as well as provide for the deployment of various emerging technologies in the country. Additionally, the legislations would enhance security and safety for consumers as well as enhance the rights of data subjects among other benefits.

2.6. Communication Towers constructed under the SMART Zambia Initiative

The Government of the Republic of Zambia continued to roll out communication towers in a bid to complete the Phase II of the SMART Zambia communication tower project which was set to increase geographical network coverage to 92 percent. As at the end of 2021, a total of 24 communication towers were under construction.

Digital Financial Services (DFS)

Do's

The Do's of DFS transactions

- Keep your Digital Financial Services PIN safe
- Create strong passwords. Avoid using date of birth and default passwords such as 1234
- Dial *101# to check how many SIM cards are registered to your ID. Report all anomalies to your Service Provider
- Verify promotions with Service Providers
- Confirm the balance on your mobile money account before reversing funds off your account.
- Do your research on social media vendors before sending any money.

Don'ts

The Don'ts of DFS transactions

- Don't say your pin out loud. You do not know who is listening.
- Don't give out your NRC number or PIN over the phone. If someone calls you to verify a mobile transaction. It may be SCAM.
- Don't send money to anyone who tells you that the only way to win money is by sending a deposit via Mobile money.
- Don't share your PIN or your NRC number with strangers after a money transaction.

Reporting DFS related complaints

- Your Mobile Network Operator (MNO)
- Bank of Zambia on 0 211 399300
- Zambia Police on 999
- ZICTA 7070

RUFEP
RURAL FINANCE EXPANSION PROGRAMME

ZICTA

File
Compare
Templates
Analyze
Alerts
Option
GRP Inc. GLOBAL
Main Chart
Candle
3470.00
4040.00
GRP Inc. GLOBAL
Market Cap
3480.00
Price to earnings
162634.00
Dividend Yield
91.00
Beta
629.00
EPS
791.00
Balance Sheet
Earnings

3

Performance of the ICT Sector

ICT and Postal Sectors

3.0. Performance of the ICT Sector

3.1. Mobile Telephony Market

3.1.1. Active Mobile Network Subscription

The total number of active mobile network subscriptions in the country increased from 19.1 million reported at the end of 2020 to 20.2 million at the end of 2021 representing a growth rate of 6.0 percent. The subscription level represented an improvement in the mobile penetration rate from 107 subscriptions per 100 inhabitants in 2020 to 110 subscriptions per 100 inhabitants in 2021 (see Figure 4). The performance was mainly explained by increased investments in telecommunication coverage infrastructure, heightened competition among the service providers and the increased adoption of SIM card based technologies. The increased uptake of ICT services among both corporate and individual customers during the COVID-19 pandemic also complemented this surge in adoption.

Figure 4 — Trends in Mobile Subscription: 2019 to 2021

3.1.2. Market Share of Mobile Telephony Subscriptions and Trends in Market Concentration

MTN Zambia Limited and Airtel Zambia Limited continued to have the largest market share of subscriptions with 42.3 percent and 39.7 percent respectively. On the other hand Zamtel maintained the least market share in mobile network subscriptions of 17.9 percent.

The market experienced minimal variation in the competition landscape among the three mobile network operators as evident from the trend in the Herfindahl-Hirschman Index[6] (HHI). The HHI observed very minor movements in the period 2020 and 2021 ranging between 0.368 and 0.369. The results were consistent with movements in market shares among the three operators reflecting a negligible shift in concentration.

[6]The Herfindahl-Hirschman Index is a composite measure of concentration computed as the sum of squared shares firm in total subscription. Its value lies between 0 and 1 with magnitude signaling a decrease in competition or concentration of market power in a few firms.

Figure 5 — Trends of subscription-based MNO market shares and HHI: 2019 to 2021

3.1.3. Trends in International and Domestic Voice Traffic

The total domestic incoming traffic on mobile telephone networks increased from 2.4 billion minutes reported in 2020 to 2.9 billion minutes recorded in 2021 representing an increase of 19.5 percent. Similarly, the total domestic outgoing traffic increased from 21.4 billion minutes reported in 2020 to 24.4 billion minutes recorded in 2021 representing an increase of 14.1 percent. The increase in the domestic traffic was mainly on account of heightened volume based bundled price offers that were often discounted and received wide adoption as well as the increased traffic during the covid-19 pandemic.

On the other hand, international incoming traffic reduced from 21.6 million minutes reported in 2020 to 18.6 million minutes in 2021 reflecting a reduction of 13.6 percent. Correspondingly, international outgoing traffic also declined from 21.2 million minutes reported in 2020 to 17.4 million minutes in 2021 reflecting a reduction of 17.9 percent (See Table 4). The decline in international traffic was partly attributed to the increasing adoption and use of internet-based applications like WhatsApp, FaceTime, Skype and Viber to make international voice calls.

	Outgoing Minutes		% Change
	2020	2021	
Domestic	21,394,607,250	24,409,277,692	14.1
International	21,189,622	17,401,611	-17.9
	Incoming Minutes		**% Change**
	2020	**2021**	
Domestic	2,385,424,355	2,851,111,992	19.5
International	21,551,393	18,610,289	-13.6

Table 4 — International and Domestic Voice Traffic Volumes

Figure 6 — Mobile Voice Tariffs 'Per Minute in ZMW': 2010 to 2021

3.1.4. Benchmarking of Mobile Voice and Data Basket Prices in the Region.

A benchmarking of headline tariffs on mobile voice services across eighteen countries drawn from the SADC and COMESA regions revealed that the tariffs in Zambia remained relatively competitive. Zambia ranked 'seventh' on peak On-net; 'eighth' on Off-peak On-net calls, 'fifth' on Off-net On-peak and 'sixth' on Off-peak Off-net.

Country	On-net/Peak		On-net/Off-Peak		Off-net/Peak		Off-Net/Off-Peak	
	Price (USD)	Rank	Price (USD)	Rank	Price (USD)	Rank	Price (USD)	Rank
Zambia	0.047012	7	0.044362	8	0.047012	5	0.047012	6
Angola	0.06188	9	0.059403	9	0.074751	10	0.07178	13
Botswana	0.110504	16	0.060348	10	0.110504	16	0.060348	8
DR Congo	0.004569	1	0.004569	1	0.004842	1	0.004842	1
Kenya	0.023416	4	0.022992	5	0.026186	3	0.025762	4
Lesotho	0.121735	17	0.102919	17	0.121735	17	0.102919	16
Madagascar	0.041274	6	0.041274	7	0.061498	7	0.061498	10
Malawi	0.10157	15	0.10157	16	0.106426	15	0.104387	17
Mauritius	0.020385	3	0.020385	4	0.104387	14	0.053983	7
Mozambique	0.089557	14	0.089557	15	0.095197	13	0.095197	15
Namibia	0.060787	8	0.060787	11	0.060787	6	0.060787	9
Nigeria	0.078761	13	0.078761	14	0.078761	12	0.078761	14
Rwanda	0.03667	5	0.013802	2	0.040212	4	0.017344	3
Seychelles	0.269845	18	0.128029	18	0.308208	18	0.161389	18
South Africa	0.064886	10	0.064886	12	0.064886	8	0.064886	11
Swaziland	0.075163	12	0.041176	6	0.075163	11	0.041176	5
Tanzania	0.015925	2	0.01598	3	0.015925	2	0.01598	2
Uganda	0.068668	11	0.068668	13	0.069448	9	0.069448	12

Table 5 — Benchmarking of Mobile Voice Tariffs in US dollars
Source: Various MNO Websites

3.1.5. Telecommunication Infrastructure

The total number of telecommunication sites in the country increased from 10,574 reported in 2020 to 11,478 sites in 2021 representing an increase of 8.5 percent. The largest proportion of the sites in 2021 continued to be 2G sites accounting for 39.7 percent followed by 3G sites at 31.9 percent. Only 28.4 percent of the telecommunication sites were 4G/LTE sites.

Figure 7 — Distribution of Telecommunication Sites by Type of Technology: 2019 to 2021

Figure 8 — Subscriber Distribution Map
298,337 are yet to be verified and have not been accounted for on the map

3.1.6. Mobile Revenue Performance

The total revenue from the mobile network operators increased from ZMW 5.3 billion in 2020 to ZMW 6.6 billion in 2021 representing a year-on-year increase of 24.3 percent. Airtime sales and data services were the main contributors to revenue which together accounted for 79.0 percent of the total revenue in 2021. Overall, most of the revenues from all service types increased on a year-on-year basis as outlined below:

Figure 9 — Revenues by Type of Service

3.2. Internet Services

3.2.1. Fixed and Mobile Internet Subscription

The total number of active internet subscriptions in the country increased from 10.3 million subscriptions reported at the end of 2020 to 10.4 million recorded at the end of 2021 representing a growth of 1.3 percent. The total number of active internet subscriptions reflected a decrease in the internet penetration rate from 57.6 per 100 inhabitants reported in 2020 to 56.7 per 100 inhabitants attained in 2021 due to the adjustment in population size. The majority of internet users remained mobile internet subscriptions, accounting for nearly 99 percent of internet users. Subscription to fixed internet services declined by 2.1 percent from about 82,300 subscriptions reported in 2020 to 80,600 subscriptions in 2021. On the other hand mobile internet subscriptions increased from 10.2 million in 2020 to 10.4 million in 2021. It was anticipated that future investments among service providers leading to extensive coverage of 3G/4G networks and the increased adoption of these emerging technologies would lead to improvements in internet adoption.

Figure 10 — Trends in Internet Subscription; 2019 to 2021

A benchmarking of the price for data and average consumption bundles constituting data and voice minutes was carried out to determine the competitiveness of the services in the country. A data bundle consisting of at least a 2GB monthly bundle and a data and voice bundle consisting of at least 150Mins, 70 SMS and 1.5GB valid for a month was considered in the assessment. Zambia ranked sixth with regards to pricing of a monthly data bundle relative to fourteen other countries. The price of the average consumption bundle for Zambia was estimated at 5 percent of the country's Gross National Income (GNI). However, the average data bundle price was noted to be significantly above the UN broadband Commission target of 2 percent of GNI.

Country Name	Price 2GB Data Monthly Validity (USD)	Rank	Price of Data and Voice consumption Bundle as % of GNI	Rank
Zambia	**3.060506**	**6**	**5.072835**	**9**
Angola	3.798887	7	2.130217	2
Botswana	13.99472	15	2.593335	4
DR Congo	0.285785	1	2.16719	3
Eswatini	9.803922	13	4.542579	8
Kenya	2.585445	3	3.536944	5
Lesotho	8.402187	11	21.31054	15
Madagascar	4.849162	10	8.051278	12
Mozambique	4.394485	9	18.88168	14
Namibia	13.12958	14	3.71815	7
Nigeria	2.630298	4	1.843667	1
Rwanda	2.367684	2	5.804454	11
South Africa	9.751309	12	3.537518	6
Tanzania	4.003418	8	5.719271	10
Uganda	2.922581	5	14.81587	13

Table 6 — Regional Benchmarking of Data and Voice Bundles

3.2.2. Bandwidth Capacity and Utilisation

The Lit/equipped capacity among the mobile network operators increased from to 103,100 Megabits per second (Mbps) reported in 2020 to 181,740 Mbps in 2021 representing a growth rate of 76.3 percent. Further, the capacity usage increased from 65,460Mbps in 2020 to 89,280 Mbps in 2021 reflecting a growth rate of 36.4 percent. Consequently, the throughput volume of data increased significantly from 199,150 terabytes (TB) reported in 2020 to 274,990TB in 2021 representing a growth of 38.1 percent.

Figure 11 — Bandwidth capacity and utilization by MNOs: 2019 to 2021

3.3. Passive Infrastructure

3.3.1. Ownership of Tower Infrastructure

The total number of telecommunication towers in the country increased from 3,309 reported at the end of the 2020 to 3,413 at the end of the 2021, representing an overall increase of 3 percent. The overall increase in the total number of towers was mostly attributed to IHS Zambia, Infratel and Airtel Zambia whose tower ownership increased over the review period by 1.1 percent, 3.6 percent and 235 percent respectively. Particularly, Airtel's tower ownership increased from 17 at the end of 2020 to 57 at the end of 2021 representing a three-fold increase over the review period. IHS Zambia retained the highest number of towers of 1,768 translating to a proportion of 52 percent trailed by Infratel that owned 1,253 towers, representing a proportion of 36.7 percent at the end of 2021. The number of towers owned by Zesco, ZICTA and Zamtel remained unchanged during the review period (see Figure 12). The overall increase in the number of telecommunication towers was expected to increase access to mobile networks as well as the quality of that network.

Figure 12 — Trends of Tower Infrastructure: 2019 to 2021

4.0. Outlook for the ICT Sector in 2022

A number of key opportunities as well as notable risks were identified for the ICT sector in the subsequent year. Deliberate efforts by all actors were necessary if the opportunities would be realized and risks mitigated. The identified opportunities included the following:

4.1. Forecast in uptake and usage of ICT services

The Authority projected a positive outlook in the general uptake and use of ICT services in the subsequent review period. The number of active mobile network subscriptions was expected to increase from 20.3 reported at the end of 2021 to 20.9 million subscriptions at the end of 2022 and subsequently 21.2 million in 2023. In addition, the volume of domestic outgoing mobile voice call minutes was forecasted to increase from 24.4 billion minutes estimated for the end of 2021 to 26.2 billion projected for the year 2022 and could reach 28 billion minutes in 2023. The anticipated improvements in uptake and usage of ICT services were on the backdrop of increased investments by operators in the capacity and coverage of their networks, competitive pricing outcomes on the market as well as general improvement in demand for ICT services among other attributes. However, there were risks mainly with international voice traffic which had exhibited a sustained decline in the immediate past.

4.2. Benefits of newly assigned Spectrum

The Authority issued spectrum in the 800MHz band to Airtel networks Zambia and MTN Zambia Ltd. The two companies were expected to deploy new services as well as enhance the Quality of Services by leveraging on the new and additional spectrum. There were also plans underway to assign additional spectrum bands to enhance capacity, diversity of services on the market as well as reduce the cost of deployment for networks.

4.3. Deployment of new Technologies and additional Infrastructure

Operators were expected to continue deploying infrastructure aimed at increasing coverage and improving quality of services. Notably, the proportion of 4G/LTE sites were anticipated to continue increasing while more deployment of metro fibre networks was also expected. There were also some operators that had indicated that they had plans of commencing preparations for 5G networks. The Authority had committed to facilitating testing for 5G and would make the required resources available. The construction of the 1009 towers by the government was also expected to be concluded in 2021.

4.4. Regulations and Guideline's Related to the recently enacted Laws

Following the enactment of the Cyber Security and Cyber Crimes Act No. 2 of 2021 as well as the Electronic Communications and Transactions Act No. 4 of 2021, it was anticipated that a number of regulations and guidelines would be issued to facilitate the operationalisation of these laws. The regulations and guidelines would have a significant impact on how the sector was regulated as well as how electronic transactions were undertaken.

4.5. New Licensing Framework

The Authority undertook a review of the current licensing framework aimed at addressing some existing challenges and responding to new opportunities on the market. A regulatory impact assessment of the proposed amendments was satisfactorily concluded.

A few notable risks were identified with a view to explore avenues for mitigation. The risks included the following:

a. Continued decline in International Traffic - While most of the ICT indicators pointed to a positive growth trajectory, international traffic volumes had consistently been on the decline. The trend was anticipated to continue in the subsequent period mainly as a result of intensified use of OTT applications such as WhatsApp for international calling. In order to mitigate the risk associated with reduced revenues, operators would have to be more innovative in embracing OTTs which offered an opportunity for new and increased revenue streams through data utilisation.

b. Cyber Related Challenges - While most of the ICT indicators pointed to a positive growth trajectory, international traffic volumes had consistently been on the decline. The trend was anticipated to continue in the subsequent period mainly as a result of intensified use of OTT applications such as WhatsApp for international calling. In order to mitigate the risk associated with reduced revenues, operators would have to be more innovative in embracing OTTs which offered an opportunity for new and increased revenue streams through data utilisation.

c. Unlicensed courier operators - The continued provision of courier services by unlicensed providers limited the viability of the courier enterprises in the country. The limited geographical presence of the Authority limited the effectiveness of inspections. In that regard, more awareness to consumers on the need to use licenced providers would be required to address the challenge.

5.0. Developments in the Postal and Courier Services Sector

5.1. Performance of the Postal and Courier Sector

5.1.1. Zampost Traffic

In 2020, Zampost was greatly affected by the impact of the COVID-19 pandemic, to the extent that the operator suspended several services. The most affected services were those related to international deliveries which were severely affected by the low availability of airline services. In 2021, most airline services were restored, which led to a significant improvement in international mail deliveries. Domestic deliveries also improved in 2021 as compared to 2020.

The domestic mail services that were restored to a large extent in 2021 were Ordinary Mail and Parcels. Domestic Ordinary Mail deliveries were at 8,076 in 2020 whereas in 2021 they rose up to 38,587 mails. The EMS service was the most active during the period under review due to the fact that it took priority over all other types of services. In 2021, there was a 139 percent increment in EMS mail as compared to 2020. The following summarises a comparison of the performance of Domestic mail services offered by Zampost in 2020 and 2021:

Figure 13 — Domestic Mail Delivery 2020 and 2021 – No. of items Delivered

In terms of international mail, Zampost experienced a significant improvement due to the commencement of airline traffic. The traffic was recorded as follows:

	2020		2021	
	Incoming (Qty)	Outgoing (Qty)	Incoming (Qty)	Outgoing (Qty)
Ordinary	N/A*	146,068	151,183	84,345
EMS	3,693	105	4,468	2,907
Parcels	N/A	91	932,477	8,522
Registered	N/A	760	24,456	12,914
Small Pkts	N/A	N/A	50,603	45,144
M-Bags	N/A	N/A	518	73

Table 7 — International Mail Deliveries 2020 and 2021 – Number of items Delivered

5.1.2. Courier Traffic

Domestic deliveries from within the country dominated the courier market compared to international deliveries. That was indicative of an increased usage of courier companies within the country. Furthermore, as was depicted from the trend in licensing, 2021 was characterised by significant market entry of operators that ranged from micro to small-sized enterprises. The rapid increase of operators and therefore traffic in the courier market could be attributed to the persistence of the Covid-19 pandemic which led to restricted physical movements that were substituted by delivery services. It was noted that with respect to the international courier market, only 5 percent of all international deliveries were sent outside Zambia. The remaining 95 percent was all inbound, depicting a high level of consumption from foreign markets. Only 7 operators out of 24 international licensed operators had deliveries going out of the country.

Figure 14 — Courier Traffic 2021 – Number of items Delivered

5.1.3. Coverage of Postal and Courier Services

From an assessment carried out in 2021, Zampost had presence wherever private sector courier companies operated. Furthermore, Zampost covered more areas than the private couriers. This gave Zampost an opportunity to act as an agent on behalf of various couriers. It was also noted that most couriers did not have fully established offices in towns and municipalities. Instead, they relied on individuals who acted as agents.

The most served provinces were Lusaka, Copperbelt and Southern Provinces. In Lusaka Province, a total of 23 Post Offices existed whereas a minimum of[7] 41 private sector couriers reported to have presence. The most served province however, was the Copperbelt with 30 post offices and a minimum of 57 courier offices. Southern Province had 18 post offices and a minimum of 54 courier offices present. The following graph summarizes Post Office and courier presence:

Figure 15 — Number of post and courier offices per province
Source: Operator submissions

Zampost had 146 post offices in total, with 36 percent of Post Offices located in Lusaka and Copperbelt Provinces.

[7] A 'minimum of' is used in cognizance of the fact that not all couriers submitted the required information and that more have been licensed since the collection of the information.

5.2. Oversight of Postal and Courier Services

5.2.1. Street Signage

The Authority continued implementing the National Addressing and Postcode Project - Signage Installation. For the 2021 period, the Authority successfully installed Area Signs and Street Signs in the Bennie Mwiinga Housing Estate and Salama Park Residential areas. The installation of street signage in named streets was aimed at improving both physical and digital addressing.

5.2.2. QoS Standards

In carrying out its mandate to protect the interests of all postal users, the Board of the Authority approved the Quality of Service standards aimed at increasing the efficiency of postal and courier deliveries throughout the country as well as assist in managing the expectations of users of postal services.

5.2.3. Postal Compliance Manual

The Authority, in exercising its mandate to protect the interests of all postal users, issued the Postal Compliance Manual with the main objective of ensuring that all postal licensees adhered to obligations prescribed in the Postal Services Act, the Postal Regulations as well as License Conditions. The increase in the number of market players in the postal sector had necessitated a more dynamic approach to the Authority's role in regulating the sector. Therefore, the manual will be a useful tool in monitoring the conduct of licensed operators and hence promote the progress in Zambia's postal sector.

6

Economic Regulation

6.0. Economic Regulation

6.1. Markets and Competition

6.1.1. Review of the Competition Guidelines for the ICT Sector

Competition in the ICT Sector continued to evolve and intensify over the year with the convergence of both technologies and previously unrelated industries. This paved the way for new market structures, business models and innovative products and services which offered new challenges and dimensions for competition management. Against this background, it became necessary to review the Competition Guidelines, which were initially developed in 2010 to promote efficiency and competitiveness in the provision of electronic communication services in the ICT. In this regard, a comprehensive review of the competition guidelines was undertaken. The outcome of the review called for an expansion of the scope of the competition guidelines to provide for, amongst other competition issues; regulation of Restrictive Business Practices, Unilateral Conduct, Exclusive Dealing as well as Mergers and Acquisitions as such transactions had the potential of substantially lessening competition in a relevant market. Consequently, the Authority revised and amended the Competition Guidelines in 2021. It was anticipated that the revised guidelines would promote and maintain fair and efficient market conduct as well as prevent conduct that would likely result in the substantial lessening of competition while ensuring equitable access to essential telecommunications infrastructure by operators and other stakeholders across various economic sectors.

