



MCA THRESHOLD PROJECT

FINAL PROJECT WORK PLAN

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EXECUTIVE SUMMARY

Introduction to the MCA Threshold Project (MCATP)

The Government of the Republic of Zambia (GRZ) has recognized that the prevalence of corruption and weaknesses in the business environment have negatively affected the ability of the state to rule justly and to guarantee economic freedom to its people. The GRZ has proposed, in collaboration with the private sector, a Threshold Country Plan (TCP) to the Millennium Challenge Corporation (MCC) to implement key reforms and demonstrate its capacity for good governance and MCC Compact eligibility. Promoting economic freedom and ruling justly are the central themes of the MCA Threshold Project (MCATP).

USAID/Zambia designed the MCATP to provide the GRZ with the technical and material assistance needed to implement the TCP and achieve its ambitious goals.

During a two-year period, Zambia, with civil society participation, will tackle administrative barriers that stall trade and investment. Administrative corruption is at the center of this program and will be addressed by removing the opportunities for graft by personnel in key government ministries. Successful results following the implementation of these activities will demonstrate to the country the benefits of transparent, effective, and accountable governance. Such success will lead to immediate improvement of the business climate with expected important consequences in investment and trade, but more importantly provide a roadmap for national “roll out” of the MCATP programs across government. Indeed, the GRZ is committed to expanding these initial efforts as they are proven effective.

The MCA Threshold Project (MCATP) was awarded to the Chemonics International consortium on July 6, 2006. In the following sections the initial two year project work plan is presented; it is the result of a three week consultative process with the GRZ and civil society implementing agencies, involving the long-term technical team and short-term technical support. That consultative process allowed many of the needs, implementation ideas and resource requirements from MCATP and the GRZ to be identified. The GRZ implementing agencies, with MCATP Steering Committee support and encouragement, will finalize the agency work plans soon. This MCATP Work Plan was approved by the MCATP Steering Committee on August 30, 2006.

Project Description. The MCA Threshold Project has two broad objectives: 1) to promote greater transparency and minimize opportunities for corruption and 2) to reduce administrative barriers that prevent new business and investor activity and increase efficiency of border operations. The project consists primarily of GRZ efforts to design and implement reforms with specialized financial and technical assistance.

MCATP GRZ Implementing Partners. The Anti-Corruption Commission, the Ministry of Lands, Immigration Department, Zambia Revenue Authority, Zambia Business Forum, Transparency International – Zambia, the newly established Zambia Development Authority, the Patents and Commercial Registry Office (PACRO), the PSD-Programme Coordinating Unit, Zambia Bureau of Standards, Plant Quarantine and Phytosanitary Services at the Ministry of Agriculture and Cooperatives, and the border agencies that will make up the Border Management Task Force.

Key Project Deliverables to the GRZ

Life-of-Project

- Reduction in the number of days to register a property purchase at the Ministry of Lands from 70 to 35 days
- Reduction in the percentage of households surveyed reporting a payment of bribes to the ZRA Customs Division from 14% to 7%
- Reduction in the number of days required to start a business from 35 to 10 days
- Reduction in the number of days required to export products from 60 to 30 days, and
- Reduction in the number of days required to import products from 62 to 30 days

First-Year Milestones – Component One

- Assessment of ACC a capacity completed
- Formal establishment of Integrity Committees in the ACC and 3 MCATP partners (Immigration Department, Ministry of Lands, and ZRA)
- Communications program communicating GRZ receptiveness to complaints, recommended improvements, and commitment to reduce corruption launched
- Codes of Ethics adopted in the ACC, 3 MCATP partners and 4 other agencies
- Corruption reporting mechanisms established and publicized at the three pilot institutions
- Initial regulatory and service process review completed on priority processes (immigrant permitting, registry of land transactions, and business registration) with streamlining improvements recommended
- Formal acceptance of required GRZ support requirements in GRZ 2007 budget
- Participatory stakeholder assessments of IC establishment and functioning in all 4 agencies concluded – as key inputs in Year 2 work plan formulation
- Initial baseline assessment of citizen perceptions of corruption concluded by IDASA in October, 2006

First-Year Milestones – Component Two

- Border Management Task Force, comprising seconded full time participants from at least 8 GRZ border agencies constituted
- Review of regulations and policies encumbering the export of 10 leading products
- Inventory of border regulations to be included in Comprehensive Tariff Information System concluded
- Launch of 2 PACRO provincial offices
- PQPS facilities at Chirundu reach MACO-formulated quality standards
- Refurbishment of border installations completed in Chirundu
- Baseline assessments of steps and effective time for imports, exports, and business registration
- ZDA effectively up and running
- Performance Monitoring Plan integrating GRZ agencies M&E capacities designed and approved by MCATP Steering Committee and subordinate Working Groups
- Communications updates and success stories quarterly throughout the life of the project
- Supplementary support request included in GRZ 2007 budget to provide additional staff and other resources needed to meet MCATP targets in both components