6.1.2. Periodic Review of Access Arrangements in the ICT Sector

During the year, inaugural periodic surveys of access arrangements in the ICT sector were undertaken to assess the levels of competition at wholesale level; ascertain levels of compliance with the ICT Access Regulations; obtain insights into challenges being experienced regarding access arrangements in the market as well as to ensure that any instances of restrictive business practices or anti-competitive conduct were identified and addressed on a timely basis. The surveys highlighted some regulatory lapses in the establishment of commercial agreements for wholesale access services as well as a number of specific challenges in relation to:

- Negotiation for access among licensees;
- Failure to reach agreement between parties;
- Requirement for reference and model offers; and
- Approval of agreements prior to their implementation.

In this regard, the Authority issued directives aimed at providing clarity to the industry on regulatory obligations and consequently amended the competition guidelines. Notable developments during the year related to the introduction of Fibre termination at co-located sites as well as the implementation of a phased transition to concrete poles for aerial fibre installations. Going forward, the Authority will continue to monitor access arrangements in the ICT sector, particularly with regard to the new fibre distribution models for fibre site access to ensured that there were no instances of restrictive business practices.

6.1.3. Study of the Internet Value Chain and implications for Economic Regulation business practices or anti-competitive tendencies.

The Authority undertook a study of the evolution of the Internet Value Chain and its implications on Economic Regulation. The study highlighted regulatory challenges related to the internet ecosystem as well as opportunities and bottlenecks that exist in the value chain. It was observed that convergence within the internet value chain had led to heightened competition between once distinct market segments in the value chain. Device manufacturers, telecom operators, software companies, electronic retailers, content distributors, application and online services providers and others were in direct competition with each other as they offered end users and advertisers' bundles of products and services that were total or partial substitutes. This, therefore posed challenges related to the asymmetry in regulation and imbalance in obligations on those players that participated in the market segments that were heavily regulated such as the connectivity segment while those players in segments such as online servic-

es were not subject to the same degree of regulation or taxation.

The study concluded that there was need to develop a market model that would ensure the sustainable growth of the internet value chain by implementing a mechanism to redistribute the value derived from various higher profit segments of the value chain to those that might no longer be profitable but were still critical in the delivery of services across the entire internet value chain. In the absence of such interventions, the concentration of market power in almost all of the six market segments of the internet value chain would remain with a few individual corporations of which the majority were USA incorporated companies. This might result into either stagnation or slow growth of the internet value chain in most developing countries. as far as provision of the majority of services in the value chain to end users was concerned.

6.1.4. Implementation of the Market Surveillance Framework

During the year, the Authority operationalized the Market Surveillance Framework which aimed to facilitate the systematic monitoring of tariffs for wholesale and retail electronic communication services with a view of ensuring that tariffs charged to end users (consumers) were in compliance with approved terms and conditions as well as in conformance with the provisions of the ICT Tariff Regulations for electronic communication services. The inaugural market surveillance report highlighted a number of gaps related to compliance with the existing regulatory framework on the application and implementation of tariffs for electronic communication services.

Consequently, a public notice containing directives on transparency, dissemination of tariff related information and general tariff regulatory principles was issued in order to enhance compliance with all tariff regulatory requirements.

6.1.5. Mergers & Acquisitions

In collaboration with the Competition and Consumer Protection Commission (CCPC), the Authority reviewed the following merger and acquisition applications in order to ascertain whether or not they would have the effect of substantially lessening competition on the market:

a. Proposed Merger between Metier and Africa Mobile Networks;

b. Proposed Sale of EOH Holdings Limited 100 pc issued capital held in Sybrin Limited to K2020893770 SA;

c. Proposed Merger Involving Zamlink, Finsbury Investment Limited and Loita Transaction Services Limited (LXS);

d. Proposed Merger Transaction Involving MTN Dubai Limited and Ayo Holdings Limited; and

e. Proposed Merger Involving Alviva Holdings Limited and Tarsus Technology Group Proprietary Limited.

Given that the above applications related to share transfers in non-licensed entities that only had indirect interest in licensed entities in Zambia, the Authority had no objection and granted conditional approval subject to CCPC approval.

6.1.6. Tariff Applications

During the year, the Authority reviewed and processed tariff applications for electronic communication services. The tables below provide an analysis of the nature of the applications.

Licensee	Nature of Electronic Communications Services					Total Application
	Voice	SMS	Data	Bundled offers	Promotions/ Value added Services	
Airtel	1	-	2	3	-	6
MTN	2	-	9	9	9	29
Zamtel	-	-	4	6	6	16
Others	-	-	-	-	-	-
Total	3	-	15	18	15	51

Table 8 — Tariff Applications

6.2. Policy and Research

6.2.1. Quarterly Market Reports

The Authority completed four quarterly ICT sector Market reports which highlighted developments in the country's ICT sector over the period January to December, 2021. The reports provided an assessment of the macro economic environment and its implications on the sector, a detailed assessment of the performance of the various sub sectors of the ICT sector as well as a forecast for the subsequent review period. Some of the major challenges identified in the year 2021 that needed redress related to access of shared infrastructure, high tax burden and the depreciation of the local currency among others.

6.2.2. Research and Development Policy and Research and Development Guidelines

A research and development policy for the Authority was developed to provide a framework for the implementation of all research and development activities. The policy would act as the basis for the implementation of the research and development guidelines which were revised in the same year.

6.2.3. Evaluation of the ICT sector's contribution to GDP

The Authority in collaboration with the Zambia Statistics Agency (ZamStats) undertook a study to evaluate the methodology adopted in assessing the contribution of the ICT sector to the country's GDP. The study was motivated by the continued positive developments in the ICT sector such as growth in mobile network subscriptions, internet subscriptions, telecommunication infrastructure deployed and increased adoption of digital financial services which were not reflected in the estimates for the ICT sector's contribution to GDP. As one of the key outcomes, an ICT sector Satellite account was established by ZamStats and the Authority which would assist with improving the accuracy of the estimates.

6.2.4. Development of the ICT Price Index

The Authority developed an ICT price index aimed at tracking movements in the general price level for ICT services in the country. The ICT price index which would be released in the first quarter of 2022 would rely on detailed tariff information from operators and would assist with tracking developments in affordability for ICT services in the country.

6.2.5. Study on Taxation of Over-the-top (OTT) Services

The Authority undertook a study to assess the regulatory challenges associated with the emergence of OTT services with a focus on taxation. The study identified the regulatory imbalance that OTTs created leading to unfair tax treatment in the marketplace. Based on a review of international and regional practices, the study recommended that Zambia should consider aligning its tax considerations for both direct and indirect tax on OTTs with the ongoing OECD/G20 BEPS project. It was also recommended that the country considers the introduction of a standard indirect tax (e.g. VAT) on intermediary OTT platforms that will minimize consumer tax burdens.

6.2.6. Tax and Non Tax Proposals for 2022 National Budget

Following a call for submissions by the Ministry of Finance, the Authority submitted a paper providing a summary of all the submissions by operators in the Information and Communications Technology (ICT) sector on how tax policy as well as the administration of taxes related to the sector could be enhanced to support revenue collection, administrative efficiency, growth and improvements in consumer welfare. The submissions formed part of the input in the formulation of the 2022 National Budget as well as the 2022-2024 Medium Term Expenditure Framework (MTEF). Whilst the 2022 National Budget proposed to reduce the standard Corporate Income Tax rate to 30 percent from 35 percent, the top marginal tax rate for telecommunication companies was maintained at 40 percent.

6.2.7. Financing Proposal for the 2022 National ICT Survey

The Authority developed a financing proposal for the implementation of the 2022 National ICT Survey on Households and Individuals. The document highlighted the rationale and objectives of undertaking the survey as well as the proposed methodology for execution. The survey is planned to be undertaken in 2022 in collaboration with the Zambia Statistics Agency and other partners.

6.2.8. ICT Innovation Programme Activities

a. Commercialization Support Activities for 2020 Programme Finalists

The Authority continued to undertake support activities aimed at commercializing the projects that were awarded financial grants by the Authority in the year 2020. Some of the activities that were conducted for the innovators included purchase of marketing materials, technical devices and domain registrations.

b. ICT Innovation Hackathon

The Authority hosted an ICT Innovation Hackathon in September 2021. The event was aimed at identifying developers capable of developing ICT related innovations pertaining to an identified area/s in need of innovative solutions that would deliver the largest impact. The proposals received were evaluated against other submissions to identify the challenges that would lead to the highest impact if addressed.

c. National Innovation Initiative

The Authority collaborated with the United Nations Development Programme and the National Technology and Business Centre on an innovation scouting exercise in all the provinces of Zambia to map out the existing innovations within the communities. The shortlisted innovators and start-ups from the various provinces had an opportunity to pitch and exhibit their innovations at a National Innovation Fair and the finalists received support ranging from monetary awards, technical support and linkages to key partners.

7

Technology & Engineering

7.0 Standards and Electronic Networks

7.1 Dealers and Type Approval

The Authority was responsible for registering dealers in electronic communication apparatus in Zambia. It was also mandated to ensure that all electronic communications apparatus intended to be sold or used in Zambia met the technical standards as prescribed by the Type Approval guidelines. Type Approval was the regime for assessing electronic communications apparatus' conformance to stipulated standards.

7.1.1 Dealers

For the year 2021, a total of 220 new dealers where registered while 195 dealers renewed their certificates. Compared to the total number of registered dealers in the database, that represented a massive decline in the number of entities renewing their dealers' certificates.

7.1.2 Type Approval

For the year 2021, a total of 1800 models of electronic communication equipment were Type Approved, resulting into revenue of K7.8 million compared to K4.8 million in 2020.

The revenue growth in 2021 was attributed to the deployment of Type Approval Inspectors at the Kenneth Kaunda International Airport, Kazungula One-Stop Border Post and Victoria Falls Border Post. Another contributing factor was the physical inspections which were conducted throughout the year. The breakdown of the volume of Type Approved equipment was as shown in the figure below:

Figure 16 — Annual type approval volumes

7.2 Pre-Installation Clearances

A total number of 126 pre-installation clearance applications for fibre deployment were received and approved. The highest number of applications were from Liquid at 62, followed by MTN at 20, Airtel at 15 and Zamtel 13.

7.3 ICT Standards Development

7.3.1 Development of Standards

7.3.1.1 Standards for Persons with Disabilities (PwDs)

In 2021 the Technical Committee (TC) on Networks, Technology and Numbering focused on the adopting ICT accessibility standards for Persons with Disabilities (PwDs) that would cover both challenges and ways of improving accessibility in Zambia. The Committee adopted 10 standards, which consisted of 6 ITU standards, 3 ISO standards and 1 ETSI standard. The standard addressed issues relating to ways of improving accessibility in areas such as telecommunications terminals, assistive devices and technologies and—interactive services.

7.3.1.2 Data Centre Standards

During the year under review, TC 1 on Environment and Climate adopted 6 standards for data centres. The focus was on the efficient use of energy in data centres. Further, there was recommendation on the timely implementation of the interventions provided for in the adopted standards. The stakeholders were encouraged to take advantage of newer and more efficient technologies such as 5G, Artificial Intelligence (AI) and Internet of Things (IoT) in order to transform the data centres in the country into green data centres.

7.3.1.3 Big Data Standards

TC 5 on Future Networks and Security adopted 9 out of the 12 proposed standards. TC 5 recommended the need to delve more into the standard ITU-T X.1751 - Security Guidelines for big data lifecycle management by telecommunication operators, as it only seemed to cater for the telecommunication operators and did not address big data security related issues in other sectors as the financial and the health sectors. An additional standard, ITU-T X.1750 - Guidelines on security of big data as a service for big data service providers was suggested as a companion to the aforementioned standard, ITU-T X.1751, to possibly address the issues raised with the standard and cater for other sectors that handled big data.

7.3.1.4 Internet of Things (IoT) Standards

TC 6 on IoT and Multimedia Application adopted all the of the 6 proposed standards. The proposed standards focused on the following:

a. Performance evaluation frameworks of e-health systems in the Internet of things;
b. Digital entity architecture framework for IoT interoperability;
c. Requirements of things description in the IoT;
d. Framework of delegation service for IoT devices;
e. Specific requirements and capabilities of the IoT for big data; and
f. Open data APIs for IoT data in smart cities and communities.

7.3.1.5 QoS Measurement and Assessment

TC 3 committee focused standards for quality measurement during major events and the crowdsourcing approach for the assessment of end-to-end quality of service.

7.3.2. ICT Standards Steering Committee

During the year under review, the ICT Standards Steering Committee (ISC) approved a total of 33 standards as follows:

SN	Technical Committee (TC)	Standards Category	No
1.	TC 1: ICT and the Environment	Data Centres	6
2.	TC 3: QoS and Performance	QoS Measurement	2
3.	TC 4: Technologies and Numbering	ICT Accessibility by PwDs	10
4.	TC 5: Future Networks and Cybersecurity	Big Data	9
5.	TC 6: IoT and Multimedia Applications	Internet of Things Application	6
		Total	33

Table 9 — Standards approved by the ISC

7.4 Numbering and Registry

There were 69 newly allocated number resources while 42 number certificates expired in 2021. Additionally, 142 number resources were renewed.

7.4.1 Registry Performance

The registered domains increased by 8.91% from 6,285 in 2020 to 6,845 in 2021. The statistics per zone were as presented in the table below.

S/N	Zone	Domain Statistics 2021	Domain Statistics 2020
1	co.zm	4943	4558
2	org.zm	547	504
3	com.zm	585	497
4	gov.zm	321	314
5	ac.zm	110	99
6	edu.zm	209	187
7	.zm	63	72
8	sch.zm	27	28
9	net.zm	17	15
10	info.zm	5	5
11	biz.zm	12	11
12	mil.zm	6	6
13	**Total Domain**	**6845**	**6285**

Table 10 — Number of domains

7.4.2 Registrar Statistics

The registrar statistics at the close of 2021 were as shown in Table 11.

S/N	Accredited Registrar	Number of Domains	Percentage (%)
1	Zamnet	3934	57.47
2	Zamtel	657	9.60
3	ZICTA Escrow	485	7.09
4	Liquid	476	6.95
5	Inq	432	6.31
6	Infratel	327	4.78
7	Preworx	170	2.48
8	Zamren	137	2.00
9	Isat Africa	78	1.14
10	Paratus	73	1.07
11	MTN Business	72	1.05
12	Airtel	4	0.06
13	**Total**	**6845**	

Table 11 — Registrar statistics

8.0. Spectrum Management

8.1. 5G Spectrum Plan

As part of the Authority's strategy to facilitate for the provision of high-speed broadband service as well as improve the Quality of Service, the Authority developed a spectrum plan for bands that were earmarked for 5G Technologies. The plan underwent a stakeholder consultative process which aimed at tapping into the views of operators with regard to spectrum for 5G. The plan also looked into the possible re-farm of certain operators from the bands that had been earmarked for 5G. The roadmap for the 5G spectrum was as shown below.

Figure 17 — 5G Spectrum Road Map

8.2. COVID-19 Relief Spectrum

The prolonged pandemic had put a lot of pressure on operators to provide better and faster broadband services because most socio-economic activities were being conducted virtually. That resulted into the need for more spectrum as there was tremendous growth of internet traffic. In order to alleviate the pressure, the Authority provided temporary spectrum to operators in the 900MHz and the 1800MHz bands.

8.3. FM Radio Frequency Plan Optimization

During the year 2021, the ITU Radio communication Bureau (BR), in collaboration with the African Telecommunication Union (ATU) undertook a project for the optimization of the GE84 Plan for African countries in which Zambia participated. The main purpose of this GE84 Plan Optimization project for Africa was to achieve an efficient use of the 87.5—108MHz (FM) band for analogue sound broadcasting by identifying new frequency channels for FM broadcasting to meet the increasing need for additional frequency channels in African countries. Consequently, the Authority suspended the issuance of FM frequencies until the end of the planning process.

8.4. Television White Space (TVWS) Guidelines

The Authority developed Television whitespace (TVWS) guidelines that allowed the utilization of unused digital television spectrum for the provision of broadband services in the unserved and underserved areas of the country. The guidelines would promote the provision of cheaper broadband connectivity.

8.5. Competitive Licensing of 800MHz Spectrum

The Authority conducted a competitive licensing of spectrum in 800MHz band. MTN was awarded the spectrum at a price of US$13.5 million. The 800MHz spectrum issued contributed to meeting the increased broadband traffic demand due to COVID-19.

8.6. Summary of Radio License in 2021

The table below provides a summary of the number of radio spectrum licences issued in 2021.

S/N	Radio License	New	Renewal	Total
1	Landmobile	29	336	365
2	Broadcasting	7	133	140
3	Aeronautical	8	103	111
4	Paging Alarm	1	8	9
5	Satellite	8	88	96
6	Armatear	23	22	45
7	Microwave	0	5	5
8	Broadband	2	6	8
9	Mobile	5	2	7
10	**Total**	**83**	**703**	**786**

Table 12 — Radio Licencses issues in 2021

8.7. Spectrum Monitoring

In 2021 the Authority conducted scheduled as well as on-demand spectrum occupancy tests and general monitoring across the country. Some of the frequency bands of interest included those highlighted in table below:

S/N	RF Band	% Occupancy	Objective
1	380 — 385MHz	≈ 2%	Band preparation for Public Protection and Disaster Relief (PPDR) applications
	390 — 395MHz	≈ 30%	
2	811 — 821MHz (FDD Downlink)	>98%	Spectrum successfully prepared for competitive licencing
	852 — 862MHz (FDD Uplink)	>90%	
3	2500 — 2520MHz (FDD Uplink)	0%	Band under compliance monitoring
	2620 — 2640MHz (FDD Downlink)	0%	

Table 13 — Spectrum Monitoring

8.7.1. Radio Frequency (RF) Interference Investigation and Resolution

During the year under review, the Authority successfully resolved all radio frequency interference cases received, with the summary statistics as shown in Table 14 below.

S/N	Service	Count
1	MNO Radio Access Network	1
2	FM Broadcast	3
3	Private Mobile Radio(PMR)	1

Table 14 — Radio Frequency (RF) Interference Case Resolutions

8.7.2. Mobile Network Coverage

The composite mobile network coverage shown in figure 18 was the effective service coverage taking into account all the technologies (2G, 3G and 4G) deployed by all the operators.

Figure 18 — Composite National Mobile Coverage

The total number of mobile network cells increased from about 50,394 in 2020 to 60,539 in 2021. Fueled by investments in telecommunication equipment, the increase in number of cell sites saw a corresponding rise in both geographic and population coverage as shown in figure 18. It was further observed that due to the ever increasing demand for broadband data services, GSM (2G) coverage slightly reduced while both 3G and 4G coverage increased significantly. That could have been attributed to not only construction of more 3G and 4G sites but optimization of existing ones for improved data services.

8.8. Broadcast Service Coverage

The national broadcast service coverage for the terrestrial FM sound and DTT broadcast stations had a total number of 257 active transmission sites for FM and 89 for DTT. The goegraphic coverage and population coverage were as presented in figure 19 and 20 below:

Figure 19 — FM Broadcast Coverage Analysis

Figure 20 — DTT Broadcast Coverage Analysis

8.9. FM Station Modification Analysis

The demand for FM broadcast channels were particularly high in Lusaka and Copperbelt broadcasting areas. As a result, there was a high density of transmitters in these areas which required careful management by the Authority to ensure the RF environment was free from undue interference. A total of 4 station modification proposals were received and successfully processed.

8.10. Spectrum Compliance Inspections

Compliance inspections were conducted to ensure adherence to license conditions, prevent illegal use of spectrum and to promote efficient use of the scarce spectrum resources. During the year under review, 83 percent of the inspected licensees were found to be compliant, 13 percent non-compliant and 4 percent non-operational, as shown in figure 21.

Figure 21 — Spectrum Compliance Inspections

9.0. Quality of Service Monitoring Activities

9.1. Performance of Mobile Network Operators

During the 2021 Quality of Service (QoS) monitoring measurements, the Authority focused on monitoring and measuring the QoS perceived by the customers, as well as monitoring the performance of the network of the mobile network operators. The persistent COVID-19 pandemic in 2021 resulted in an upward swing in traffic volumes on mobile networks due to increased use of online platforms. The increased demand of broadband services contributed to QoS degradation.

In order to address the challenges, the Authority provided temporary spectrum to increase network capacity. The Authority continued with the QoS monitoring campaigns to ensure that operators implemented remedial actions to improve the quality of service and experience of the users on their respective networks.

Figure 22 —QoS Monitoring Measuremets

9.2. Statistical Data Samples

During the year, the Authority conducted mobile drive test and collected data aimed at ensuring that the QoS parameter were within the range specified in the QoS guidelines. The graphs below show the number of QoS tests carried per service (Voice, Data and SMS) for each operator during 2021.

Figure 23 — Number of QoS Tests

9.3. MNO's QoS Performance

Various QoS Key Performance Indicators (KPIs) were monitored during the year under review.

9.3.1. Call Setup Time (CST) – (Target: 10 Seconds Maximum)

Call Setup Time refered to the time it took to set up a voice call. It was measured in seconds. All MNOs were able to maintain good performance within target for voice Call Drop Rate over the year. The performance trend of the MNOs was as shown in figure 24.

Figure 24 — Call Setup Time (s)

9.3.2. Call Dropped Rate (CDR) — (Target: 5% maximum)

Call Dropped Rate refered to a percentage of the calls that terminated before the parties on the call finished their conversation. Overall, all MNOs were able to sustain good performance for voice Call Drop Rate over the year. Airtel and MTN were within target for voice CDR. Zamtel had satisfactory performance during the year with the exception of of the months of August and September. The performance trend of the MNOs was as shown in figure 25.

Figure 25 — Call Drop Rate (CDR)

9.3.3. Call Set-up Success Rate (CSSR) — (Target: 98% Minimum)

Call Set-up Success Rate refered to the percentage of originating calls that were successfully established by the customer. Airtel recorded low performance for most of the year during 2021 while Zamtel record low performance at the beginning of the year from September to December of 2021. MTN on the other hand performed within the target range for voice and data Call Setup Success rates for most of year. The performance trend of the MNO is shown in figure 26.

Figure 26 — Call Setup Success Rate (CSSR) (%)

9.3.4. Voice Quality — (Target: 3 Minimum)

Voice Quality as measured by the Mean Opinion Score (MOS) was an indicator representing the quantification of the end-to-end speech transmission quality of the mobile telephony service. The parameter computed the speech quality on the basis of completed calls. The Authority commenced measurements of the Voice Quality parameter in August following the upgrade of the QoS Monitoring System. For the monitored period all the operators perfomed within the set parameters. The performance trend of the MNOs as-was shown in figure 27.

Figure 27 — Voice Quality as measured by the Mean Opinion Score

9.4. Data Services

HTTP Data download Throughput refered to the rate of data transfer measured in Kilobits per second. The target for 3G was a minimum of 1.5Mbits/s. Overall, 3G download data throughput for all the three (3) MNOs was above target during the year, with the exception of the month of July for Airtel. The performance trend on 3G for the MNOs was as shown in figure 28.

Figure 28 — Downlink Throughput on 3G (Mbps)

HTTP Data download Throughput target for 4G/LTE was a minimum of 10Mbits/s. The Authority commenced measurements of the 4G/LTE in August following the upgrade of the QoS Monitoring System. For the monitored period, the performance of the MNOs was as shown in figure 29.

Figure 29 — Downlink Throughput on 4G/LTE

9.5. Summarized Results (Data and Voice)

The average performance results obtained from the mobile drive tests across the country were as shown in the table below.

	KPIs	KPI Target	Airtel	MTN	Zamtel	Best Network
1	Call Setup Time(sec)	≤ 10s	5.34	6.34	5.00	Zamtel
2	Call Setup Success Rate (%)	≥ 98%	96.52	98.54	96.03	MTN
3	Call Drop Rate (%)	≤ 5%	1.49	0.79	6.46	MTN
4	Mean Opinion Score	3	3.64	3.92	3.49	MTN
5	HTTP Successful Internet Log-ins (%)	≥ 98%	99.32	98.62	96.26	Airtel
6	HTTP Download Rate on 4G (Mbps)	≥ 10 Mbps	11.14	11.52	15.87	Zamtel
7	HTTP Download Rate on 3G(Mbps)	≥ 1.5 Mbps	3.29	2.40	3.17	Airtel

Table 15 — Summarized Results (Data and Voice)

9.6 Upgrade of Quality of Service Monitoring Equipment

In 2021, in order to build internal capability to monitor the QoS for MNOs services, the Authority upgraded the QoS measurement systems and the team in charge of the QoS was also trained.

We're making access easy

ZICTA

With the new harmonised Short Codes, it's now easier for you to access common services like mobile money from your favorite mobile network operator

Try them all out!

Service	Short Code		
	Voice	USSD	SMS
Mobile Money	-	*115#	-
Buy Bundles (Minutes or Data)	-	*117#	-
Borrow Talk Time	-	*118#	-
Share Talk Time	-	*119#	-
Customer Care (Both SMS and Voice)	111	*111#	111

10

Consumer Protection & Information Management

10.0. Consumer Protection and Information Management

During the year under review, the Authority implemented a number of interventions aimed at protecting consumers and enhancing their welfare using traditional and digital awareness programmes.

10.1. ICT Sector Compliance

The Authority conducted inspections of ICT operators in 5 provinces involving 10 licensees. These inspections included ICT onsite inspections, illegal operators, financial compliance and operational status. For the ICT onsite inspections, 178 sites belonging to 7 licensees in 4 provinces were inspected. For inspected provinces, the average compliance rate for the ICT onsite inspections was 74%. Serious breaches which had potential to adversely affect Quality of Service (QoS) provision were observed during the ICT inspections mostly emanating from the managed service providers. Two illegal ICT Operators who were supplying and installing non-Type Approved ICT equipment were apprehended and equipment seized.

Figure 30 — 2021 ICT Inspections Compliance Rate by Province

10.2. Postal and Courier Compliance Inspections

There was a notable increase in the number of courier operators in the country, mainly owing to the effects of the COVID-19 pandemic, where consumers opted to purchases of goods and services online. The Authority continued to put a number of interventions to curb the influx of illegal courier operators on the market who were noted to be engaging in uncompetitive behavior, possible transportation of illegal items and also exposing consumers to losses. During the year under review, the Authority conducted inspections on 94 high risk postal and courier operators in 7 provinces. From the inspections, 40 illegal courier operators were identified, 13 of which normalised their operations.

Figure 31 — Postal and Courier Compliance

10.3. SIM Card Registration

The Authority conducted SIM card registration compliance inspections in 5 provinces namely Eastern, Copperbelt, North-Western, Western and Southern Provinces with the aim of checking for fraudulently registered SIM cards. From the inspections, a total of 297 agents were inspected and a total of 350 preregistered SIM cards were detected and seized from 60 agents. A total of 38 agents that were found in possession of preregistered SIM cards were apprehended and handed over to law enforcement agencies for further investigations while 22 agents that were found with preregistered SIM cards were verbally warned by the Authority and reported to their respective MNOs service centres for further action. The Authority also handled 101 fraudulent SIM swap related complaints.

Figure 32 — Sim Card Registration Compliance Inspection

10.4. Complaints Management

During the year under review, the Authority recorded an upswing in the number of complaints. The total number of calls handled by the contact centre agents was 29,523, that represented an increase of 8.2% compared to 2020 in number of calls. The increase in calls was due to the cybercrime incidents such as scams regarding fake promotions and mobile money scams among others. Airtel recorded the highest case Volume of complaints which stood at 51% followed by MTN at 28% and ZAMTEL was at 18%. An annual complaint resolution rate of 99% was achieved in 2021 against a target of 98%. figure 37 provides a summary of the most frequent complaints received across all the service providers in 2021. Mobile Money complaints represented the highest volume of complaints at 45.21%, followed by Poor Quality of Service at 35.64%, SIM registration anomaly 9.04%, billing Error 5.32% and Loss of Airtime 4.79%.

Figure 33 — Complaints in 2021

10.5. Information, Education and Communications (IEC)

The Authority prioritized consumer education and awareness programmes on Digital Financial Services, Child Online protection, responsible use of ICTs and cybersecurity awareness. The Authority collaborated with national and regional stakeholders including Save the Children International, RUFEP, Life/ChildLine, Financial Sector Deepening Zambia (FSDZ) and Bank of Zambia, among others. Table 16 shows a summary of the total number of IEC activities done in the year 2021 in all 10 provinces.

S/N	IEC Activity	Q1	Q2	Q3	Q4	Total
1	E-Waste	0	1	1	1	3
2	Child Online Protection	7	13	5	7	32
3	Fake News	0	0	0	0	0
4	Digital Financial Services	5	2	3	36	46
5	Persons with Disabilities and Inclusivity	1	2	2	8	13
6	ZICTA's Mandate and Functions	0	10	3	11	24
7	SMS Blast	0	4	0	8	12
8	Production of Jingles	0	0	2	0	2
9	Airing of Jingles	0	0	86	0	86
10	Production of 2 Self Learning Videos and Audios	0	0	2	0	2
11	Online Risks	11	15	0	0	26
12	ICT School Clubs Recruitment	10	91	49	0	150
13	Know Your Customer Radio Programmes	9	0	0	0	9
14	World Consumer Rights Day	1	1	0	0	2
15	National Organising Committee — Articles and Virtual Meeting and Essey Competition	4	0	0	0	4
16	**Total Awareness Activities 2021**	**48**	**139**	**153**	**71**	**411**

Table 16 — IEC Activities

10.6. E-Waste Management

Recognising the important role that the ICT regulation could play in the mangement of e-waste, the Authority's undertook an assesment of e-waste management practices amongst lincensees. It was found that a large majority of the engaged licensees did not have effective e-waste management practices in place. The Authority, therefore, enhanced collaborative efforts with the Zambia Environmental Managment Agency (ZEMA), with the view of establishing e-waste management synergies by both regulators.

10.7. Strategic Partnerships

9.7.1. Rural Financial Expansion Programme (RUFEP)

ICTs were identified as a driver for financial inclusion through Digital Financial Services as evidenced by the exponential growth rate in both volumes and values of the transactions carried out on digital platforms. In order to exploit the potential to leverage digital technologies to reduce costs and expand the catchment of financial empowerment, the Authority had undertaken numerous collaborative activities to promote uptake, usage, safety and significantly address urban/rural financial disparities. With the support of RUFEP, the Authority carried out various awareness activities nationwide. These activities were carried out in collaboration with the Bank of Zambia and the Mobile Network Operators. The Authority had entered into a partnership agreement with RUFEP which was scheduled to conclude in 2022.

10.7.2. Internet Watch Foundation (IWF)

In line with Sustainable Development Goal 16.2 which aimed to end all forms of violence by 2030 and ITU Resolution Number 179 on Child Online Protection, the Authority in collaboration with the Internet Watch Foundation (IWF) embarked on the sensitisation campaign of the IWF reporting portal with the objective of creating awareness to general public and increase the numbers of those reporting if they spot images and videos of child sexual abuse on the internet with the objective of taking down images or videos from the internet. The campaign was conducted on a number of media channel which included among others Television, Radio, Social Media and Online websites & Influencers.

The Authority engaged the Internet Watch Foundation (IWF) and the International Centre for Missing and Exploited Children (ICMEC) to undertake a Stakeholder Roundtable Workshop and a Training for Law Enforcement Officers on March 5 and March 11, 2021 respectively. The roundtable addressed issues related to polices, education and awareness process related to Child Online Protection in Zambia while the Law enforcement training addressed basic investigative issues related to online child exploitation in Zambia, Regional and Global perspective issues.

10.7.3. Lifeline/Childline and Save the Children

As part of the collaborative effort in ensuring children's safety online, Lifeline/Childline Zambia with support from Save the Children implemented a pilot project titled; "Keeping boys and girls Safe online". The project had been running since April 2020 and lifeline was working with children from Lusaka and the Copperbelt.

10.8. Business Technology

Network infrastructure and resource availability was recorded at 99% uptime and provided stakeholders and consumers with access to the Authority's administration and information systems. Further, to provide business continuity during the COVID-19 pandemic, the Authority continued to provide secure connections to the ICT infrastructure and resources to staff members working from home to minimise business disruptions.

11

Legal & Regulatory Affairs

11.0. Legal and Regulatory Affairs

11.1. Enactment of New Acts

During the year 2021, three Acts were enacted namely the Cyber Security and Cyber Crimes Act, the Data Protection Act and the Electronic Communications and Transactions Act.

The aim of the Cyber Security and Cyber Crimes Act was to enhance cyber security in Zambia, protect victims against cybercrimes, provide for child online protection and offences relating to computers and computer systems.

The Data Protection Act aimed at providing an effective system for the use, and protection of personal data, while the Electronic Communications and Transactions Act aimed at facilitating a safe and effective environment for electronic transactions and other related matters associated with electronic communication. The Authority undertook a countrywide awareness program relating to the enacted legislation during the year. The aim of the awareness program was to sensitize members of the public on the contents of the new legislation, their obligations and the benefits presented.

11.2. Regulations

In 2021, the Minister of Transport and Communications signed into law the following Regulations:

a. Cyber Security and Cyber Crimes (Council) Regulations SI No. 52 of 2021 - The Regulations operationalised the provisions relating to the National Cyber Security Advisory and Coordinating Council (Council) which provided for, among others, the composition of the council and set out the manner in which the Council would operate; and

b. The Data Protection (Licensing) Regulations SI No. 58 of 2021 - The Regulations provided for licensing of data controllers and data processors.

11.3. Guidelines

The Authority issued 2 guidelines, namely the Competition Guidelines and TVWS Guidelines.

11.3.1 Competition Guidelines

The guidelines sought to:
a. promote the efficiency and competitiveness of the electronic communications industry;
b. ensure that electronic communications services were reasonably accessible to all people;
c. ensure that electronic communications services were supplied as efficiently and economically as was practicably possible;
d. facilitate the adoption of emerging and innovative business models;
e. promote and maintain fair and efficient market conduct as well as prevent conduct that would likely result in the substantial lessening of competition;
f. promote fair and equitable access to essential telecommunications infrastructure by operators and other stakeholders across various economic sectors; and
g. promote investment and the deployment of new technologies in order to develop and expand the electronic communications industry.

11.3.2. TVWS Guidelines

The objectives of the guidelines were to:

a. define the use of TVWS radio frequency spectrum;
b. provide guidance on how the TVWS radio frequency spectrum would be regulated for the provision of broadband services in the underserved and unserved areas only in order to support access and bridge the digital divide in those areas; and
c. establish the conditions in which TVWS services would be provided.

11.4. Review of the 2017 Licensing Framework

The Authority, in 2021, begun a revision of the current licensing framework. The review of the framework considered all the feedback received from stakeholders and incorporated those that were in sync with the law and proposed framework at large. Also taken in to account was international best practice in the licensing of operators in the Information and Communication Technology (ICT) sector.

The main suggested revisions or additions to the licensing framework included but were not limited to the following:

i. Segmentation of the Network license into Network Licence (Facilities and Service) and Network Licence (Facilities);
ii. Extension of the service licences to include an international market segment;
iii. Provision of tiers within the Provincial and District licences based on the existing and potential demand for ICT services with each tier attracting different regulatory requirements;
iv. The introduction of a network licence (facilities) category focusing on broadcasting so as to provide a clear distinction between providers of electronic communication networks and broadcasting signal distribution;
v. Inclusion of a third category of the service licence in which value added services that required numbers would fall; and
vi. Provision of detailed description of the licence categories as well as the procedure for issuance of each kind of licence.

In view of the proposed revisions to the licensing framework, an assessment of the appropriate licensing fees for each licence category in the proposed guidelines was undertaken. The assessment involved making comparisons with the fees applied to existing licences as well as benchmarking the relative quantum of the licence fees with fees charged in compactor countries. Other factors considered in determination of proposed fees included the need to:

i. attract investment in the ICT sector;
ii. encourage and foster sufficient competition in the market;
iii. work towards the achievement of Universal Access and Service;
iv. ensure increased infrastructure sharing; and
v. ensure licence conditions that were unduly burdensome on the licensees – especially SMEs so as to increase Zambian participation.

The Business Regulatory Review Authority approved the amendments to the Licensing framework following the consultation process conducted by the Authority. The amendments to the 2017 licensing framework would:

i. enhance regulatory certainty by providing clarity to, apparently, hitherto ambiguous provisions as submitted by various stakeholders;
ii. enhance the ability to plan for the deployment of network infrastructure and services necessary for the expansion of network coverage and access as well as the increased adoption of ICT services among consumers;
iii. facilitate the increased participation of Zambian owned companies and MSMEs at large;
iv. ensure that the licensing framework encompassed new technological and other developments in the sector. That took into account the fact that technologies had evidently continued to evolve with new business models emerging from such evolution in the sector;
v. enhance due competition in the provision of services which was expected to lead to improvements in QoS and affordable pricing of ICT goods and services;
vi. reduce the cost of doing business by ensuring the cost of deploying networks and providing services was reduced; and
vii. Generally provide a more conducive regulatory environment for both licensees as well as consumers.

12 Cybersecurity

12.0. Cybersecurity

12.1. Law Enforcement Assistance

12.1.1. Digital Forensics Case Resolution

The Authority received and processed thirty 38 requests, which were criminal in nature , for digital forensic examination from various organisations. These included Zambia Police (ZP), Drug Enforcement Commission (DEC), Zambia Immigration Department, University of Zambia, Competition and Consumer Protection Commission and walk-in members of the general public. Figure 34 shows the cases investigated in which the Authority was requested to provide digital forensics.

Figure 34 — Cases Under Investigation in Digital Forensics Unit for 2021

12.1.2. Know Your Customer (KYC) — Warrants

The Authority facilitated the processing of a total of 100 search warrants. The distribution of the search warrants was as shown in figure 35.

Figure 35 — Search Warrants for KYC Data Received and Processed in 2021

Figure 36 — Telecommunication Search Warrants

12.1.3. Take-Down Notices — Facebook Pages

The Authority noted the increase in false stories and information being published on Facebook. During the year, 746 problematic Facebook pages were reported by different stakeholders for request-to-take-down. The pages were alleged to have published malicious and false information. Of these, 422 pages were taken down for violating Facebook community standards, while the rest were not taken down, as they did not violate the community standards.

12.2. Critical Information Infrastructure Protection (CIIP)

12.2.1. Digital Financial Service Platform Security

The Authority partnered with ITU, to conduct an assessment of DFS products focused on the Mobile Network Operators. The assessment comprised test cases which included scenarios, SIM clone attack, attacks against account transactions, SIM swap. This led to the identification and resolution of vulnerabilities in their systems. Further, the result of the assessment would be used to formulate best practices for DFS providers and users.

12.2.2. Vulnerability Assessment

In 2021, vulnerability assessments were conducted on various publicly accessible websites. It was observed that 6 of the .zm domain hosted sites were compromised and the Authority engaged the affected institutions and provided remedial guidance.

12.2.3. Threat Monitoring

The Zambia Computer Incident Response Team (zmCIRT) sensor infrastructure recorded a cumulative number of 10,718,002 cyber-attacks, as shown in figure 37. These were detected through the Honeypot Alert Sensor System (HASS), one of the key monitoring tools that the Authority uses Cyber Threat and national situation awareness.

Figure 37 — Honeypot Alert Senor Statistics

12.5. Other Activities

The following activities were also undertaken:

a. Cybersecurity awareness and training. The matters discussed included safe and responsible use of the Internet; and cybersecurity in organisations;
b. The Authority handled a total of 2,620 cyber complaints through the available reporting channels, which include online reporting through Facebook, the complaints email directory, call center switch board and walk-in clients;
c. The Authority successfully engaged Facebook (Meta) Africa and embarked on activities that supported capacity development;
d. A total number of 238 webpages hosted child sexual pornography content were reported on the IWF Portal and 108 webpages were taken down while the remaining 130 webpages did not violate the community standards; and
e. Enagaged 22 Africa member states on the establishement of Cybersecurity MoUs which included: Egypt, Mauritius, Nigeria, Rwanda, South Africa, among others.

Your PIN Code is private. Never share your Personal Information in public

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Retain

13

Human Capital and Operations

13.0. Human Capital and Operations

13.1. Talent Management

13.1.1. Talent Compliment

The total labour strength as at December 31, 2021 stood at 172 compared to 161 in 2020. A detailed breakdown was as follows:

13.1.2. Talent Distribution per Department

In the period under review, the talent distribution was illustrated as follows:

Figure 38 — Talent Distribution Per Department

13.1.3 Talent Attrition

There were 5 separations in the period under review;

13.1.4 Talent Resourcing

The following positions were filled during the year.

S/N	Job Title	Gender	No.	Department
1	Head Internal Audit	Female	1	Internal Audit
2	Projects Officer	Male	1	Universal Access Service Fund (UASF)
3	Strategy Officer	Male	1	Economic Regulation
4	Operations & Logistics Officer	Male	1	Technology and Engineering
5	Office Assistant	Male	1	Technology and Engineering
6	Legal Officer	Female	1	Legal and Regulatory Affairs
7	Revenue Accountant	Female	1	Finance
8	Compliance Officer	Male	1	Consumer Protection & Info. Management
9	Assistant Compliance Officers	Female	2	
		Male		
10	Office Manager	Female	2	
11	Networks and Communications Administrator	Female	1	
12	Type Approval Technologist	Male	1	Technology and Engineering
13		**Total**	**14**	

Table 17 — Talent Resourcing

13.1.5. Establishment of New Departments

In order to enhance Corporate Governance and capacity to deliver the Board approved the establishment of three new directorates namely, Board Services, Cybersecurity and Universal Access and Service Fund.

13.1.6. Provincial Presence

In line with Government's decentralisation agenda aimed at devolving services closer to the people, the Authority opened the Choma office to service the Southern region. The office brought the number of regional offices to 4 in addition to Chinsali, Chipata and Ndola.

13.2. Talent Welfare

13.2.1. COVID-19 Vaccination

The Authority, during the year, facilitated on-site vaccination of staff, dependents and contracted work-force operating within the Authority premises. The Authority, also continued to sensitise employees on COVID-19 preventitive measures, which also included working from home.

13.2.2. First Aid Room

During the period under review, the First Aid Room was established. The Room was fully functional and sufficiently equipped .

13.3. Integrity Committee

13.3.1. Appointment of New Integrity Committee Members

The Authority had a 9-member Integrity Committee whose role was to promote integrity and address matters on corruption prevention. In June 2021, new office bearers were appointed with a 3-year mandate. The Authority recieved the 2nd best performing Integrity Committee in Leadership in Zambia award from Anti-Corruption Commission (ACC).

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14

Corporate Communications

14.0. Corporate Communications

14.1. Improvement of Brand Visibility

14.1.1. Information, Education and Communication (IEC) Materials

The Authority produced various IEC materials and publications in order to educate and raise consumers awareness on various topics. The materials covered the following:

a. The National Postal Policy and the National Cybersecurity Policy, including their respective implementation plans, in collaboration with the Ministry of Transport and Communications;
b. Brochures on digital financial services, which were translated into seven different local languages;
c. Flyers on child online protection and online risks;
d. Digital and print media for the call for applications to the 2021 ICT Innovation Programme cohort. The content included the announcement of winners for the cohort as well as the encouragement for the innovators to apply for the next cycle; and
e. Tech Bulletin which highlighted some of the latest trending interventions and innovations and technologies in Zambia and world over.

14.1.2. Sponsorship of 2022 National Budget Presentation

In the year under consideration, the Authority facilitated sponsorship of the live broadcast of the 2022 National budget presentation to parliament which was aired on ZNBC TV1. The sponsorship package provided the Authority with advertising slots which in turn enhanced the Authority's brand visibility as the budget presentation attracted a wide followership and viewership.