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LIST OF ACRONYMS

ACC	Anti-Corruption Commission
ACWG	Anti-Corruption Working Group
BMTF	Border Management Task Force
CGG	Center for Good Governance
CITS	Comprehensive Integrated Tariff System
DfID	Department for International Development
DPCE	Department of Prevention and Community Education (ACC)
EBZ	Export Board of Zambia
FARA	Fixed Amount Reimbursement Agreements
GRZ	Government of the Republic of Zambia
IC	Integrity Committee
IPI	International Intellectual Property Institute
IP3	International Public-Private Partnership
LIMS	Land Information Management System
MACO	Ministry of Agriculture and Cooperatives
MCA	Millennium Challenge Account
MCATP	Millennium Challenge Account Threshold Project
MCC	Millennium Challenge Corporation
MCTI	Ministry of Commerce, Trade and Industry
MDA	Ministry, Department, or Agency
M&E	Monitoring and Evaluation
MOL	Ministry of Lands
MOU	Memorandum of Understanding
NCPP	National Corruption Prevention Plan
PACRO	Patents and Companies Registration Office
PCU	Program Coordinating Unit
PMP	Performance Monitoring Plan
PMTC	The Project Management and Training Company
PQPS	Plant Quarantine and Phytosanitary Services
PSD	Private Sector Development
PSDRP	Private Sector Development Reform Program
SAF	Special Activities Fund
SEDB	Small Enterprise Development Board
SME	Small or Medium Enterprise
TCP	Threshold Country Plan
TIZ	Transparency International Zambia
VAT	Value-Added Tax
WG	Working Group
WGAC	Working Group on Anti-Corruption
ZABS	Zambia Bureau of Standards
ZBF	Zambia Business Forum
ZDA	Zambia Development Agency
ZEPZA	Zambia Export Processing Zone Authority
ZIC	Zambia Investment Center
ZLAS	Electronic Zambia Land Administration System
ZPA	Zambia Privatization Authority
ZRA	Zambia Revenue Authority

SECTION I – OVERVIEW TO MCA THRESHOLD PROJECT (MCATP)

This work plan consists of an executive summary, this introductory section, followed by an overview of several cross-cutting technical areas in Section I. Section II contains an overview to Component One (Ruling Justly) and detailed institutional action plans for those partners involved in Component One activities. Similarly, Section III contains an overview of Component Two (Economic Freedom) followed by detailed institutional action plans for related partners. Annex A represents a full project Gantt chart showing detailed activities, timing, and key milestones for the first year of project operation. Annex B shows the MCATP budget broken down by GRZ implementing agency. The values there represent the total cost of deliverables identified in the institutional action plans in Sections II and III of the work plan.

A. Background

For Zambia to become the “African lion” economy it aspires to be, it must make significant progress in lowering the costs of doing business. Significant and cumbersome barriers still exist throughout the government system, some related to bureaucratic inefficiencies, others are built upon corrupt practices. As a landlocked country in the middle of Southern Africa, the country must entice investors—not overburden them with multiple procedures to start up a business and surround them with civil servants ready to facilitate registration or imports for the right price.

Zambian leadership has made an important decision demonstrating it is ready to take the necessary steps to institute a more enabling environment for business. President Levy Mwanawasa declared a zero-tolerance policy for corruption upon taking office, and former President Frederick Chiluba stands accused of stealing more than \$40 million from the country’s coffers. Various policy, regulatory, and institutional reforms have been undertaken to curb corruption and improve the business environment, particularly in private sector development. More recently President Mwanawasa has supported formulation of a National Corruption Prevention Policy (NCP) and the rapid establishment of Integrity Committees to lead corruption prevention activities in key pilot national and local governmental agencies. In effect, the political will to tackle corruption is stronger than at any other time in recent Zambian history, in part due to the opportunity to accede to MCA eligibility. By streamlining the processes to register and run a business, to import and export, and to negotiate land titles and work permits, the MCA Threshold Project will help limit the scope for administrative corruption, reduce the cost of doing business in Zambia, and foster economic development to benefit a wide cross-section of the population.

In order to improve fiscal management of public sector funds, GRZ with the support of several international donors began implementation of the Public Expenditure Management and Financial Accountability (PEMFA) reforms in 2005, which are aimed at enhancing transparency and accountability in the use of public funds.