14.2. Media Engagements

The Authority enjoyed cordial working relations with various media institutions, which resulted into favourable coverage. Notable among the media houses were ZNBC TV and Radio, Hot FM, Zambia Daily Mail, Radio Phoenix as well as community radio stations such as Byta FM, Choma Maano, Radio Mosio-o-Tunya, Falls FM, Power FM. Others were Flava FM in Kitwe, Kasempa Community Radio in Kasempa, Solwezi FM in Solwezi, Mphangwe FM Radio in Katete, Breeze FM in Chipata as well as Mnkhanya Community Radio in Mfuwe. The Authority also had the following engagements:

a. TV programme on ZNBC aimed at discussing DFS as well as sensitising members of the public on some of the vices associated with it. The live television programme which was sponsored by RUFEP featured Zambia Police, RUFEP, the Authority as well as Bank of Zambia;

b. Airing of familiarisation tour by the Minister of Technology and Science and the Board on UASF projects in Southern, Eastern and Copperbelt Provinces TV programmes on ZNBC;

c. Sponsorship of the live broadcast of the 2022 National Budget presentation to Parliament which was aired on ZNBC TV1;

d. Sponsorship of the Network News on ZNBC Radio; and

e. Airing of radio adverts and jingles, covering various topical issues such as the Authority's mandate, DFS awareness and consumer protection, among others.

14.3. Stakeholder Engagement

14.3.1 Familiarisation Visit by the Minister of Technology and Science

In the month of September 2021, the newly appointed Minister of Technology and Science, Honourable Felix Mutati MP, the Ministry's Permanent Secretary, Ms. Kayula Siame and other directors visited the Authority as a way of familiarising themselves with the institution. The visit, which was aimed at creating an opportunity for the ministry to interact with Authority members of staff, started with a meeting between ministerial entourage and the Authority Board and Senior Management before holding a meeting with all members of staff.

14.3.2. Girls in ICT Programme

The Authority hosted Girls in ICT Indaba and the Train the Trainer Workshop which was held in Chipata. The event aimed at empowering the girl child by equipping them with ICT skills. The Authority used the 16 Days of Activism under the theme "Orange the World: End Violence Against Women Now!", to call for the prevention and elimination of violence against women and girls. The event, which was attended by 45 girls, created an opportunity for career talks by different women in the ICT sector. Other activities included panel discussions, impact labs, 'Online Risks Awareness' quizzes and various other interactive sessions on online abuse.

14.3.3. Cyber Bullying and Fake News Awareness Walk

The Authority, in conjunction with Cyber Hygiene, UNDP, Irish Aid and Huawei organised a cyber bullying and fake news awareness walk led by 26-year old Captain Thokozile Muwamba, Zambia's first female fighter pilot. Captain Muwamba was accompanied by 9 others during the 11-day walk from Lusaka to Livingstone.

14.3.4. Other Stakeholder Engagements

The Authority also had the following engagements:

a. Quality of Service (QoS) meeting with mobile MNOs to address QoS challenges;

b. Paratus Data Centre Launch;

c. Judiciary Sensitisation Workshop on Online Gender Based Violence;

d. Familiarisation visit to ZICTA and the Zambia ICT College by AFRALTI Director, Mr. William Baraza; and

e. Participation in the Samu Lya Moomba Traditional Ceremony.

14.4. Corporate Social Responsibility (CSR) Programme

The Authority supported various CSR initiatives including the following:

a. Support towards the Rehabilitation of Sikanze Hospital Laboratory;

b. Zambian Cybersecurity Initiative Foundation - National Anti-Cyberbullying Camping Launch Financial Support;

c. Mannah Kaniini - Financial Support (Masters in Physics with University of Zambia);

d. Publink - Corporate Participation in Making Zambia Clean and Helping Prevent the Spread of Transmittable Diseases across the country;

e. Afro Multi-Media Productions - Sponsorship for the Zambia Women of the Year Awards 2021;

f. Sponsorship of Chess Tournament; and

g. Sponsorship to the Nc'wala National Organising Committee 2021.

15 Acquisition & Supply Chain

15.0. Acquisition and Supply Chain

15.1. Procurement Reports

The Authority prepared the Annual Procurement Plan for the year 2021 which served as a strategic tool for planning, execution and monitoring the processes used for the purchase of goods, works and services. The Authority also prepared monthly reports for all procurement activities undertaken through direct bidding, as required by the Public Procurement Act No.8 of 2020. As part of the monitoring activities, the Authority further prepared quarterly reports detailing all the activities undertaken such as the contracts signed and contracts amended. The Annual Procurement Plan, monthly and quarterly reports were also submitted to the Zambia Public Procurement Authority for review.

No adverse feedback was received during the period under review.

15.2. Volume of Procurements for the Year 2021

In 2021, the Authority contracted goods, works and services amounting to ZMW121,634,887.06. A total of ZMW5,323,564.82 was procured in the first quarter representing 4.383% of the annual volume. In the second quarter, a total of ZMW4,284,536.44 was procured representing a ratio of 3.52% of the annual spend. The third quarter accounted for the biggest total expenditure of ZMW62,790,436.80 while the fourth quarter accounted for ZMW49,236,349.00 representing 51.62% and 40.47% respectively of the total annual expenditure. Local suppliers accounted for a total volume of ZMW83,640,923.26, representing a ratio of 68.76% while the balance of 31.24% was attributed to foreign suppliers.

15.3. Procurement Committee Meetings

Twelve Procurement Committee meetings were held in 2021, representing an average of one meeting per month.

15.4. Electronic Government Procurement System

The Authority continued to conduct procurements through the Electronic Government Procurement (e-GP) System. That enhanced the integrity of the procurement process.

15.5. Bidder Complaints

Only one bidder complaint was received during the year. The complaint was unsuccessful when the bidder appealed to the ZPPA. That reaffirmed the increased compliance to rules and procedures and high integrity on the part of the Authority in handling procurement matters.

15.6. Technical Committee Meetings

During the period under review, the Technical Committee for the review of the solicitation documents and associated specifications was appointed. The Committee held several meetings and approved the specifications and the associated solicitation document before the tenders could be issued. The Committee also noted that the solicitation documents had significant strengths that would increase the likelihood of successful contract performance.

15.7. Challenges in 2021

The major challenge related to delayed deliveries due to disruptions in the supply chain largely attributable to the outbreak of the covid-19 pandemic. Inadequate funding also affected payments to suppliers. That had the potential to expose the Authority to possible litigation and price escalations.

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Reuse
Recycle

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ZICTA

16 Universal Access & Service Fund

16.0. Universal Access and Service Funded Projects

The Authority continued to implement projects aimed at delivering ICT access and services to unserved and underserved areas. In 2021, the projects as listed in Table 18 were undertaken.

	Programme/ Project Name	Scope of the Project	Main Goal	Benefits and Impact
1	Communication Towers	A total of 24 communication towers were constructed across the country and were scheduled to be commissioned in 2022.	To help close the digital divide between the unserved and underserved areas in terms of mobile communication	Improved access to communication network especially voice communication in remote areas. The project also resulted in the proliferation of related services such as DFS. In total, an estimated 400,000 people benefited from the constructed towers.
2	Last Mile Fibre Optic Connectivity	In 2021, optic fibre connectivity was done at Gemstone Processing and Lapidary Training Centre. The programme aimed at connecting learning and research institutions to internet via fibre optic. The project was done in collaboration with Zambia Research and Education Network (ZAMREN).	To enhance the provision of low-cost broadband connectivity to public universities, colleges, schools and research institutions.	A total of 75 learning institutions benefitted from the programme with over 30,000 beneficiary students.
3	Digital Health Programme -Universal Health Connect Project	The project was undetaken in collaboration with the Ministry of Health (MOH) and aimed at promoting access to ICT through the provision of ICT equipment, network connectivity and capacity building in the health sector so as to help promote efficiency. In 2021, the Project Charter was approved and readiness assessment was done for 4 selected health facilities.	To promote universal access to ICT in the Health Sector	• Enhanced delivery of quality health care through accurate computer generated reports and accurate decisions in the health facilities; • Ensure continuity of care through the use of ICTs in order to bring about timely reporting and effective data management; • Improved computer literacy among health workers through capacity building in ICTs; • Promote the use of Electronic Health Records (EHR) and reduce the use of paper records in the four (4) selected health facilities; and • Improved access to shared services through the use of the Government Wide Area Network (GWAN).
4	Inclusive Connect Programme - Persons with Disabilities Project	The project sought to provide ICT connectivity and opportunities through the provision of customized computer equipment to institutions working with persons with disabilities.	To help bridge the digital divide that existed among people living with disabilities in the country	Since inception of the project, a total of 14 special schools were supplied with ordinary computers, computers with JAWS software, ordinary printers, braille printers and overhead projectors.

Table 18 — UASF Projects

Financial Statements

Zambia Information and Communications Technology Authority

Financial Report

Mrs. Pethel C. Phiri
Director Finance

1. Income
The Authority recorded total income of ZMW 204.25 million for the 2021 financial year. The Authority had an approved grant allocation of ZMW 129.42 million in the 2021 National Budget which was received in full. In contrast, an allocation of ZMW 125.42 million was recieved in 2020. In addition, the Authority collected Other Income which included international traffic fees and sundry income which amounted to ZMW 74.83 million compared to ZMW 30.64 million in 2020.

2. Expenditure
The total operating, staff, administrative and depreciation expenses amounted to ZMW 224.08 million compared to ZMW 146.66 million in 2020, representing an increase of 53%. This resulted in a deficit of ZMW 19.83 million compared to a surplus of ZMW 9.40 million in 2020. The total comprehensive income for the year was ZMW 54.04 million compared to ZMW 5.31 million in 2020.

3. Non-Tax Revenue
Non tax revenue was collected on behalf of the Zambian Government in form of various license fees including annual operating fees, radio license fees, numbering fees, Type Approval fees and initial license fees in accordance with the ICT Act No. 15 of 2009.

The total non-tax revenue collected in 2021 amounted to ZMW 857.22 million against a budget of ZMW 372.58 million. The largest contributor to the revenue was from the 800 MHz spectrum assigned through the Restricted Granting Procedure (RGP) which generated revenue for the Government amounting to K483.50 million.

Of the total revenue collected, ZMW 86.27 million was appropriated to the Universal Access and Service Fund (UASF) in accordance with ICT (Universal Access) Regulations Act of 2012.

Financial Year 2021

Income (ZMW)
204.25 Million

Expenditure (ZMW)

224.08 Million

Non-Tax Revenue (ZMW)

857.22 Million

Figure 39 — Non-Tax Revenue Collections

Report of the Board

The members of the Board submit their report on the activities for the year ended 31 December, 2021.

The Authority

The Zambia Information and Communications Technology Authority (ZICTA) is an autonomous body established under the Information and Communication Technologies (ICT) Act No. 15 of 2009. The Authority`s mandate is drawn from the following pieces of legislation:

i. The ICT Act No. 15 of 2009;
ii. The Postal Services Act No. 22 of 2009;
iii. The Cyber Security and Cyber Crimes Act No. 2 of 2021; and
iv. The Electronic Communications and Transactions Act No. 4 of 2021.

The Authority`s principal functions as outlined in these Acts are mainly to regulate the provision of electronic communication services and products, and the monitoring of the performance of the sector, including the levels of investment and availability, quality, cost and standards of electronic communication services.

Review of activities

The Authority was allocated grant income from the Government of the Republic of Zambia (GRZ) of ZMW129,420,595 for the year ended 31 December 2021 (2020: ZMW125,420,593) which was received in full. The deficit of income over expenditure for the year ended 31 December 2021 amounted to ZMW19,833,815 (2020: Surplus of ZMW9,398,379).

Business address

Stand No. 4909,
Corner of Independence and United Nations Avenues, Lusaka—Zambia.

Postal address

P.O Box 36871, Lusaka—Zambia

Events after the reporting date

As at the date signature of these financial statements, there were no material facts or circumstances that occurred between the accounting date and the date of approval of the financial statements which may require adjustment to or disclosure in these financial statements.

The Board and Secretary

The Members of the Board and the Secretary during the year under review were as follows:

Mr. Frightone Sichone
Chairperson

Ms. Celine Meena Nair
Member

Mr. Yese Bwalya
Member

Mr. Willie M. Muyambo
Member

Mrs. Maureen B. Mwanza
Member

Mr. Isaac Nonde
Member

Mr. David Kasongo
Member

Eng. Dunstan Chola
Member

Eng. Patrick M. Mutimushi
Member (Until 6 May 2021)

Mr. Mulenga M. Chisanga
Member (From 7 May 2021 until 20 August 2021)

Eng. Mwenya Mutale
Member (From 21 August 2021)

Mr. Benaiah M. Mupenda
Authority Secretary

Management

Eng. Mutale Mwenya
Acting Director General (from 21 August 2021)

Mr. Mulenga M. Chisanga
Acting Director General (from 7 May until 20 August 2021)

Mr. Patrick Mutimushi
Director General (Until 6 May 2021)

Mr. Mofya Chisala
Director Consumer Protection and Information Management

Mr. Thomas Matandala
Director Human Capital and Operations

Mr. Thomas Malama
Director Legal and Regulatory Affairs

Mrs. Pethel C. Phiri
Director Finance

Mr. Benaiah M. Mupenda
Director Board Services

Mr. Collins Chomba
Director Universal Access and Service Fund

Mr. Austin Sichinga
Director Cyber Security

Mr. Mulenga M. Chisanga
Director Economic Regulation

Mr. Elliot Kabalo
Acting Director Technology and Engineering

Employees

The monthly average number of persons employed by the Authority during the year was 172 (2020: 161). The total remuneration paid to employees by the Authority was ZMW104,740,584 (2020: ZMW94,537,193).

Donations

The Authority made donations during the year amounting to ZMW 136,085 (2020: ZMW193,151).

Health

The Authority has policies and procedures to safeguard the occupational health, safety and welfare of its employees.

Capital expenditure

Capital expenditure during the year amounted to ZMW 97,604,400 (2020: ZMW8,666,255). In the opinion of the Board, the fair value of the property and equipment is at least equivalent to their carrying amounts.

By order of the Board.

Authority Secretary
Lusaka—Zambia

Date: **March 10, 2022.**

Statement of responsibilities in respect of the preparation of financial statements

The Members of the Board ("the Board") are responsible for the preparation of financial statements for each financial period that present fairly the state of affairs of the Authority and its financial activities for that period. In preparing the financial statements, the Board is required to:

a. design, implement and maintain internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement;
b. select suitable accounting policies and then apply them consistently; and
c. make judgments and accounting estimates that are reasonable and prudent in the circumstances.

The Board is also responsible for ensuring that the Authority keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Authority. It is also responsible for safeguarding the assets of the Authority, and taking reasonable steps for the prevention and detection of fraud and other irregularities. The independent external auditors, Mark Daniels Chartered Accountants, have audited the financial statements and their report is shown on pages 92 to 94.

The Board is also responsible for the systems of internal control. These are designed to provide reasonable but not absolute assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability for assets, and to prevent and detect material misstatements. The systems are implemented and monitored by suitably trained personnel with an appropriate segregation of authority and duties.

In our opinion the financial statements are drawn up so as to present fairly the financial activities of the Authority for the year ended 31 December 2021 and its financial position as at that date, and have been prepared in accordance with International Financial Reporting Standards.

Approval of the financial statements

The financial statements of the Authority as indicated above and set out on pages 95 to 131 were approved on **March 10, 2022**, and were signed by:

Board Chairperson

Board Member

Independent Auditor's Report

To the Minister of Technology and Science

Report on the financial statements

We have audited the separate financial statements of the Zambia Information and Communications Technology Authority ("the Authority"), which comprise the Statement of Financial Position as at 31 December 2021, and the Statement of Comprehensive Income, the Statement of Changes in Accumulated Funds and the Statement of Cash Flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the Authority`s separate financial statements give a true and fair view of the financial position of the Authority as at December 31, 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Authority in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA), and we have fulfilled our other ethical responsibilities in accordance with IESBA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. However, we have determined that there are no key audit matters to communicate in our report.

Responsibilities of Management and those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management and those charged with governance are responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Authority's financial reporting process.

Auditor`s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor`s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organisation to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Information

The Directors are responsible for the other information included in the Annual Report. Other information also includes the Directors' Report and Supplementary Information set out on pages 132 to 136. Our opinion on the financial statements does not cover other information and we do not express an audit opinion thereon. Our responsibility is to read the other information and consider whether the information therein is materially consistent with the financial statements. If based on our work, we conclude that there is a material misstatement, we are required to report to that fact. We have nothing to report in this regard.

Report on other legal and regulatory requirements

In accordance with Part II Section 3(1) of the First Schedule of the Information and Communications Technologies Act No 15 of 2009, we report that, in our opinion, the required accounting records, and other records relating to the Authority's accounts have been properly kept in accordance with the Act.

Mark Daniels

Mark Daniels Chartered Accountants

WKK Kasongo

Winston Kasongo AUD/F003127
Partner

March 10, 2022
Lusaka—Zambia

Statement of Comprehensive Income

	Notes	2021 ZMW	2020 ZMW
Revenue			
Grant income	4(i)	129,420,595	125,420,593
International traffic fees	4(ii)	19,835,811	22,683,545
Restricted granting procedure	4(iii)	35,884,799	-
Total revenue		**185,141,205**	**148,104,138**
Other income			
Sundry income		2,467,930	1,647,022
Other grants		25,845,574	760,050
Total other income		**28,313,504**	**2,407,072**
Financing (costs)/income			
Net finance (costs)/income		(9,205,745)	5,547,346
Total net financing(costs)/income		**(9,205,745)**	**5,547,346**
Total income		**204,248,963**	**156,058,556**
Expenditure			
Salaries, gratuity and other retirement benefits	5(a)	(104,740,584)	(94,537,193)
Administration expenses	5(b)	(51,365,770)	(27,799,218)
Operating expenses	5(c)	(36,500,024)	(17,066,390)
Depreciation expense	7	(31,476,401)	(7,257,379)
Total expenditure		**(224,082,779)**	**(146,660,179)**
(Deficit)/Surplus for the year		(19,833,815)	9,398,377
Other comprehensive income			
Revaluation surplus		**73,878,189**	
Write off on defined benefit plan	18	-	(4,093,025)
Total comprehensive income for the year		**54,044,374**	**5,305,352**

The accounting policies and notes on pages 99 to 131 are an integral part of these financial statements.

Statement of Financial Position

	Notes	2021 ZMW	2020 ZMW
Assets			
Non-Current Assets			
Property and equipment	7	340,138,365	210,464,011
Retirement benefit plan assets	18	-	-
		340,138,365	**210,464,011**
Current Assets			
Inventory	8	605,845	821,493
International traffic fee receivables	9	1,680,945	4,932,211
Other receivables and prepaid expenses	10	4,846,134	4,422,365
Amounts due from related parties	16(iii)	397,331	163,045
Investments at amortised cost	11	-	3,094,309
Cash and bank balances	12	158,973,595	21,532,155
		166,503,850	**34,965,578**
Total Assets		**506,642,214**	**245,429,589**
Accumulated Funds and Liabilities			
Revaluation reserve		73,878,189	-
Accumulated funds		41,927,173	61,760,988
Total Accumulated Funds		**115,805,362**	**61,760,988**
Non-Current Liabilities			
Gratuity benefits	14	3,985,486	3,622,589
Deferred income	19	344,673,943	146,147,958
Total-Non-Current Liabilities		**348,659,429**	**149,770,547**
Current Liabilities			
Amounts due to related parties	16(ii)	-	8,817
Sundry payables and accrued expenses	13	35,507,578	26,726,582
Gratuity benefits	14	6,669,846	7,162,655
Total Current Liabilities		**42,177,424**	**33,898,054**
Total Accumulated Funds and Liabilities		**506,642,214**	**245,429,589**

The financial statements set out on pages 89 to 131, which have been prepared on a going concern basis, were approved on **March 10, 2021**, and were signed by:

Board Chairperson

Board Member

The accounting policies and notes on pages 99 to 131 are an integral part of these financial statements.

Statement of Changes in Accumulated Funds

	Revaluation Reserve	Accumulated Funds	Total
	ZMW	ZMW	ZMW
Balance as at 1 January 2020	-	56,455,636	56,455,636
Surplus for the year	-	9,398,377	9,398,377
Write off of defined benefit plan assets	-	(4,093,025)	(4,093,025)
At 31 December 2020	-	61,760,988	**61,760,988**
Balance as at 1 January 2021	-	61,760,988	61,760,988
Deficit for the year		(19,833,815)	(19,833,815)
Revaluation surplus	73,878,189	-	73,878,189
At 31 December 2021	**73,878,189**	**41,927,173**	**115,805,362**

Accumulated funds

The accumulated funds represent retained surplus for the current year and balances brought forward from previous years.

The accounting policies and notes on pages 99 to 131 are an integral part of these financial statements.

Statement of Cash flows

	Notes	2021 ZMW	2020 ZMW
Cash flows from operating activities			
(Deficit)/surplus for the year		(19,833,815)	9,398,377
Adjustments			
Depreciation expense	7	31,476,401	7,257,379
Loss on disposal of fixed assets		9,297,302	664,201
Interest received		(2,488,693)	(2,953,739)
Operating cash flows before movements in working capital		**(3,048,820)**	**14,366,219**
Movements in working capital			
Decrease/(Increase) in inventory		215,648	(286,372)
Decrease/(Increase) in traffic fee receivables		3,251,266	(1,375,839)
Increase in other receivables		(423,769)	(2,224,826)
Increase in amounts due from related parties		(234,286)	(76,855)
Decrease/(Increase) in held to maturity investments		3,094,309	(3,094,309)
Increase in sundry payables		8,780,996	5,716,448
Decrease in gratuity benefits		(129,913)	(1,299,943)
Decrease in amounts due to related parties		(8,817)	(2,018)
Net cash out flows from operating activities		**32,996,630**	**11,722,505**
Cash flows from investing activities			
Proceeds from disposal of fixed assets		1,033,532	427,341
Expenditure on property and equipment	7	(97,603,400)	(8,666,255)
Net cash out flows from investing activities		**(96,569,870)**	**(8,238,914)**
Cash flows from financing activities			
Capital grant – Deferred income	19	198,525,985	953,713
Interest received		2,488,693	2,953,739
Net cash from financing activities		**200,014,678**	**3,907,452**
Increase in cash and cash equivalents		137,441,439	7,391,042
Cash at the beginning of the year		21,532,155	14,141,113
Cash and cash equivalents at end of the year	12	**158,973,595**	**21,532,155**

The accounting policies and notes on pages 99 to 131 are an integral part of these financial statements.

Accounting Policies

1. The Zambia Information and Communications Technology Authority

The Zambia Information and Communication Technology Authority (ZICTA) is an autonomous body established under the Information and Communication Technologies (ICT) Act No. 15 of 2009. The Authority`s mandate is drawn from four pieces of legislation, namely, the ICT Act No. 15 of 2009, the Postal Services Act No. 22 of 2009, the Cyber Security and Cyber Crimes Act No. 2 of 2021 and the Electronic Communications and Transactions Act No. 4 of 2021. The Authority`s principal functions as outlined in these Acts are mainly to regulate the provision of the electronic communication services and products, and the monitoring of the performance of the sector, including the levels of investment and availability, quality, cost and standards of the electronic communication services.

Separate financial statements

The Authority has issued these Separate Financial Statements in accordance with the provisions of IAS 27 Separate Financial Statements. Under IAS 27 an entity may elect to issue Separate Financial Statements and account for investments in subsidiaries either at cost, in accordance with IFRS 9 'Financial Instruments', or using the equity method as described in IAS 28 Investments in Associates and Joint Ventures. The Authority has issued these Separate Financial Statements due to the non-availability of up to date financial statements of the subsidiary to enable timely consolidation in accordance with IFRS 10, "Consolidated Financial Statements". The subsidiary undertakings are described in note 17.

2. Basis of preparation and accounting policies

Statement of compliance

The financial statements of the Authority have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

Basis of preparation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Authority takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of IAS 16, and measurements that have some similarities to fair value but are not fair value, such as value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.1. Revenue recognition

Grant income

Grant income represents funds received from the Government of the Republic of Zambia during the year. Income from the Government is recognised in the statement of income and expenditure when there is reasonable assurance that it will be received and the Authority will comply with the conditions associated with the grant.

Grants that compensate the Authority for expenses incurred are recognised in comprehensive income on a systematic basis in the same periods in which the expenses are recognised.

Grants that compensate the Authority for the cost of an asset are recognised in comprehensive income on a systematic basis over the useful life of the asset.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Authority and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

International traffic fees income

International traffic termination fees are fees charged on the mobile network operators for international telecommunication traffic. Income is recognised when the Authority bills the operator based on international incoming telecommunication traffic. The fee is charged at the rate of 9 US cents per minute, of which 6 US cents is retained by the Authority and 3 US cents is remitted to the Government. Payment of the fees is due 30 days after a quotation is raised.

2.2. Property and equipment

Leasehold land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Properties in the course of construction for administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Authority's accounting policy. Such properties are classified to the appropriate categories of property and equipment when completed and ready for the intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is calculated to write off the cost of property and equipment on a straight line basis over the expected useful lives of the assets concerned. The principal annual rates used for this purpose are:

Item	Rate
Leasehold land and buildings	2%
Furniture and fittings	20%
Motor vehicles	25%
Office equipment	30%
Telecommunication and radio equipment	10%

Capital work in progress is not depreciated. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

2.3. Impairment of tangible and other assets

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Comprehensive Income.

At the end of each reporting period, the Authority reviews the carrying amounts of its tangible and other assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Authority estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

An impairment loss is recognised immediately in income and expenditure, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal on impairment loss is recognised immediately in income and expenditure, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.4. Leases

The Authority assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Authority as a lessee

The Authority applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Authority recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Authority recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Furniture and fixtures – 5 years
- Office Equipment -3.33 years
- Motor vehicles - 4 years
- Property – Lease term

If ownership of the leased asset transfers to the Authority at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

ii) Lease liabilities

At the commencement date of the lease, the Authority recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Authority and payments of penalties for terminating the lease, if the lease term reflects the Authority exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Authority uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Authority applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Authority as a lessor

Leases in which the Authority does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of income and expenditure due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.5. Financial instruments

Financial assets and financial liabilities are recognised in the Authority's statement of financial position when the Authority becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Recognition and initial measurement

Trade receivables, lease receivables and debt securities are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Authority becomes a party to the contractual provisions of the instrument. Financial assets (except for trade receivables without a significant financing component) or financial liabilities are initially measured at fair value plus or minus, for items not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to their acquisition or issue. Trade receivables without a significant financing component are initially measured at the transaction price. The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price (i.e., the fair value of the consideration given or received). If the Authority determines that the fair value at initial recognition differs from the transaction price, the Authority nevertheless recognises the financial instrument at its fair value and accounts for the difference at that date as follows:

- If the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the Authority recognises the difference between the fair value at initial recognition and the transaction price, also referred to as "day 1 profit or loss" in Statement of Comprehensive Income on the fair value line.
- In all other cases, the Authority defers the day 1 profit or loss on the statement of financial position in "Other financial assets". After initial recognition, the Authority recognises the deferred day 1 profit or loss in Statement of Comprehensive Income– on the fair value line – only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability. Any amounts not recognised in Statement of Comprehensive Income before the date of maturity or derecognition of the financial instrument is recognised in Statement of Comprehensive Income on that date.

Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at either;

i. amortised cost,
ii. at fair value through other comprehensive income (FVTOCI) or
iii. at fair value through profit or loss (Comprehensive Income).

Financial assets are not reclassified subsequent to their initial recognition unless the Authority changes its business model for managing financial assets, in which case all affected financial instruments are reclassified on the first day of the financial year following the change in the business model. A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL on initial recognition:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows.
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal plus interest (SPPI) on the principal amount outstanding.

The Authority's financial assets measured at amortised cost include trade and other receivables, short-term deposits, and cash and cash equivalents. Cash and cash equivalents comprise cash at bank and on hand, and highly liquid instruments which are readily convertible to known amounts of cash within 90 days from the reporting date or date of acquisition, subject to an insignificant risk of change in value. For the purposes of the statement of cash flows, cash and cash equivalents include bank overdrafts. A debt investment is measured at FVTOCI if it meets both of the following conditions and is not designated at FVTPL on initial recognition:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal plus interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Authority may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or at FVTOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Authority may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

The Authority makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level as this best reflects the way the business is managed and the information provided to management. The Authority considers the following sources of information in making the assessment:

- The stated policies and objectives of the portfolio and operation of these policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash out flows or realising cash flows through the sale of assets.
- How the performance of the portfolio is evaluated and reported to management.
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Authority's continuing recognition of the assets. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Assessment of whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, principal is defined as the fair value of the financial asset on initial recognition. Interest is defined as consideration for the time value of money and for credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity and administrative costs), as well as a reasonable profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Authority considers the contractual terms of the instrument. The Authority also considers the following:

- Contingent events that could change the amount or timing of cash flows.
- Terms that may adjust the contractual coupon rate, including variable rate features.
- Prepayment and extension features.
- Terms that limit the Authority's claim to cash flows from specified assets (e.g. non-recourse features).

The assessment also includes whether the financial asset contains a contractual term that could change the timing or amount of the contractual cash flows such that it would not meet this condition. A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal outstanding, which may include reasonable additional compensation for early termination of the contract.

Additionally, for a financial asset acquired at a significant discount or premium to its contractual par-amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Subsequent measurement and gains and losses

Financial assets at FVTPL	Subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in Comprehensive In-come unless they are part of an effective hedge accounting relation-ship.
Financial assets at amortised cost	Subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains or losses and impairment are recog-nised in Comprehensive Income. Any gain or loss on derecognition is also recognised in Comprehensive Income.
Debt investment at FVTOCI	Subsequently measured at fair value. Interest income calculated using the effective interest rate method, foreign exchange gains and losses and impairment are recognised in Comprehensive Income. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investment at FVTOCI	Subsequently measured at fair value. Dividends are recognised as in-come in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit.

Financial liabilities: classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or at FVTPL. A financial liability is classified as at FVTPL if it is held-for-trading, is a derivative or is designated as such on initial recognition. The Authority's financial liabilities measured at amortised cost include trade and other payables and accruals.

A financial liability may be designated at FVTPL on initial recognition if:

- the contract contains one or more embedded derivatives;
- such designation would eliminate an accounting mismatch that would otherwise arise from measuring assets and liabilities or recognising the gains or losses on them on different bases; or
- a group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy and information about the group is provided internally on that basis to management.

Financial liabilities at FVTPL are measured at fair value and the net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense, foreign exchange gains and losses, and gains or losses on derecognition are recognised in the Statement of Comprehensive Income under finance charges, except where they are capitalised to qualifying assets.

Impairment of financial assets

IFRS 9's impairment requirements use forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. Recognition of credit losses no longer depends on the Authority first identifying a credit loss event.

Instead the Authority considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying the forward-looking approach, a distinction is made between:

- Financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk (Stage 1); and
- Financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low (Stage 2).
- Stage 3 covers financial assets that have objective evidence of impairment at the reporting date.

Under the general approach in IFRS 9, '12-month expected credit losses' are recognised for stage 1 – except for trade and lease receivables where the simplified approach is applied, and 'lifetime expected credit losses' are recognised for stages 2 and 3.

The Authority recognises loss allowances for expected credit losses (ECLs) on:

- Financial assets measured at amortised cost, which includes trade and lease receivables;
- Contract assets (as defined in IFRS 15 Revenue from Contracts with Customers); and
- Debt investments measured at FVTOCI, short-term deposits and bank balances.

Trade and other receivables

The Authority applies the simplified approach in IFRS 9 in measuring expected credit losses which uses a lifetime ECLs allowance for all trade and other receivables. To measure the ECLs; trade and other receivables are grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of customers over a one year period and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward looking information on factors affecting the ability of the customers to settle the receivables. This includes the customer's credit risk profile, including the general macroeconomic conditions as well as industry sector-specific conditions affecting the Authority's customers.

Investments in short-term deposits and bank balances

The Authority's short-term deposits and bank balances, which are carried at amortised cost are considered to have low credit risk, and the loss allowance recognised on these assets is therefore limited to 12-months ECLs. Short term deposits and bank balances are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term. If the Authority considers that credit risk on a financial instrument has increased significantly since initial recognition, the expected credit losses are estimated based on the lifetime ECLs.

Significant increase in credit risk

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Authority compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition.

In making this assessment, the Authority considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

Irrespective of the outcome of the above assessment, the Authority presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Authority has reasonable and supportable information that demonstrates otherwise.

Significant increase in credit risk

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Authority compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition.

In making this assessment, the Authority considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Irrespective of the outcome of the above assessment, the Authority presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Authority has reasonable and supportable information that demonstrates otherwise.

Event of default

The Authority considers any of the following as constituting an event of default:

- The debtor is more than 90 days past due.
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its credit obligations to the Authority in full, without recourse by the Authority to actions such as realising security (if any is held).

Credit-impaired financial assets

At each reporting date, the Authority assesses whether financial assets carried at amortised cost and debt securities at FVTOCI are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on estimated future cash flows of the financial asset have occurred. The evidence that a financial asset is credit-impaired includes observable data about any of the following events.

- Significant financial difficulty of the debtor or issuer.
- A breach of contract such as default.
- Restructuring of a debt, loan or advance on terms that the Authority would not otherwise consider.
- It is probable that the debtor will enter bankruptcy or other financial reorganisation.
- The disappearance of an active market for a security because of financial difficulties.

Measurement and recognition of expected credit losses

- Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Authority in accordance with the contract and the cash flows that the Authority expects to receive) – calculated either on the 12-month or lifetime expected credit losses as applicable. Expected credit losses are discounted at the effective interest rate of the financial asset.

Presentation of allowance for expected credit losses

- The Authority recognises an impairment gain or loss in the Statement of Comprehensive Income with a corresponding adjustment to the carrying amount of the financial asset through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI for which the loss allowance is recognised in other comprehensive income and accumulated in the investment valuation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

Derecognition

Financial assets

The Authority derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Authority neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset. The Authority may enter into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all the risks and rewards of the transferred asset. In these cases, the transferred assets are not derecognised.

Write-off

The gross carrying amount of a financial asset is written off or derecognised (either partially or in full) when all attempts to recover the outstanding amount have failed or there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. The amount written off is recognised as a reduction to the allowance for ECLs. Financial assets written off may still be subject to enforcement activities under the Authority's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the Statement of Comprehensive Income, as a reduction to the impairment loss for the period.

Financial liabilities

The Authority derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Authority also derecognises a financial liability when the terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the Statement of Comprehensive Income under finance charges.

Derivative financial instruments and hedge accounting

The Authority does not enter into any derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks.

2.6. Provisions

Provisions are recognised when the Authority has a present obligation (legal or constructive) as a result of a past event, it is probable that the Authority will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.7. Foreign currencies

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Zambian Kwacha (K).

Transactions and balances

In preparing the financial statements of the Authority, transactions in currencies other than the Authority's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in income or expenditure in the period in which they arise.

2.8. Retirement benefit obligations

(i) Defined benefit plan

A defined benefit plan is a retirement benefit plan that is not a defined contribution plan.
For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out every three years. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in accumulated funds and will not be reclassified to income and expenditure. Past service cost is recognised in income and expenditure in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements).
- Net interest expense or income.
- Re-measurement.

The Authority presents the first two components of defined benefit costs in income and expenditure in the line item Employee Benefits Expense. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the statement of financial position represents the actual deficit or surplus in the Authority's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Authority migrated from a defined benefit pension plan to a defined contribution pension plan as at June 30, 2017.

(ii) Defined contribution plan

A defined contribution plan is a retirement benefit plan under which the Authority pays fixed contributions into a separate entity.

The Authority has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Obligations for contributions to the defined contribution plan are recognised as an employee benefit expense in comprehensive income when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

The Authority and all its employees also contribute to the National Pension Scheme, which is a defined contribution scheme.

(iii) Short-term and long-term benefits

The cost of all short-term employee benefits, such as salaries, accumulated leave, bonuses, medical and other contributions, is recognised in income statement in the period in which the employee renders the related service. The Authority's obligation in respect of long-term service benefits, other than pension plans and post-retirement medical benefits, is recognised in profit or loss in the period in which the employee renders the related service.

(IV) Termination benefits

Termination benefits are payable when an employee's employment is terminated before the normal retirement date or when an employee accepts voluntary redundancy in exchange for these benefits. The Authority recognises termination benefits when it has demonstrated its commitment to either terminate the employment of current employees according to a detailed formal plan without possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

2.9. Inventory

Inventories are measured at the lower of cost and net realizable value. The cost of inventory is based on the first-in-first-out principle, and includes expenditure incurred in acquiring the inventories and costs incurred in bringing them to their existing location and condition.

2.10. Investments in subsidiaries

A subsidiary is an entity in which the Authority has control. The Authority controls an investee when the Authority is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Investments in subsidiaries are measured at historical cost decreased by potential accumulated impairment losses. The Authority assess regularly at the end of each reporting period whether there is any impairment loss by comparing the carrying values of each investment with its recoverable amount. If any recoverable amount is lower, the Authority recognises the impairment loss through the use of an allowances account.

Investments in subsidiaries are presented in the line 'Investments in Subsidiaries' in the statement of financial position.

2.11. Cash flow statement

For the purposes of the Statement of Cash flows, cash and cash equivalents mainly comprises of cash on hand, demand deposits and short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risks of changes in value.

2.12. Critical accounting estimates and judgments

Critical judgments in applying accounting policies

In the application of the Authority's accounting policies, which are described above, the Directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgments, apart from those involving estimations, that the Directors have made in the process of applying the Authority's accounting policies and that have the most significant effect on the amounts recognised in the financial statements

Business model assessment

Classification and measurement of financial assets depends on the results of the 'Solely Payments of Principal and Interest' (SPPI) and the 'Business Model test'. The Authority determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective.

This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed.

The Authority monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Authority's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the periods presented.

Discount rate used to determine the carrying amount of the Authority's defined benefit obligation

The Authority's defined benefit obligation is discounted at a rate set by reference to market yields at the end of the reporting period on Government bonds. Significant judgment is required to set the criteria for Government bonds to be included in the population from which the yield curve is derived.

Calculation of loss allowance on receivables

When measuring credit losses the Authority uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Assessment of the existence of control for consolidation

Significant judgement is required to determine the existence of control, the basis on which the Authority consolidates an investee entity. IFRS:10 defines control as:

- Power over the investee;
- Exposure, or rights, to variable returns from investment with the investee; and
- The ability to use power over the investee to affect the amount of the investor`s return.
- Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Estimates of asset lives, residual values and depreciation methods

The Directors review the estimated useful lives of property, plant and equipment at the end of each annual reporting period to determine the appropriate level of depreciation and whether there is any indication that those assets have suffered an impairment loss. The Directors assign a residual value of nil as equipment is not held for trading and is normally scrapped.

2.13. Application of new and revised International Financial Reporting Standards (IFRSs)

2.13.1. New and revised IFRSs affecting amounts reported and/or disclosures in the financial statements

In the current year, a number of amendments to IFRSs and new Interpretations issued by the International Accounting Standards Board (IASB) have become effective and are mandatorily effective for an accounting period that begins on or after January 1, 2020.

Title	Key requirements	Effective date*
Covid-19-related Rent Concessions – Amendments to IFRS 16	As a result of the COVID-19 pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. In May 2020, the IASB made an amendment to IFRS 16 Leases which provides lessees with an option to treat qualifying rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concessions as variable lease payments in the period in which they are granted. Entities applying the practical expedients must disclose this fact, whether the expedient has been applied to all qualifying rent concessions or, if not, information about the nature of the contracts to which it has been applied, as well as the amount recognised in profit or loss arising from the rent concessions. * The relief was originally limited to reduction in lease payments that were due on or before 30 June 2021. However, the IASB subsequently extended this date to 30 June 2022. If a lessee already applied the original practical expedient, it is required to continue to apply it consistently, to all lease contracts with similar characteristics and in similar circumstances, using the subsequent amendment. If a lessee did not apply the original practical expedient to eligible lease concessions, it is prohibited from applying the expedient in the 2021 amendment. However, if a lessee has not yet established an accounting policy on applying (or not) the practical expedient to eligible lease concessions, it can still decide to do so.	1 June 2020/ 1 April 2021 *
Interest Rate Benchmark Reform Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	In August 2020, the IASB made amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 to address the issues that arise during the reform of an interest rate benchmark rate, including the replacement of one benchmark with an alternative one. The Phase 2 amendments provide the following reliefs: When changing the basis for determining contractual cash flows for financial assets and liabilities (including lease liabilities), the reliefs have the effect that the changes, that are necessary as a direct consequence of IBOR reform and which are considered economically equivalent, will not result in an immediate gain or loss in the income statement. • The hedge accounting reliefs will allow most IAS 39 or IFRS 9 hedge relationships that are directly affected by IBOR reform to continue. However, additional ineffectiveness might need to be recorded. • Affected entities need to disclose information about the nature and extent of risks arising from IBOR inform to which the entity is exposed, how the entity manages those risks, and the entity is exposed, how the entity manages those risks, and the entity's progress in completing the transaction to alternative benchmark rates and how it is managing the transition. Given the pervasive nature of IBOR-based contracts, the reliefs could affect companies in all industries.	1 January 2021

2.13.2 New and revised IFRSs in issue but not yet effective

At the date of authorisation of these financial statements, the Authority has not applied the following new and revised IFRs that have been issued but are not yet effective. The Directors do not expect that the adoption of the Standards listed below will have a material impact on the financial statements of the Authority in future periods, except where indicated:

Title	Description	Effective date*
IFRS 17 Insurance Contracts	IFRS 17 was issued in May 2017 as replacement for IFRS 4 Insurance Contracts. It requires a current measurement model where estimates are remeasured in each reporting period. Contracts are measured using the building blocks of: • discounted probability-weighted cash flows • an explicit risk adjustment, and • a contractual service margin (CSM) representing the unearned profit of the contract which is recognised as revenue over the coverage period. The standard allows a choice between recognising changes in discount rates either in the statement of profit or loss or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under IFRS 9. An optional, simplified premium allocation approach is permitted for the liability for the remaining coverage for short duration contracts, which are often written by non-life insurers. There is a modification of the general measurement model called the 'variable fee approach' for certain contracts written by life insurers where policyholders share in the returns from underlying items. When applying the variable fee approach, the entity's share of the fair value changes of the underlying items is included in the CSM. The results of insurers using this model are therefore likely to be less volatile than under the general model. The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features. Targeted amendments made in July 2020 aimed to ease the implementation of the standard by reducing implementation costs and making it easier for entities to explain the results from applying IFRS 17 to investors and others. The amendments also deferred the application date of IFRS 17 to 1 January 2023.	1 January 2023 (deferred from 1 January 2021)
Property, Plant and Equipment: Proceeds before intended use – Amendments to IAS 16	The amendment to IAS 16 Property, Plant and Equipment (PP&E) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment. Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities.	1 June 2022

Reference to the Conceptual Framework – Amendments to IFRS 3	Minor amendments were made to IFRS 3 Business Combinations to update the references to the Conceptual Framework for Financial Reporting and add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets and Interpretation 21 Levies. The amendments also confirm that contingent assets should not be recognised at the acquisition date.	1 January 2022
Onerous Contracts – Cost of Fulfilling a Contract Amendments to IAS 37	The amendment to IAS 37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract.	1 January 2022
Annual Improvements to IFRS Standards 2018–2020	The following improvements were finalised in May 2020: • IFRS 9 Financial Instruments – clarifies which fees should be included in the 10% test for derecognition of financial liabilities. • IFRS 16 Leases – amendment of illustrative example 13 to remove the illustration of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives. • IFRS 1 First-time Adoption of International Financial Reporting Standards – allows entities that have measured their assets and liabilities at carrying amounts recorded in their parent's books to also measure any cumulative translation differences using the amounts reported by the parent. This amendment will also apply to associates and joint ventures that have taken the same IFRS 1 exemption. • IAS 41 Agriculture – removal of the requirement for entities to exclude cash flows for taxation when measuring fair value under IAS 41. This amendment is intended to align with the requirement in the standard to discount cash flows on a post-tax basis.	1 January 2022
Classification of Liabilities as Current or Non-current – Amendments to IAS 1	The narrow-scope amendments to IAS 1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity. They must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.	1 January 2023 (deferred from 1 January 2022)
Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2	The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures.	1 January 2023

Definition of Accounting Estimates – Amendments to IAS 8	The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.	1 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	The amendments to IAS 12 Income Taxes require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities. The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with: • right-of-use assets and lease liabilities, and • decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets. The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate. IAS 12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments.	1 January 2023
Sale or contribution of assets between an investor and its associate or joint venture – Amendments to IFRS 10 and IAS 28	The IASB has made limited scope amendments to IFRS 10 Consolidated financial statements and IAS 28 Investments in associates and joint ventures. The amendments clarify the accounting treatment for sales or contribution of assets between an investor and its associates or joint ventures. They confirm that the accounting treatment depends on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a 'business' (as defined in IFRS 3 Business Combinations). Where the non-monetary assets constitute a business, the investor will recognise the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor only to the extent of the other investor's interests in the associate or joint venture. The amendments apply prospectively. ** In December 2015 the IASB decided to defer the application date of this amendment until such time as the IASB has finalised its research project on the equity method.	n/a **

Notes to the Financial Statements

3. License fees

On 1 January 2013, the Government issued Statutory Instrument No. 15 of 2013 which required that license and other fees collected by the Authority be remitted to the Government treasury. Accordingly, with effect from that date these fees are no longer recorded as income of the Authority. The Authority collected a total of ZMW 837,054,265 (2020: ZMW 344,414,631), and remitted a total of ZMW 837,054,265 (2020: ZMW 344,414,631) in respect of license fees. Details of the license fees collected and remitted are as shown in Appendix 2. The amounts owing to the Government from Zamtel totaled ZMW 140,857,382 (2020: ZMW 80,412,668), as detailed in Appendix 3.

4. Grant income

i. Grant income represents funds receivable from Government during the year.
ii. Effective 1 January 2016 the Authority, as provided for by Statutory Instrument No.80 of 2015 commenced collection of fees on International Traffic. Of the 20 US cents charged per minute, 11 US cents is retained by operators, 6 US cents is retained by the Authority and 3 US cents is remitted to Government.
iii. The Authority was given authority by the Secretary to the Treasury to retain 40% of the funds raised from the restricted granting procedure (RGP) conducted which offered 800MHz spectrum to Airtel Zambia and MTN Zambia. The funds were retained to finance the upgrade of the Radio Spectrum Management & Monitoring System (RSMMS). The amount recognised represents earned income in the year while the balance has been deferred.

5. Expenditure

	2021 ZMW	2020 ZMW
(a) Salaries, gratuity and other retirement benefits		
Salaries	87,670,331	78,679,516
Gratuity and other terminal expenses	9,169,242	8,726,239
Social tour and holiday allowance	7,505,119	6,774,865
Other	395,892	356,573
	104,740,584	94,537,193
(b) Administrative expenses		
Board expenses	8,318,469	61,525
Medical expenses	3,025,205	1,972,448
International meetings and conferences	2,112,947	1,263,461
Other	37,909,149	24,501,784
	51,365,770	27,779,218
(c) Operating expenses		
Service maintenance agreements	1,646,467	1,966,468
System operating expenses	24,042,333	9,085,979
Other	10,811,224	6,013,943
	36,500,024	17,066,390

6. Taxation

Zambia Information and Communications Technology Authority is exempt from income tax under section 5 of the Income Tax Act CAP 323: Part 3 - Exempt organisations.

7. Property and equipment

	Leasehold land and buildings	Machinery and equipment	Telecommunication and radio equipment	Motor vehicles	Furniture and fittings	Capital work in progress	Total
Cost	ZMW	ZMW	ZMW	ZMW	ZMW	ZMW	ZMW
At 1 January 2019	54,668,197	25,467,687	45,308,102	22,120,061	3,643,437	147,004,881	298,212,365
Additions	396,944	1,291,839	-	6,416,944	542,272	18,257	8,666,255
Disposals	-	(72,096)	-	(3,842,288)	-	-	(3,914,384)
At 31 December 2020	55,065,141	26,687,430	45,308,102	24,694,716	4,185,709	147,023,138	302,964,236
Additions	-	5,321,869	85,240,818	4,380,586	289,433	2,370,693	97,603,400
Disposals	(9,500,000)	(58,669)	-	(4,275,485)	-	-	(13,834,153)
Revaluation surplus	73,878,188	-	145,293,049	-	-	(145,293,049)	73,878,188
At 31 December 2021	**119,443,329**	**31,950,631**	**275,841,970**	**24,799,818**	**4,475,142**	**4,100,781**	**460,611,671**
Depreciation							
At 1 January 2020	5,341,900	22,004,211	39,365,897	18,682,008	2,671,673	-	88,065,689
Charge for the year	1,096,976	1,677,627	2,450,921	1,681,118	350,737	-	7,257,379
Disposals	-	(72,096)	-	(2,750,746)	-	-	(2,822,842)
At 31 December 2020	6,438,876	23,609,741	41,816,818	17,612,380	3,022,410	-	92,500,225
Charge for the year	1,957,833	2,516,074	24,456,959	2,139,965	405,570	-	31,476,401
Disposals	(885,698)	(58,669)	-	(2,558,954)	-	-	(3,503,321)
At 31 December 2021	**7,511,011**	**26,067,146**	**44,773,762**	**17,193,390**	**3,427,980**	**-**	**120,473,305**
Carrying amount							
At 31 December 2021	**111,932,319**	**5,883,484**	**209,568,192**	**7,606,427**	**1,047,162**	**4,100,781**	**340,138,365**
At 31 December 2020	48,626,265	3,077,689	3,491,284	7,082,334	1,163,299	147,023,138	210,464,011

The cost of fully depreciated assets at 31 December 2021 was ZMW 75,947,476 (2020: ZMW 59,780,976).

	2021 ZMW	2020 ZMW
8. Inventory		
Office stationery	605,845	821,493
	605,845	821,493
9. International traffic fee receivables (Note i)		
International traffic fees	4,932,211	3,556,372
Current year invoices	19,835,811	22,683,545
Receipts	(20,193,559)	(22,582,713)
Exchange difference	(2,893,518)	1,275,007
	1,680,945	4,932,211

Note i) International traffic fees recoverable are due from Zamtel, Airtel and MTN.

The Authority does not hold any collateral over these balances.

The average credit period on fees receivable is 30 days. No interest is charged on outstanding trade receivables. The Expected Credit Loss (ECL) is mainly based on the ageing of the receivables balance and historical experience. The receivables are assessed on an individual basis or grouped into homogenous groups and assessed for impairment collectively, depending on their significance. Moreover, trade receivables are written off on a case by case basis if deemed not to be collectable on the assessment of the underlying facts and circumstances. The Authority uses a provision matrix to measure the expected credit loss of receivables. Based on the environment in which the entity operates, management considers that the trade receivables are credit impaired if the payments are more than 90 days past due.

	2021 ZMW	2020 ZMW
10. Other receivables and prepaid expenses		
Receivables from employees (note below)	2,908,875	1,428,709
Other staff receivables	16,651	35,810
	2,925,526	1,464,519
Prepayments	2,428,697	3,365,978
Sundry receivables	15,887	1,789,675
Sub-total	5,370,110	6,620,172
Impairment provision	(523,976)	(2,197,807)
Total	4,846,134	4,422,365
Movement in impairment provision		
At beginning of the year	2,197,807	2,523,976
Recoveries made during the year	(1,673,831)	(326,169)
At 31 December	523,976	2,197,807
Receivables from employees		
The receivables from employees are loans and advances to employees that are recovered through the payroll. The loans and advances carry an interest charge of 4% to 5%. The loans and advances are given to employees as part of the Authority's retention policy. The repayment terms vary based on the purpose of the loan or advance.		
The value of the receivables are analysed as follows:		
Fair value at market rate	2,098,529	741,713
Unexpired benefits to employees	708,080	371,667
	2,806,609	**1,113,380**
Interest income on receivables in income and expenditure from employees is as follows:		
Interest income at market rate	472,169	166,886
Expired benefits provided by the employer	(412,766)	(127,943)
Interest on employee receivables in income and expenditure	59,403	38,943

	2021 ZMW	2020 ZMW
11. Investments at amortised cost		
Fixed term deposits with a maturity of less than 90 days	9,525,029	14,345,993
Fixed term deposits with a maturity of more than 90 days	-	3,094,308
	9,525,029	**17,440,301**
The fixed term deposits are held with the following financial institutions:		
Absa	1,018,345	5,312,229
Investrust	6,599,613	3,387,300
ZICB	-	4,705,485
Zambia National Commercial Bank Plc	1,907,071	4,035,288
	9,525,029	17,440,302
Less: disclosed in the Statement of Financial Position as cash and bank balances (Note 12)	(9,525,029)	(14,345,993)
Disclosed as investments held at amortized cost	**-**	**3,094,309**
12. Cash and bank balances		
Cash and cash equivalents include investments at amortised cost maturing less than 90 days after year end. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the Statement of Financial Position as follows:		
Bank account balances and cash in hand	149,448,566	7,186,162
Fixed term investments classified under cash equivalents (Note 11)	9,525,029	14,345,993
At 31 December	**158,973,595**	**21,532,155**

	2021 ZMW	2020 ZMW
13. Sundry payables and accrued expenses		
Leave pay	2,365,865	2,514,074
PAYE	4,905,028	4,235,858
Pension contributions	-	-
Trade creditors	12,905,780	3,316,317
Audit fees provision	114,000	44,080
Provisions for legal and professional charges (note (a) below)	324,447	324,447
Other payables	14,892,458	16,291,806
Provisions for legal and professional charges (note (a) below)	324,447	324,447
Other payables	16,291,806	10,042,936
	35,507,578	**26,726,582**
Note (a)		
Provisions for legal and professional charges		
At 1 January	324,447	324,447
Provisions utilised in the year	-	-
At 31 December	**324,447**	**324,447**
Current	324,447	324,447
Non-Current	-	-
	324,447	324,447
The Authority is currently involved in some legal disputes. The amount provided represents the Directors' best estimate of the Authority's liability (including professional charges) having taken legal advice. Uncertainties relate to whether claims will be settled out of court or if not whether the Authority is successful in defending the actions. Due to the nature of the disputes, the Directors have not disclosed further information on the basis that they believe that this would be seriously prejudicial to the Authority's position in defending the cases brought against it.		
14. Gratuity benefits		
At beginning of year	10,785,244	12,085,187
Charge for the year	9,096,192	8,574,011
Payments during the year	(9,130,875)	(10,026,184)
Fair value adjustment	(95,230)	152,230
At 31 December	**10,655,332**	**10,785,244**
Non-current portion	3,985,486	3,622,589
Current portion	6,669,846	7,162,655
	10,655,332	**10,785,244**

		2021 ZMW	2020 ZMW
15. Financial instruments – Risk management			
Capital management			
The Board manages the Authority to ensure that the Authority will be able to continue as a going concern while maximising the return to the stakeholders through the optimisation of returns on investments made. The Authority had no borrowings as at the reporting date.			
Gearing ratio			
The Authority reviews the capital structure on an ongoing basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital. The Authority has no borrowings and therefore has a 0% gearing ratio (2019: 0%).			
Categories of financial instruments			
Financial assets			
	Notes		
Investments at amortised cost	11	-	3,094,309
Cash and bank balances	12	158,973,595	21,532,155
Receivables from employees	10	2,925,526	1,464,519
Prepayments	10	2,428,697	3,365,978
International traffic fees receivable	9	1,680,945	4,932,211
Amounts due from related parties	16(iii)	463,145	163,045
Sundry receivables	10	15,887	1,789,675
		166,487,794	**36,341,892**
Financial liabilities			
Gratuity benefits	14	10,655,332	10,785,244
PAYE	13	4,905,028	4,235,858
Pension contributions	13	2,365,865	-
Leave pay	13	12,905,780	2,514,074
Trade creditors	13	114,000	3,316,317
Audit fees provision	13	324,447	44,080
Provisions for legal and professional charges	13	14,892,458	324,447
Other payables	13	65,814	16,291,806
Amounts due to related parties	16(ii)	14,892,458	8,817
		46,228,724	**37,520,643**

Financial risk management objectives

Management co-ordinates access to domestic markets, monitors and manages the financial risks related to the operations of the Authority. These risks include market risk (including currency risk), credit risk, liquidity risk and cash flow interest rate risk.

The Authority does not enter into or trade in derivative financial instruments.

Market risk

The Authority's activities expose it primarily to the financial risk of changes in foreign currency exchange rates (see below). The Authority does not trade any derivative financial instruments to manage its exposure to interest rate and foreign currency risk, including forward foreign exchange contracts to hedge the exchange rate risk. This is also because the Authority does not have debt.

There has been no change to the Authority's exposure to market risks or the manner in which it manages and measures the risk.

Foreign currency risk management

The Authority undertakes certain transactions dominated in foreign currencies. Hence, exposure to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters as approved by the Board.

The carrying amount of the Authority's foreign currency denominated monetary assets and monetary liabilities at the reporting date is as follows:

			2021 ZMW	2020 ZMW
Currency	Asset/liabilities			
US Dollars	Trade creditors		1,625,534	726,984
US Dollars	Bank balances		45,875,499	4,055,085
US Dollars	Receivables		1,680,945	4,932,211
The Authority is exposed to foreign exchange risk arising primarily from the importation of materials and finished goods and receivables arising from International traffic fees.				
		Mid-market exchange rates as at 31 Dec 2021	Mid-market exchange rates as at 31 Dec 2020	Average currency depreciation during the year
US Dollars		16.50	21.35	22.71%

At 31 December 2021, if the US Dollar had appreciated or depreciated by 10% against the Kwacha, with all other variables held constant, the increase or decrease in the surplus for the year would have been ZMW 4,256,902 (31 December 2020: ZMW160,411)

Interest rate risk management

The exposure to interest rate risk is reviewed regularly by management to align with interest rate reviews and defined risk appetite, by either positioning the statement of financial position or protecting interest expense through different interest rate cycles. The Authority's exposure to interest rate is low as they do not have interest bearing borrowings and invest in fixed interest bearing investments.

Credit management

Credit risk refers to the risk that a counterparty will default on its contractual obligation resulting in financial loss to the Authority. The Authority has adopted a policy of only dealing with creditworthy counterparties and obtaining an advance payment, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Authority's maximum exposure to credit risk is analysed below:

		2021 ZMW	2020 ZMW
	Note		
International traffic fees	9	1,680,945	4,932,211
Other receivables and prepaid expenses	10	4,855,615	4,422,365
Amounts due from related parties	16 (iii)	463,145	163,045
Sub Total		6,999,704	9,517,621
Cash and bank balances	12	158,973,595	21,532,155
Held to maturity investments	11	-	3,094,309
Sub Total		**158,973,595**	**24,626,464**
		165,973,299	**34,144,085**

Ageing of receivables

The Authority holds security over its financial assets in respect of receivables from employees. The receivables from employees in respect of house loans are mortgaged by the Authority, and the certificates of title are in the custody of the Authority. The Authority also provides for an insurance scheme to cover all loans above K50,000.00 in the event of death of an employee. The cost of the insurance is borne by the employee and is recovered over a period of 24 months.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Authority's short, medium and long-term funding and liquidity management requirements. The Authority manages liquidity risk by maintaining adequate reserves, banking facilities, continuously monitoring forecast and actual cash flows, and matching the maturity profiles of financial assets and liabilities.

The following table details the Authority's remaining period for contractual maturity of its non—derivative financial assets and liabilities. The table below has been drawn up based on the contractual maturities of the financial assets and liabilities with the exception of statutory obligations.

	Notes	1 to 3 months	3 months to 1 year	More than 1 year	Total
31 December 2021		ZMW	ZMW	ZMW	ZMW
Liabilities					
Trade creditors	13	-	12,905,780	-	12,905,780
Leave pay	13	-	2,365,865	-	2,365,865
Other payables	13	-	14,892,458	-	14,892,458
PAYE	13	-	4,905,028	-	4,905,028
Audit fees provision	13	-	114,000	-	114,000
Provisions for legal and professional charges	13	-	324,447	-	324,447
Gratuity benefits	14	-	6,669,846	3,985,486	10,655,332
Amounts due to related parties	16(ii)	-	65,814	-	65,814
		-	**42,243,238**	**3,985,486**	**46,228,724**
31 December 2021					
Assets					
International traffic fees	9	-	1,680,945	-	1,680,945
Receivables from employees	10	-	2,925,526	-	2,925,526
Prepayments	10	-	2,428,697	-	2,428,697
Sundry receivables	10	-	15,887	-	15,887
Cash and bank balances	12	-	158,973,595	-	158,973,595
Amounts due from related parties	16(iii)	-	463,145	-	463,145
		-	**166,487,794**	**-**	**166,487,794**

	Notes	1 to 3 months	3 months to 1 year	More than 1 year	Total
31 December 2020		ZMW	ZMW	ZMW	ZMW
Liabilities					
Trade creditors	13	-	3,316,317	-	3,316,317
Leave pay	13	-	2,514,074	-	2,514,074
Other payables	13	-	16,291,806	-	16,291,806
PAYE	13	-	4,235,858	-	4,235,858
Audit fees provision	13	-	44,080	-	44,080
Provision for legal and professional charges	13	-	324,447	-	324,447
Gratuity benefits	14	-	7,162,655	3,622,589	10,785,244
Amounts due to related parties	16(ii)	-	8,817	-	8,817
		-	**33,898,054**	**3,622,589**	**37,520,643**
31 December 2020					
Assets					
International traffic fees	9	-	4,932,211	-	4,932,211
Receivables from employees	10	-	1,464,519	-	1,464,519
Other staff receivables	10	-	3,365,978	-	3,365,978
Prepayments	10	-	1,789,675	-	1,789,675
Sundry receivables	10	-	21,532,155	-	21,532,155
Cash and bank balances	12	-	3,094,309	-	3,094,309
Amounts due from related parties	16(iii)	-	163,045	-	163,045
		-	**36,341,892**	**-**	**36,341,892**

Fair value measurements

The information set out below provides information about how the Authority determines fair values of various financial assets and financial liabilities.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

Level 1 — Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges (for example, Lusaka Stock Exchange).

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 — inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components.

This hierarchy requires the use of observable market data when available. The Authority considers relevant and observable market prices in its valuations where possible.

Fair value of the Authority's financial assets and financial liabilities that are measured at fair value on a recurring basis.

There were no financial assets and liabilities that are measured at fair value on a recurring basis during the period. The Directors consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

		2021		2020	
	Note	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets		ZMW	ZMW	ZMW	ZMW
International traffic fee receivables	9	1,680,945	1,680,945	4,932,211	4,932,211
Receivables from employees	10	2,925,526	2,925,526	1,464,519	1,464,519
Prepayments	10	2,428,697	2,428,697	3,365,978	3,365,978
Sundry receivables	10	15,887	15,887	1,789,675	1,789,675
Bank and cash balances	12	158,973,595	158,973,595	21,532,155	21,532,155
Investments held at amortised cost	11	-	-	3,094,309	3,094,309
Amounts due from related parties	16(iii)	463,145	463,145	163,045	163,045
Financial liabilities					
Trade creditors	13	12,905,780	12,905,780	3,316,317	3,316,317
Audit fees	13	114,000	114,000	44,080	44,080
Legal provision charges	13	324,447	324,447	324,447	324,447
Other payables	13	14,892,458	14,892,458	16,291,806	16,291,806
Gratuity obligations	14	10,655,332	10,655,332	10,785,244	10,785,244
Amounts due to related parties	16(ii)	65,814	65,814	8,817	8,817

16. Related party transactions

The Authority undertakes to disclose the nature of related party relationships, and types of transactions necessary for the understanding of the annual financial statements.

In the context of the Authority, related party transactions include any transactions carried out with any of the following:

- Government ministries and parastatals;
- Subsidiaries;
- Defined benefit pension fund;
- Board members; and
- Key management personnel.

The transactions to be reported are those that affect the Authority in making financial and operating decisions.

	2021 ZMW	2020 ZMW
i) Transactions during the year Fees collected on behalf of and payments to Government		
(a) Fees on behalf of Government (Appendix 2)	837,054,265	334,414,631
(b) Payments to Government (Appendix 2)	837,054,265	334,414,631
This represents collections of fees made by ZICTA on behalf of Government from operators and subsequently remitted to Government.		
(c) Grant receivable for the year from the Government	129,420,593	125,420,593
(d) TTMS Capital grant - Government	-	32,628,164
(e) QoS Capital grant – Universal Access & Service Fund	8,208,710	-
ii) Amounts due to related parties		
Universal Access & Service Fund	65,814	1,650
Government – Central Treasury	-	7,167
	65,814	8,817
iii) Amounts due from related parties		
Universal Access & Service Fund	463,145	163,045
Government – Central Treasury	16,369,474	16,369,474
	16,832,619	16,532,519
Impairment provision	(16,369,474)	(16,369,474)
	463,145	163,045
Net	**397,331**	**154,228**

Government grant represents funds receivable from Government in respect of grant income allocation.

iv) Compensation of Directors and key Management personnel

The remuneration of Directors and members of key Management is determined by the Board having regard to funding and market trends. The remuneration of the Board and key members of Management during the year was as follow:

	2021 ZMW	2020 ZMW
(a) Key Management personnel compensation	13,999,290	14,705,001
(b) Board members expenses	7,064,727	-
Balances due (to)/from key members of Management were as follows:		
(a) Loans due from key Management personnel	36,736	146,158
(b) Gratuity and leave due to key Management personnel	3,877,513	7,531,494

17. Investments in subsidiaries

				2021 ZMW	2020 ZMW
	Place of operation and incorporation	31 December 2020	31 December 2019	31 December 2020	31 Decem-ber 2019
		Holding in %	Holding %	ZMW	ZMW
Zambia ICT College Limited	Zambia	100	100	-	-
				-	-

Zambia ICT College Limited

The Zambia ICT College Limited was incorporated as a Company limited by guarantee (with no share capital) in 2010. ZICTA appointed the guarantors and the Board of Directors of the College. The principal activities of the College are to offer various ICT skills training courses delivered using various media such as e-learning platform, e-classroom and e-lab.

Effective 1 January 2018, the entity has an independent budget allocation in the national budget and receives funding directly from the Ministry of Finance. However, ZICTA continues to appoint Directors and controls the Board of ICT College. In 2021, the College was converted from being a private company limited by guarantee to a private company limited by shares.

18. Retirement benefits

Until 30 June 2017, the Authority provided through a Defined Benefit Pension Scheme a pension for all non-fixed contract employees. The Scheme was administered by a Board of Trustees. The assets of this scheme were held in administered trust funds legally separate from the Authority's assets and are governed by the Pension Scheme Regulation Act, No. 26 of 1996. Following the dissolution of the defined benefit scheme, the accumulated assets on the funds were to be shared between the employer and the members. The portion of the assets accruing to the employer was utilised as a contribution holiday, while the portion accruing to members will be disbursed to members. The portion accruing to the members has now been written off as the Authority has fully utilised its portion as contribution holiday, and the entirety of the balance will vest with the members.

	2021 ZMW	2020 ZMW
Balance at beginning of year	-	4,093,025
Write off of defined benefit plan assets	-	(4,093,025)
Balance at end of year	-	-

19. Deferred income

	2021 ZMW	2020 ZMW
Balance at beginning of year	146,147,958	145,194,245
Funds received during the year	305,256,976	953,713
Funds disbursed during the year	(84,247,712)	-
Capital grant amortised during the year	(22,483,279)	-
Balance at end of year	344,673,943	146,147,958

The deferred income relates to funds received for various projects that the Authority is undertaking. These projects include the Telecommunication Traffic Monitoring System (TTMS) which is being funded through a Capital Grant from the Government. The system is aimed at providing revenue assurance through the monitoring of telecommunication traffic volume. Another project is the upgrade of the Radio Spectrum Monitoring & Management System (RSMMS) which is being financed through funds retained by the Authority from the restricted granting procedure (RGP) which offered 800 MHz spectrum to the Mobile Network Operators (MNOs). The deferred income also includes a capital grant for the acquisition of Quality of Service (QoS) equipment financed by the Universal Access & Service Fund (UASF) as well as disbursements from the Rural Finance Expansion Project (RUFEP) in support of enhancing the safety and security of the digital financial services ecosystem.

20. Contingent liabilities

There are no known contingent liabilities as at 31 December 2021 (2020: nil)

21. Capital commitments

	2021 ZMW	2020 ZMW
Authorised by the Board and contracted for	3,721,349	2,984,673

22. Events after the reporting date

As at the date signature of these financial statements, there were no material facts or circumstances that occurred between the accounting date and the date of approval of the financial statements which may require adjustment to or disclosure in these financial statements.

23. Comparatives

Where necessary comparatives for 2020 have been reclassified in order to have meaningful comparison with the current year.

Appendix 1 — Detailed Statement of Income and Expenditure

	2021 ZMW	2020 ZMW
Income		
Grant income	129,420,595	125,420,593
International traffic fees	19,835,811	22,683,545
Restricted granting procedure	35,884,799	-
	185,141,205	**148,104,138**
Other income		
Sundry income	2,467,930	1,647,022
Other-grants	25,845,574	760,050
	28,313,504	**2,407,072**
Finance costs		
Interest on bank term deposits	2,429,289	2,914,796
Staff loans interest	59,403	38,943
Exchange gains	2,381,183	2,804,938
Exchange losses	(14,075,622)	(211,331)
	(9,205,745)	**5,547,346**
Total income	**204,248,963**	**156,058,556**
Expenditure (Refer to pages 147 to 149 for details)	**224,082,779**	**146,660,179**
Surplus of income over expenditure	**(19,833,815)**	**9,398,377**

	2021 ZMW	2020 ZMW
Expenditure		
Advertising expenses	1,363,539	1,071,571
Audit expenses	134,800	44,080
Bank charges	266,912	219,235
Board expenses	8,318,469	61,525
Business continuity program	50,194	605,689
Business lunches and entertainment	69,501	37,971
Call center expenses	103,092	133,125
Child online protection	150,528	144,443
Communications expenses	2,504,284	2,202,430
Computer software and network expenses	127,648	82,134
Consultancy services	211,728	28,440
Consumer awareness expenses	1,982,722	350,870
Corporate social responsibility	136,085	193,151
Cyber security operating expenses	266,489	542,674
Depreciation	31,476,401	7,257,379
Drafting of regulations and guidelines	579,518	388,292
Education and training	117,383	165,554
Electricity and water	676,185	594,275
Enforcement expenses	13,246	42,764
Fixed site monitoring	327,714	309,686
Fuel, oil and lubricants	555,391	728,354
Funeral expenses	111,684	51,577
General legal expenses	19,553	13,831
Girls in ICT expenses	768,804	359,187
Gratuity and retirement benefits	9,169,242	8,726,240
Hosting of workshops	1,295,821	745,468
Balance carried forward	60,796,932	25,099,944

	2021 ZMW	2020 ZMW
Expenditure *(Continued)*		
Balance brought forward	60,796,932	25,099,944
ICT Innovation & resource center	451,954	494,965
Insurance	1,517,941	1,441,611
Integrity committee	278,007	-
Library expenses	135,948	74,414
Loss on disposal	9,297,302	664,201
Managed services	372,736	368,452
Medical expenses	3,025,205	1,972,445
Meetings and conferences – abroad	2,112,947	1,263,461
Meetings and conferences - local	483,805	19,171
Monitoring, compliance and inspection expenses	1,631,851	1,315,134
National ICT Survey	394,151	54,510
Office consumables	519,321	422,842
Operating expenses – ccTLD .zm Domain	4,573	10,465
Other staff costs	274,873	356,573
Outside services - other	886,788	851,010
Outside services - security	784,476	820,787
Penalty charges	251,183	-
Postal National Addressing System	1,077,865	111,400
Postal operating expenses	25,184	333,602
Printing and stationery expenses	877,844	883,684
Project – Spectrum Reforming	-	250,000
Provincial offices expenses	789,226	389,654
Publicity and promotional expenses	768,370	660,750
Quality of service monitoring expenses	1,009,168	1,232,101
Recruitment expenses	121,018	45,136
Rent and rates	102,357	82,318
Repairs and maintenance	2,891,231	2,316,594
Repatriation and relocation expenses	410,624	2,077
Research and development	18,650	13,616
RUFEP project	1,453,993	33,541
Salaries and wages	87,670,331	78,679,516
Seminars and workshops - local	345,301	34,161
Balance carried forward	**180,781,154**	**120,298,135**

	2021 ZMW	2020 ZMW
Expenditure *(Continued)*		
Balance brought forward	180,781,154	120,298,135
Service maintenance agreement	3,962,971	3,206,209
Social tour and holiday allowances	7,505,119	6,774,865
Staff welfare	486,298	827,504
Stakeholders engagement expenses	700,199	250,334
Stamps and postages expenses	128,438	63,804
Standardisation expenses	44,769	145,358
Subscriptions	4,211,067	4,294,122
Subsistence and travel expenses	356,881	288,198
System operating expenses	24,042,333	9,085,979
Tender and evaluations expenses	701,437	754,859
Trade shows and exhibitions	32,940	-
Travelling expenses	123,243	485,280
Type approval expense	731,792	-
Uniform and protective clothing	166,690	127,638
World Consumer rights day expenses	107,449	57,895
Total expenditure	**224,082,779**	**146,660,179**

Appendix 2 — Fees collected on behalf of and remitted to Government

	2021 ZMW	2020 ZMW
Nature of funds collected on behalf of Government		
Annual operating fees	208,020,385	88,464,781
Radio license fees	565,093,544	191,142,895
International traffic fees	10,020,865	11,547,438
Numbering fees	23,598,799	22,404,337
Sundry income-application fees	1,023,783	8,669,685
Sundry income-penalties	7,689,000	-
Type approval fees	7,786,887	4,815,824
Initial licensing fees	13,821,002	7,369,671
Total funds collected	**837,054,265**	**334,414,631**
Remittance to Government	837,054,265	334,414,631
Funds (retained)/remitted to Government from prior year collection	**-**	**-**

Appendix 3 — Fees owing to Government by Zamtel

	2021 ZMW	2020 ZMW
Nature of fees owed by Zamtel		
Annual operating fees	97,913,870	50,547,203
Spectrum fees	42,943,512	22,303,465
Penalty fees (Quality of Service)	-	7,562,000
Total fees receivable	140,857,382	80,412,668

Financial Statements

Universal Access and Service Fund

Statement of Responsibilities in respect of the Preparation of Financial Statements

The Members of the Board ("The Board") are responsible for the preparation of financial statements for each financial period which present fairly the state of affairs of the Fund and its financial activities for that period. In preparing the financial statements, the Board is required to:

a. design, implement and maintain internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement;
b. select suitable accounting policies and then apply them consistently; and
c. make judgments and accounting estimates that are reasonable and prudent in the circumstances.

The Board is also responsible for ensuring that the Fund keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Fund. It is also responsible for safeguarding the assets of the Fund, and taking reasonable steps for the prevention and detection of fraud and other irregularities. The independent external auditors, Mark Daniels Chartered Accountants, have audited the financial statements and their report is shown on pages 140 to 142.

The Board is also responsible for the systems of internal control. These are designed to provide reasonable but not absolute assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability for assets, and to prevent and detect material misstatements. The systems are implemented and monitored by suitably trained personnel with an appropriate segregation of authority and duties. Nothing has come to the attention of the Board to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the period under review.
In the opinion of the Board the financial statements are drawn up so as to present fairly the financial activities of the Fund for the year ended 31 December 2021 and its financial position as at that date, and have been prepared in accordance with the accounting policies set out at note 2 to the financial statements and in the manner required by the Information and Communication Technologies Act No. 15 of 2009 and the Information and Communications Technologies (Universal Access) Regulations, Statutory Instrument No. 38 of 2012.

Approval of the financial statements

The financial statements of the Fund as indicated above and set out on pages 143 to 166 were approved on **March 10, 2022,** and were signed by:

Board Chairperson

Board Member

Independent Auditor's Report

To the Board Zambia Information and Communications Technology Authority – Universal Access Service Fund

Report on the financial statements

Opinion

We have audited the financial statements of the Zambia Information and Communications Technology Authority Universal Access and Service Fund ("the Fund"), which comprise the Statement of Financial Position as at 31 December 2021, and the Statement of Comprehensive Income, the Statement of Changes in Accumulated Fund and the Statement of Cash Flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the Fund`s financial statements give a true and fair view of the financial position of the Fund as at 31 December, 2021, and of its financial performance and its cash flows for the year then ended on the basis of the accounting policies described in note 2 of the financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA), and we have fulfilled our other ethical responsibilities in accordance with IESBA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the statements in accordance with the accounting policies set out at notes 2.1 to 2.9 of the financial statements, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor`s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor`s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures

responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organisation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Information

The Directors are responsible for the other information included in the annual report. Other information includes Supplementary Information set out at Appendices 4 and 5 of the financial statements. Our opinion on the financial statements does not cover other information and we do not express an audit opinion thereon. Our responsibility is to read the other information and consider whether the information therein is materially consistent with the financial statements. If based on our work, we conclude that there is a material misstatement we are required to report on that fact. We have nothing to report in this regard.

Report on other legal and regulatory requirements

In our opinion, the required accounting records, and other records relating to the Fund's accounts have been properly kept in accordance with generally accepted accounting practices and as required by the Information and Communication Technologies (Universal Access) Regulations Statutory Instrument No. 38 of 2012. Section 70 (1) of the Information and Communication Technologies Act No. 15 of 2009 establishes the Universal Access and Service Fund (UASF).

Mark Daniels

Mark Daniels Chartered Accountants

WKK Kasongo

Winston Kasongo AUD/F003127
Partner

March 10, 2022
Lusaka—Zambia

Statement of Comprehensive Income

	Notes	2021 ZMW	2020 ZMW
Income			
Universal Access contributions	3	86,273,169	74,230,414
		86,273,169	**74,230,414**
Other income			
Interest income		5,692,012	5,896,869
		3,916,044	-
Total other income		**9,608,056**	**5,896,869**
Net financing income/(costs)			
Exchange gain		4,066,139	1,197,284
Exchange loss		(347,877)	(4,347,955)
Total net financing costs		**3,718,262**	**(3,150,671)**
Operating income after net financing income/(costs)		**99,599,487**	**76,976,612**
Expenditure			
Operating expenses		(67,648,464)	(44,991,629)
Administrative expenses		(5,569,777)	(1,956,458)
Depreciation	4	(11,356,185)	(11,809,415)
		(84,574,426)	**(58,757,501)**
Surplus for the year		**15,025,061**	**18,219,111**
Other comprehensive income		-	-
Total comprehensive income for the year		**15,025,061**	**18,219,111**

The accounting policies and notes on pages 147 to 166 are an integral part of these financial statements.

Statement of Financial Position

	Notes	2021 ZMW	2020 ZMW
Assets			
Non-current assets			
Property and equipment	4	157,633,283	98,202,223
		157,633,283	**98,202,223**
Current assets			
Inventory		4,138,001	-
Trade and other receivables	5	939,685	81,912
Amounts due from related parties	6	-	71,471,999
Investments at amortised cost	7	32,569,066	-
Cash and bank balances	8	80,941,650	34,505,458
		118,588,401	106,059,369
Total assets		**276,221,685**	**204,261,592**
Accumulated fund and liabilities			
Accumulated fund		**214,449,791**	**199,424,730**
Non-current liabilities			
Deferred income		14,039,388	-
		14,039,388	-
Current liabilities			
Trade and other payables	9	47,722,516	4,691,172
Amounts due to related parties	12	9,990	145,690
		47,732,506	**4,836,862**
Total accumulated fund and liabilities		**276,221,685**	**204,261,592**

The financial statements set out on pages 143 to 166, were approved and authorised for issued on March 10, 2022, and were signed by:

Board Chairman

Board Member

The accounting policies and notes on pages 147 to 166 are an integral part of these financial statements.

Statement of Changes in Accumulated Fund

	Accumulated fund
	ZMW
Balance at 1 January 2020	181,205,619
Surplus for the year	18,219,111
Balance at 31 December 2020	**199,424,730**
Balance at 1 January 2021	199,424,730
Surplus for the year	15,025,061
Balance at 31 December 2021	**214,449,791**

The Accumulated Fund represents retained surplus or deficit for the current year and other movements in the Fund arising other than out of income and expenditure.

The accounting policies and notes on pages 147 to 166 are an integral part of these financial statements.

Statement of Cash flows

	Notes	2021 ZMW	2020 ZMW
Cash flows from operating activities			
Surplus for the year		15,025,061	18,219,111
Adjustments			
Interest income on bank term deposits and bank interests		(5,692,012)	(5,896,869)
Depreciation	4	11,356,185	11,809,415
Adjustment in WIP		4,229,122	435,191
Loss on disposal of asset		623,641	-
Operating cash flows before movements in working capital		**25,541,997**	**24,566,848**
Movements in working capital			
Increase in inventory		(4,138,001)	-
Increase in trade and other receivables		(857,772)	(77,633)
Increase / (Decrease) in trade and other payables		43,031,344	(11,504,842)
Decrease in amounts due from related parties		71,471,999	4,000,000
Increase in held to maturity investments		(32,569,066)	-
(Decrease)/increase in amounts due to related parties		(135,700)	145,690
Net cash generated from operating activities		**102,344,801**	**17,130,063**
Cash flow from investing activities			
Expenditure on property and equipment	4	(75,864,859)	(3,768,534)
Disposal		224,850	-
Net cash out flow from investing activities		**(75,640,009)**	**(3,768,534)**
Cash flows from financing activities and funds			
Deferred income		14,039,388	-
Interest received		5,692,012	5,896,869
Net cash from financing activities		**19,731,400**	**5,896,869**
Net Increase in cash and cash equivalents		46,436,192	19,258,398
Cash at the beginning of the year		34,505,458	15,247,060
Cash and cash equivalents at end of the year	8	**80,941,650**	**34,505,458**

The accounting policies and notes on pages 147 to 166 are an integral part of these financial statements.

Notes to the Financial Statements

1. The Universal Access and Service Fund

Setction 70 (1) of the Information and Communication Technologies Act establishes the Universal Access and Service Fund (UASF). The purpose of the Fund is to enable Government through ZICTA to finance Universal Access Projects.

2. Accounting policies

2.1 Basis of preparation and accounting policies

Statement of compliance

The financial statements of the Fund have been prepared in accordance with the accounting policies selected and consistently applied by Management as set out in note 2 to the financial statements.

Basis of preparation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Fund takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions and measurements that have some similarities to fair value but are not fair value.

2.2 Income

Universal Access Contribution

Contributions to the Fund have been recognised on the receipts basis and represent contributions made by operators licensed under the Information and Communication Technologies Act No. 15 of 2009.
Regulation 20 (1) of the Information and Communication Technologies (Universal Access) Regulations, Statutory Instrument No. 38 of 2012 provides that a licensee shall contribute to the Fund in accordance with section 70 of the Information and Communication Technologies Act No. 15 of 2009, at the rate not exceeding 1.5 percent of the gross annual turnover of the licensee. The contributions are collected by ZICTA and it determined based on the financial results of the operator. The basis of determination of the contribution are the financial results of the operator. The contributions are accounted for on a receipts basis.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Fund and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.3 Property and equipment

Leasehold land and buildings held for use in the provision of services, or for administrative purposes, are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Properties in the course of construction are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Fund's accounting policy. Such properties are classified to the appropriate categories of property and equipment when completed and ready for the intended use. Depreciation of these assets commences when the assets are ready for their intended use.

Depreciation is calculated to write off the cost of property and equipment on a straight line basis over the expected useful lives of the assets concerned. The principal annual rates used for this purpose are:

Item	Rate
Leasehold land and buildings	2%
Furniture and fittings	20%
Motor vehicles	25%
Office equipment	30%
Telecommunication and radio equipment	10%
VSAT	14%
GSM	20%
Power-Solar	7%
Power-Grids	14%
Tower masts	4%
Fence	4%
Batteries	33%

Capital work in progress is not depreciated.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income and expenditure.

2.4. Impairment of tangible and other assets

At the end of each reporting period, the Fund reviews the carrying amounts of its tangible and other assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income and expenditure, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal on impairment loss is recognised immediately in income and expenditure, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.5 Financial instruments

Financial assets and financial liabilities are recognised in the Fund's statement of financial position when the Fund becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Fund has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Fund, are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading or (iii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Fund manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Fund's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and policy permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in profit or loss.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Gains or losses on financial guarantee contracts issued by the Fund that are designated by the Fund as at FVTPL are recognised in profit or loss.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Financial guarantee contract liabilities

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument. Financial guarantee contract liabilities are measured initially at their fair values and, if not designated as at FVTPL and do not arise from a transfer of an asset, are measured subsequently at the higher of:

- the amount of the loss determined and
- the amount recognised initially less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies set out above.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'other gains and losses.

line item in profit or loss for financial liabilities that are not part of a designated hedging relationship. For those which are designated as a hedging instrument for a hedge of foreign currency risk foreign exchange gains and losses are recognised in other comprehensive income and accumulated in a separate component of equity.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities

The Fund derecognises financial liabilities when, and only when, the Fund's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss. When the Fund exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Fund accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification should be recognised in profit or loss as the modification gain or loss within other gains and losses.

Derivative financial instruments

The Fund does not enter into any derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks.

2.6 Provisions

Provisions are recognised when the Fund has a present obligation (legal or constructive) as a result of a past event, it is probable that the Fund will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.7 Foreign currencies

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Zambian Kwacha (ZMW).

Transactions and balances

In preparing the financial statements of the Fund, transactions in currencies other than the Fund's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in income and expenditure in the period in which they arise.

2.8 Critical accounting estimates and judgments

In the application of the Fund's accounting policies, which are described above, the Directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following is the critical judgment, apart from those involving estimations, that the Directors have made in the process of applying the Fund's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Fund determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed. The Fund monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Fund's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the periods presented.

Critical judgments in applying accounting policies

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Estimates of asset lives, residual values and depreciation methods

The Directors review the estimated useful lives of property, plant and equipment at the end of each annual reporting period to determine the appropriate level of depreciation and whether there is any indication that those assets have suffered an impairment loss. The Directors assign a residual value of nil as equipment is not held for trading and is normally scrapped.

2.9. Application of new and revised International Financial Reporting Standards (IFRSs)

Title	Key requirements	Effective date*
COVID-19-related Rent Concessions – Amendments to IFRS 16	As a result of the COVID-19 pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. In May 2020, the IASB made an amendment to IFRS 16 Leases which provides lessees with an option to treat qualifying rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concessions as variable lease payments in the period in which they are granted. Entities applying the practical expedients must disclose this fact, whether the expedient has been applied to all qualifying rent concessions or, if not, information about the nature of the contracts to which it has been applied, as well as the amount recognised in profit or loss arising from the rent concessions. * The relief was originally limited to reduction in lease payments that were due on or before 30 June 2021. However, the IASB subsequently extended this date to 30 June 2022. If a lessee already applied the original practical expedient, it is required to continue to apply it consistently, to all lease contracts with similar characteristics and in similar circumstances, using the subsequent amendment. If a lessee did not apply the original practical expedient to eligible lease concessions, it is prohibited from applying the expedient in the 2021 amendment. However, if a lessee has not yet established an accounting policy on applying (or not) the practical expedient to eligible lease concessions, it can still decide to do so.	1 June 2020/ 1 April 2021 *
Interest Rate Benchmark Reform Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	In August 2020, the IASB made amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 to address the issues that arise during the reform of an interest rate benchmark rate, including the replacement of one benchmark with an alternative one. The Phase 2 amendments provide the following reliefs: • When changing the basis for determining contractual cash flows for financial assets and liabilities (including lease liabilities), the reliefs have the effect that the changes, that are necessary as a direct consequence of IBOR reform and which are considered economically equivalent, will not result in an immediate gain or loss in the income statement. • The hedge accounting reliefs will allow most IAS 39 or IFRS 9 hedge relationships that are directly affected by IBOR reform to continue. However, additional ineffectiveness might need to be recorded. • Affected entities need to disclose information about the nature and extent of risks arising from IBOR inform to which the entity is exposed, how the entity manages those risks, and the entity is exposed, how the entity manages those risks, and the entity's progress in completing the transaction to alternative benchmark rates and how it is managing the transition. Given the pervasive nature of IBOR-based contracts, the reliefs could affect companies in all industries.	1 January 2020

2.9.2 New and revised IFRSs in issue but not yet effective

At the date of authorisation of these financial statements, the Fund has not applied the following new and revised IFRs that have been issued but are not yet effective. The Directors do not expect that the adoption of the Standards listed below will have a material impact on the financial statements of the Fund in future periods, except where indicated:

Title	Key requirements	Effective date*
IFRS 17 Insurance Contracts	IFRS 17 was issued in May 2017 as replacement for IFRS 4 Insurance Contracts. It requires a current measurement model where estimates are remeasured in each reporting period. Contracts are measured using the building blocks of: • discounted probability-weighted cash flows • an explicit risk adjustment, and • a contractual service margin (CSM) representing the unearned profit of the contract which is recognised as revenue over the coverage period. The standard allows a choice between recognising changes in discount rates either in the statement of profit or loss or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under IFRS 9. An optional, simplified premium allocation approach is permitted for the liability for the remaining coverage for short duration contracts, which are often written by non-life insurers. There is a modification of the general measurement model called the 'variable fee approach' for certain contracts written by life insurers where policyholders share in the returns from underlying items. When applying the variable fee approach, the entity's share of the fair value changes of the underlying items is included in the CSM. The results of insurers using this model are therefore likely to be less volatile than under the general model. The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features. Targeted amendments made in July 2020 aimed to ease the implementation of the standard by reducing implementation costs and making it easier for entities to explain the results from applying IFRS 17 to investors and others. The amendments also deferred the application date of IFRS 17 to 1 January 2023.	1 January 2023 (deferred from 1 January 2021)
Property, Plant and Equipment: Proceeds before intended use – Amendments to IAS 16	The amendment to IAS 16 Property, Plant and Equipment (PP&E) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment. Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities.	1 January 2022
Reference to the Conceptual Framework – Amendments to IFRS 3	Minor amendments were made to IFRS 3 Business Combinations to update the references to the Conceptual Framework for Financial Reporting and add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets and Interpretation 21 Levies. The amendments also confirm that contingent assets should not be recognised at the acquisition date.	1 January 2022
Onerous Contracts – Cost of Fulfilling a Contract Amendments to IAS 37	The amendment to IAS 37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract.	1 January 2022

Annual Improvements to IFRS Standards 2018–2020	The following improvements were finalised in May 2020: • IFRS 9 *Financial Instruments* – clarifies which fees should be included in the 10% test for derecognition of financial liabilities. • IFRS 16 *Leases* – amendment of illustrative example 13 to remove the illustration of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives. • IFRS 1 *First-time Adoption of International Financial Reporting Standards* – allows entities that have measured their assets and liabilities at carrying amounts recorded in their parent's books to also measure any cumulative translation differences using the amounts reported by the parent. This amendment will also apply to associates and joint ventures that have taken the same IFRS 1 exemption. • IAS 41 *Agriculture* – removal of the requirement for entities to exclude cash flows for taxation when measuring fair value under IAS 41. This amendment is intended to align with the requirement in the standard to discount cash flows on a post-tax basis.	1 January 2022
Classification of Liabilities as Current or Non-current – Amendments to IAS 1	The narrow-scope amendments to IAS 1 Presentation of Financial Statements clarify that liabilities are classified as either current or non- current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity. They must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.	1 January 2023 (deferred from 1 January 2022)
Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2	The IASB amended IAS 1 to require entities to disclose their *material* rather than their *significant* accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures.	1 January 2023
Definition of Accounting Estimates – Amendments to IAS 8	The amendment to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.	1 January 2023

Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	The amendments to IAS 12 *Income Taxes* require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities. The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with: • right-of-use assets and lease liabilities, and • decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets. The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate. IAS 12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments.	n/a **
Sale or contribution of assets between an investor and its associate or joint venture – Amendments to IFRS 10 and IAS 28	The IASB has made limited scope amendments to IFRS 10 *Consolidated financial statements* and IAS 28 *Investments in associates and joint ventures*. The amendments clarify the accounting treatment for sales or contribution of assets between an investor and its associates or joint ventures. They confirm that the accounting treatment depends on whether the non- monetary assets sold or contributed to an associate or joint venture constitute a 'business' (as defined in IFRS 3 Business Combinations). Where the non-monetary assets constitute a business, the investor will recognise the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor only to the extent of the other investor's interests in the associate or joint venture. The amendments apply prospectively. ** In December 2015 the IASB decided to defer the application date of this amendment until such time as the IASB has finalised its research project on the equity method.	n/a **

	2021 ZMW	2020 ZMW
3. Income		
Annual operating fees network-Network Services	4,525,318	4,859,320
Annual operating fees service-Mobile Cellular	68,624,848	59,435,243
Annual operating fees service – Fixed	-	-
Annual operating fees service-Internet	5,963,225	4,506,909
Annual operating fees service-other	7,159,778	5,428,942
	86,273,169	**74,230,415**

The Fund raises income primarily from collections from annual operating fees, the bulk of which comes from annual operating fees on mobile cellular services from Airtel, MTN and Zamtel. The operating fees are charged on total annual turnover of individual operators at a rate of 2% and 3%, of which an apportionment of 50% is made to the Fund. There are, however, significant amounts owing to the Fund in unpaid operating fees from Zamtel amounting to ZMW 72,007,743 (2020: ZMW 62,812,098), as shown in Appendix 5.

4. Property and equipment (Continued)

	Motor Vehicles	Office Equipment	VSAT HUB	GSM	VSAT	Power-Solar	Power Grid	Tower Masts	Fence	Batteries	Capital work in progress	Total
Cost	ZMW	ZMW	ZMW	ZMW	ZMW	ZMW	ZMW	ZMW	ZMW	ZMW	ZMW	ZMW
At 1 January 2021	3,686,403	409,541	11,250,692	18,596,848	12,232,757	25,173,973	2,155,808	51,008,843	19,355,371	16,768,415	1,454,457	162,093,108
Additions	1,359,731	174,167	-	-	-	-	-	-	-	-	74,330,961	75,864,859
Adjustments (expensed)	-	-	-	-	-	-	-	-	-	-	(332,407)	(332,407)
Disposals	(1,018,190)	-	-	-	-	-	-	-	-	-	-	(1,018,190)
Transfers	-	-	-	(1,280,866)	(355,796)	(850,818)	(164,696)	(2,113,428)	(1,088,736)	(1,252,403)	(1,122,050)	(8,228,793)
At 31 December 2021	**4,027,944**	**583,708**	**11,250,692**	**17,315,983**	**11,876,961**	**24,323,154**	**1,991,112**	**48,895,415**	**18,266,635**	**15,516,012**	**74,330,961**	**228,378,577**
Depreciation												
At 1 January 2021	1,107,645	93,068	4,667,519	17,131,057	4,342,123	9,633,902	710,454	6,966,774	3,131,990	16,106,354	-	63,890,885
Charge for the year	1,127,144	158,524	2,038,289	660,947	1,444,756	2,610,869	174,997	2,040,354	774,215	226,090	-	11,356,185
Disposal	(169,698)	-	-	-	-	-	-	-	-	-	-	(169,698)
Transfers	-	-	-	(1,280,866)	(290,567)	(693,181)	(67,891)	(493,133)	(254,038)	(1,252,402)	-	(4,332,078)
At 31 December 2021	**2,065,091**	**251,592**	**6,705,809**	**16,511,138**	**5,496,312**	**11,551,590**	**817,560**	**8,513,994**	**3,652,167**	**15,180,042**	**-**	**70,745,294**
Carrying amount												
At 31 December 2021	**1,962,853**	**332,116**	**4,544,883**	**804,845**	**6,380,649**	**12,771,564**	**1,173,552**	**40,381,421**	**14,614,468**	**335,970**	**74,330,961**	**157,633,283**
At 31 December 2020	**2,578,758**	**316,474**	**6,583,174**	**1,465,792**	**7,890,635**	**15,540,070**	**1,445,353**	**44,042,070**	**16,223,379**	**662,060**	**1,454,458**	**98,202,223**

	Motor Vehicles	Office Equipment	VSAT HUB	GSM	VSAT	Power-Solar	Power Grid	Tower Masts	Fence	Batteries	Capital work in progress	Total
Cost	ZMW	ZMW	ZMW	ZMW	ZMW	ZMW	ZMW	ZMW	ZMW	ZMW	ZMW	ZMW
At 1 January 2020	1,805,563	136,285	7,013,916	17,570,667	7,919,316	18,343,068	2,033,797	39,736,290	16,717,938	17,032,667	31,702,661	160,012,168
Additions	1,880,840	273,256	-	-	-	-	-	-	-	-	1,614,438	3,768,534
Adjustments (expensed)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(435,191)**	**(435,191)**
Assets write off	-	-	-	-	-	-	-	-	-	(1,252,402)	-	(1,252,402)
Transfers	-	-	4,236,777	1,026,182	4,313,442	6,830,905	122,010	11,272,553	2,637,431	988,150	(31,427,448)	-
At 31 December 2020	**3,686,403**	**409,541**	**11,250,693**	**18,596,849**	**12,232,758**	**25,173,973**	**2,155,807**	**51,008,843**	**19,355,369**	**16,768,415**	**1,454,458**	**162,093,109**
Depreciation												
At 1 January 2019	617,070	13,628	3,281,718	13,565,615	3,191,757	7,381,656	548,268	5,264,596	2,436,898	17,032,667	-	53,333,873
Charge for the year	490,575	79,439	1,385,801	3,565,442	1,150,366	2,252,247	162,186	1,702,177	695,092	326,090	-	11,809,415
Asset write off	-	-	-	-	-	-	-	-	-	(1,252,402)	-	(1,252,402)
At 31 December 2020	**1,107,645**	**93,067**	**4,667,519**	**17,131,057**	**4,342,123**	**9,633,903**	**710,454**	**6,966,773**	**3,131,990**	**16,106,355**	**-**	**63,890,886**
Carrying amount												
At 31 December 2020	**2,578,758**	**316,474**	**6,583,174**	**1,465,792**	**7,890,635**	**15,540,070**	**1,445,353**	**44,042,070**	**16,223,379**	**662,060**	**1,454,458**	**98,202,223**
At 31 December 2019	**1,188,493**	**122,657**	**3,732,198**	**4,005,052**	**4,727,559**	**10,961,412**	**1,485,529**	**34,471,694**	**14,281,040**	**-**	**31,702,661**	**106,678,295**

	Notes	2021 ZMW	2020 ZMW
5. Trade and other receivables			
Trade receivables		952,742	-
Prepayment		6,405	59,849
Sundry receivables		(19,462)	22,063
		939,685	**81,912**
6. Amounts due from related parties			
Government – Central Treasury (TTMS)	12	-	61,542,499
Government - Ministry of Transport and Communications		-	9,929,500
		-	**71,471,999**
7. Investments at amortised cost			
90 days fixed term deposits		60,917,330	33,853,635
180 Days fixed term deposits		32,569,066	-
		93,486,396	**33,853,635**
The fixed term deposits are held with the following financial institutions:			
Investrust Bank Plc		27,483,563	3,232,404
Atlas Mara Bank		35,569,066	20,489,073
Zambia Industrial Commercial Bank		30,433,767	10,132,158
Less: disclosed in the statement of financial position as cash and bank		(60,917,330)	(33,853,635)
Disclosed as investments at amortised cost		**32,569,066**	**-**
8. Cash and bank balances			
Cash and cash equivalents include held to maturity investments maturing less than 90 days after year end. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flow can be reconciled to the related items in the statement of financial position as follows:			
Bank account balances and cash in hand		20,024,320	651,823
Fixed term investments classified under cash equivalents	8	60,917,330	33,853,635
		80,941,650	**34,505,458**

	Notes	2021 ZMW	2020 ZMW
9. Trade and other payables			
Trade payables		46,811,635	4,044,426
Audit fees		81,000	31,320
Accrued expenses		829,881	615,426
		47,722,516	**4,691,172**
10. Financial instruments			
Held to maturity investments	7	32,569,066	-
Cash and bank balances	8	80,941,650	34,505,458
		113,510,716	**34,505,458**

Financial risk management objectives

ZICTA's Management co-ordinates access to domestic markets, monitors and manages the financial risks related to the operations of the Fund. These risks include market risk (including currency risk), credit risk, liquidity risk and cash flow interest rate risk.

The Fund does not enter into or trade in derivative financial instruments.

Market risk

The Fund's activities expose it primarily to the financial risk of changes in foreign currency exchange rates (see below). The Fund does not trade any derivative financial instruments to manage its exposure to interest rate and foreign currency risk, including forward foreign exchange contracts to hedge the exchange rate risk. This is also because the Fund does not have debt.

There has been no change to the Fund's exposure to market risk or the manner in which it manages and measures the risk.

			2021 ZMW	2020 ZMW
11. Financial instruments				
Foreign currency risk management				
The Fund undertakes certain transactions dominated in foreign currencies. Hence, exposure to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters as approved by the Board.				
Currency	Asset/liabilities			
US Dollars	Trade and other payables		33,413,498	485,643
US Dollars	Held to maturity investments		-	2,717,758
US Dollars	Bank balances		11,867,185	10,485
The Fund is exposed to foreign exchange risk arising primarily from the importation of raw materials and finished goods and cash balances.				
		Mid-market exchange rates 2021	Mid-market exchange rates 2020	Average currency depreciation during the year
US Dollars		16.66	21.35	21%

As at 31 December, if the US Dollar had appreciated or depreciated by 10% against the Kwacha, with all variables held constant, the increase or decrease in the deficit would have been ZMW 2,154,631 (2020: ZMW 224,260).

Interest rate risk management

The exposure to interest rate is reviewed regularly by Management to align with interest rate reviews and defined risk appetite, by either positioning the statement of financial position or protecting interest expense through different interest rate cycles.

The Fund's exposure to interest rate is low as the Fund does not have interest bearing borrowings.

Credit management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Fund. The Fund has adopted a policy of only dealing with creditworthy counterparties and obtaining an advance payment, where appropriate, as a means of mitigating the risk of financial loss from defaults.

	Notes	2021 ZMW	2020 ZMW
The Fund‘s maximum exposure to credit risk is analysed below:			
Investments at amortised cost	7	32,569,066	-
Trade and other receivables	5	939,685	81,912
Amounts due from related parties	6	-	75,471,999
Cash and bank balances	8	80,941,650	34,505,458
		114,450,401	**110,059,369**

The Fund does not hold any collateral or credit enhancements to cover its credit risk associated with its financial assets.

Liquidity risk management

Ultimate responsibility for liquidity risk Management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Fund’s short, medium and long-term funding and liquidity management requirements. The Fund manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following table details the Fund's remaining period for contractual maturity of its non—derivate financial assets and liabilities. The table below has been drawn up based on the undiscounted contractual maturities of the financial assets and liabilities.

	Notes	1 to 3 months	3 months to 1 year	More than 1 year	Total
31 December 2021		ZMW	ZMW	ZMW	ZMW
Liabilities					
Trade and other payables	9	-	47,722,516	-	47,722,516
Amounts due to related parties	12	-	9,990	-	9,990
		-	**47,732,506**	**-**	**47,732,506**
31 December 2021					
Assets					
Trade and other receivables	5	939,685	-	-	939,684
Cash and bank balances	8	80,941,650	-	-	80,941,650
Investments at amortised cost	7	32,569,066	-	-	32,569,066
		114,450,401	**-**	**-**	**114,450,401**
31 December 2020					
Liabilities					
Trade and other payables	9	-	4,691,172	-	4,691,172
Amounts due to realted parties		-	145,690	-	145,690
		-	**4,836,862**	**-**	**4,836,862**
31 December 2020					
Assets					
Trade and other receivables	5	81,912	-	-	81,912
Amounts due from related parties	6	-	-	71,471,999	71,471,999
Cash and bank balances	8	34,505,458	-	-	34,505,458
		34,587,370	**-**	**71,471,999**	**106,059,369**

Fair value measurements

The information set out below provides information about how the Fund determines fair values of various financial assets and financial liabilities.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 — Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges (for example, Lusaka Stock Exchange).
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 — inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components.

This hierarchy requires the use of observable market data when available. The Fund considers relevant and observable market prices in its valuations where possible.

Fair value of the Fund's financial assets and financial liabilities that are measured at fair value on a recurring basis.

There were no financial assets and liabilities that are measured at fair value on a recurring basis during the period. The Directors consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

		2021		2020	
	Notes	Carrying amount	Fair value	Carrying amount	Fair value
		ZMW	ZMW	ZMW	ZMW
Financial assets					
Trade and other assets	5	939,685	939,685	81,912	81,912
Cash and bank balances	8	80,941,650	80,941,650	34,505,458	34,505,458
Held to maturity investments	7	32,569,066	32,596,066	-	-
Fair value hierarchy as at 31 December 2021					
		Level 1	Level 2	Level 3	Total
		ZMW	ZMW	ZMW	ZMW
Financial assets					
Cash and bank balances	8		80,941,650		80,941,650
Held to maturity investments	7	-	32,596,066	-	32,596,066
Financial liabilities					
Trade and other payables	9		47,722,516		47,722,516
Amounts due to related parties	12		9,990	-	9,990
Fair value hierarchy as at 31 December 2020					
		Level 1	Level 2	Level 3	Total
Financial assets		ZMW	ZMW	ZMW	ZMW
Cash and bank balance	8	-	34,505,458	-	34,505,458
Financial liabilities					
Trade and other payables	9	-	4,691,172	-	4,691,172
Amounts due to related parties	12	-	145,690	-	145,690

12. Related party transactions

In the context of the Fund, related party transactions include any transactions carried out with any of the following:

- Government ministries and parastatals;
- ZICTA; and
- Members of the Governing Board and key Management personnel of ZICTA.

The transactions to be reported are those that affect the Fund in making financial and operating decisions.

i) Transactions during the year

During the year the transactions that took place with related parties are as follows:

	2021 ZMW	2020 ZMW
Government – MOF	(61,542,499)	61,542,499
Government – Ministry of Transport and Communications	(9,929,500)	9,929,500

ii) Related party transaction balances - Receivable

	2021 ZMW	2020 ZMW
Government – MOF	-	61,542,499
Government – Ministry of Transport and Communications	-	9,929,500
	-	71,471,999

iii) Related party transactions balances - Payable

	2021 ZMW	2020 ZMW
Zambia Information and Communications Technology Authority	9,990	145,690

13. Contingent liabilities

There were no known significant contingent liabilities as at 31 December 2021.

14. Capital commitments

	2021 ZMW	2020 ZMW
Authorised by the Board and contracted for	-	1,329,614

15. Events after the reporting date

The advent of COVID – 19 has resulted in risks which could significantly disrupt operations, and a prolonged outbreak could negatively impact the Fund's ability to execute its projects. The Fund cannot reasonably estimate the length or severity of this pandemic, or the extent to which the disruption may materially impact its operations, especially with regard to the recoverability of receivables and receipt of annual operating fee contributions from ICT sector licensees.

16. Comparatives

Where necessary, comparatives for 2020 have been reclassified in order to have meaningful comparison with the current year.

Appendix 4 — Detailed Statement of Income and Expenditure

	2021 ZMW	2020 ZMW
Income		
Universal Access contributions	86,273,169	74,230,414
	86,273,169	**74,230,414**
Sundry income		
Interest income on bank term deposits	5,692,012	5,896,869
Sundry income - general	3,916,044	-
Total sundry income	**9,608,056**	**5,896,869**
Finance costs		
Exchange gain	4,066,139	1,197,284
Exchange loss	(347,877)	(4,347,955)
Total net financing income/(costs)	3,718,262	(3,150,671)
	13,326,318	2,746,198
Total income	**99,599,486**	**76,976,612**
Expenditure		
Operating expenses		
Connecting Learning Institutions (tertiary)	378,334	863,299
Connecting Learning Institutions (primary and secondary schools)	204,636	-
Decommissioning of Towers	1,056,396	-
Tower Installation expenses	220,624	-
E-Government	22,297,900	734,730
E-Health Project	237,411	141,189
Operating Systems Expenses - RSMMS	-	565,385
Operating Tower Installations	31,241,071	32,889,397
People with Disabilities	272,445	6,869,808
Project Monitoring and Evaluation	2,596,760	36,876
Tertiary Institutions (ZAMREN)	611,835	2,890,945
Quality of service expenses	8,531,050	-
Total operating expenses	**67,648,464**	**44,991,629**

Appendix 4 — Detailed Statement of Income and Expenditure (Continued)

	2021 ZMW	2020 ZMW
Administrative expenses		
Audit fees	361,146	48,370
Advertising expenses	-	8,900
Bank charges	57,043	44,804
Board expenses	1,683,602	-
Disposal of assets	623,641	-
Insurance	52,674	15,581
Legal and professional charges	67,200	-
Medical expenses	7,464	12,335
Meetings & conferences	84,625	45,873
Motor vehicle expenses	153,398	39,765
Other administration costs	378,256	40,680
Staff Costs	2,100,727	1,700,151
Total Administrative Expenses before depreciation	**5,569,777**	**1,956,458**
Depreciation	11,356,185	11,809,415
Total Administrative Expenditure	**16,925,962**	**13,765,873**
Total expenditure	**84,574,426**	**58,757,501**
Surplus for the year	**15,025,061**	**18,219,111**

Appendix 5 — Contributions due from Zamtel

	2021 ZMW	2020 ZMW
Universal Access contributions due		
Annual operating fees 2012	5,112,120	5,112,120
Annual operating fees 2013	7,372,455	7,372,455
Annual operating fees 2014	8,642,340	8,642,340
Annual operating fees 2015	8,998,965	8,998,965
Annual operating fees 2016	6,480,510	6,480,510
Annual operating fees 2017	9,495,225	9,495,225
Annual operating fees 2018	8,858,835	8,858,835
Annual operating fees 2019	7,851,648	7,851,648
Annual operating fees 2020	9,195,645	-
	72,007,743	**62,812,098**

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