In 2005, the GRZ initiated implementation of a broader Private Sector Development Plan (PSD) to address more widespread issues of economic growth, of which administrative barriers to trade and crime and corruption are integral parts. The PSD enjoys high level GRZ support and stakeholder involvement. The MCA Threshold Country Plan was designed by the Government of the Republic of Zambia (GRZ) to address weaknesses identified by the PSD

and in the criteria scores received by the 2005 MCA/Washington review and the World Bank FIAS report which classified several areas as barriers to economic growth in Zambia. Based on these assessments, the GRZ developed a plan to target reform and improve efficiencies in key government ministries, departments, and agencies for the purpose of reducing opportunities for corruption and facilitating trade and investment in the country. The successful implementation of the MCATP will also demonstrate convincingly to the Millennium Challenge Corporation (MCC) the GRZ's capacity for good governance, manifestly demonstrating its eligibility for MCC Compact status.

The MCA Threshold Project has a unique opportunity to contribute to the PSD plan implementation, leveraging other donor funding, by coordinating the key activities outlined in the Threshold Country Plan. The MCA Threshold Project will participate in at least four PSD working groups as well as provide support for the Program Coordinating Unit (PCU) in implementing key aspects of the PSD plan.

B. Project Description

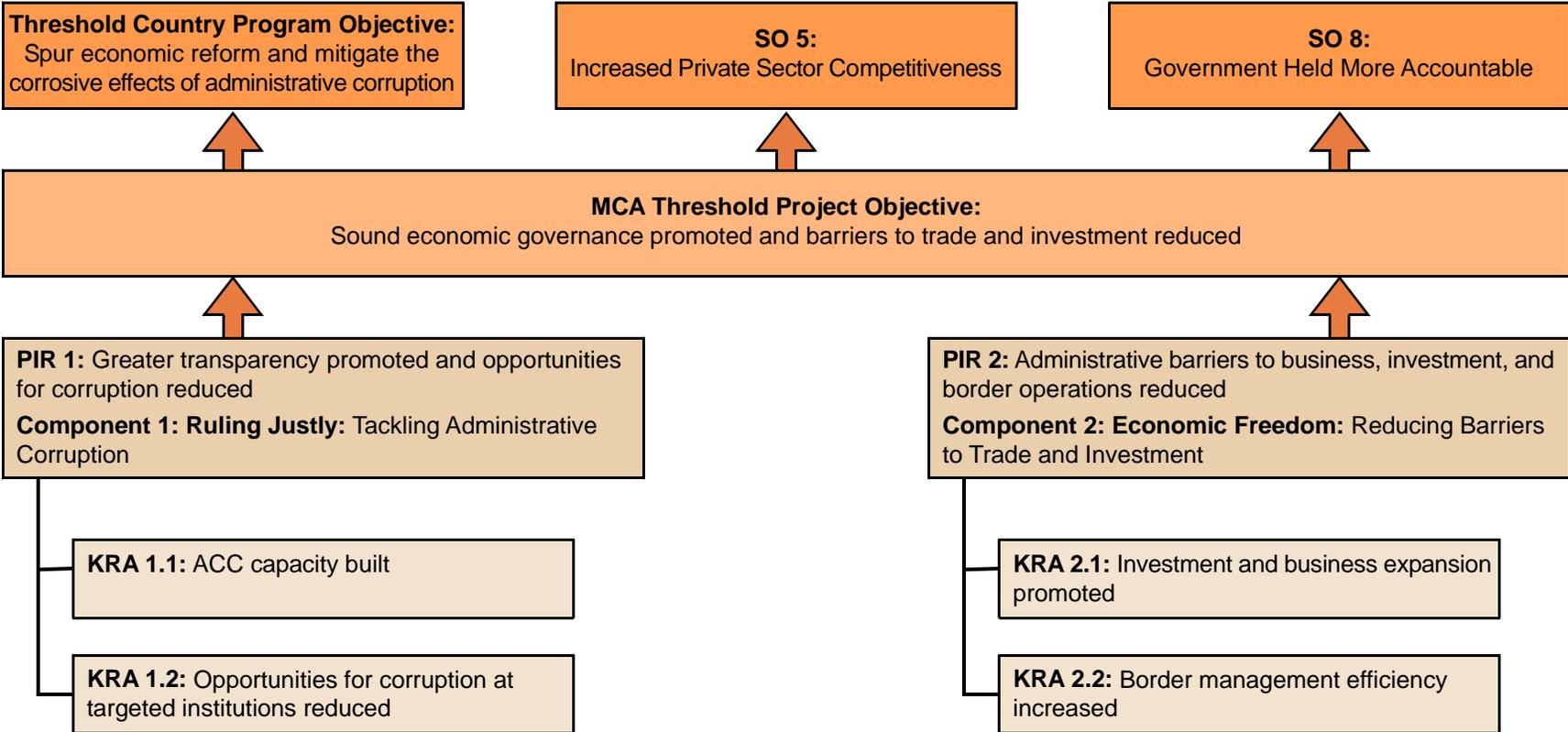
The MCA Threshold Project has two broad objectives: 1) to promote greater transparency and minimize opportunities for corruption and 2) to reduce administrative barriers that stall new business and investor activity and increase efficiency of border operations. To achieve these objects, the GRZ with project assistance will:

- Build the capacity of the Government of Zambia's Anti-Corruption Commission to lead GRZ efforts to prevent administrative corruption and implement the NCPP.
- Work with three government institutions—the Ministry of Lands, the Immigration Department, and the Zambia Revenue Authority—to reduce opportunities for administrative corruption. Activities will include implementing institutionally tailored regulatory and process reform, establishing internal integrity committees, and creating effective citizen monitoring and reporting mechanisms.
- Establish the Zambia Development Authority, as an effective one-stop shop for businesses and investors, bringing together the operations of five statutory agencies.
- Reduce red tape to minimize the start-up costs for business investment and licensing, including supporting the expansion of the Patents and Companies Registration Office into provincial capitals to reduce the cost of doing business outside Lusaka.
- Increase the efficiency and effectiveness of border management operations by building capacity in modern customs and inspections techniques, with ZRA, the Zambia Bureau of Standards, and MACO's Plant Quarantine and Phytosanitary Service (PQPS)
- Rationalize and simplify the economic regulatory framework

B1. Zambia MCA Threshold Project Results Framework

The project results framework (Exhibit 1) shows how the project fits conceptually into the TCP and contributes to achieving USAID's Strategic Objectives 5 – Increased Private Sector Competitiveness and 8 – Government Held More Accountable. The project results framework

Exhibit 2. Results Framework



mirrors the basic structure of the two components, broken down into results needed to reduce opportunities for corruption and increase opportunities for business and investment. This framework will be the foundation for the design of the performance management plan due to be presented to the MCATP Steering Committee and Working Groups prior to final presentation to USAID/Zambia on August 31, 2006.

B2. Overview of Technical Activities

The overarching goal of the MCATP is to spur economic reform and mitigate the corrosive effects of administrative corruption and help Zambia qualify to receive a compact from the Millennium Challenge Corporation. While the MCATP is clearly divided into two components of activities, one focused on reducing opportunities for corruption and the other on improving the business and investment climate and increasing border efficiencies, there are clear synergies between the two components. At the root, this project is about improving efficiencies of government agencies in support of private sector growth. Improving efficiencies reduces opportunities for corruption while also streamlining processes to facilitate doing business in Zambia for both domestic companies and foreign investors. This root goal is supported by public knowledge across both components because without public understanding of efficiencies, as well as channels for redress, they cannot take advantage of improved business opportunities.

To ensure the project is focused on achieving these very high level and important results, the MCATP is using several critical indicators and milestones as the North Star to implementation, ensuring that each and every activity undertaken is contributing to these results and indicators of success. See Exhibit 2.

Exhibit 2 – Critical MCATP Indicators and Milestones			
Indicator	Baseline	Target 2006	Target 2007
Number of days to register property at the Ministry of Lands	70	55	35
Percentage of households surveyed reporting a payment of bribes to the Zambia Revenue Authority—Customs Division	14%	10%	7%
Number of days required to start a business	35	20	10
Number of days to export products	60	45	30
Number of days to import products	62	45	30
Milestone	Baseline	Year 1	Year 2
Integrity Units established and effectively functioning at three pilot institutions and the ACC	1	2	3
Corruption reporting mechanisms established and publicized at the three pilot institutions	0	1	3
Zambia Development Authority established and operating	0	0	1
PACRO satellite offices established	0	1	3
Comprehensive Integrated Tariff System (CITS) developed and implemented	0	0	1
Pilot border upgrades completed including procurements and training	0	0	1

The MCATP team and the GRZ implementing agencies have developed potential interim milestones for each institution to gauge progress towards results for each of the key institutions. Those preliminary milestones are shown are part of the detailed institutional work plans. The performance management plan (PMP) due to USAID/Zambia on August 31, 2006, will contain additional performance indicators and an overall strategy for the project M&E system.

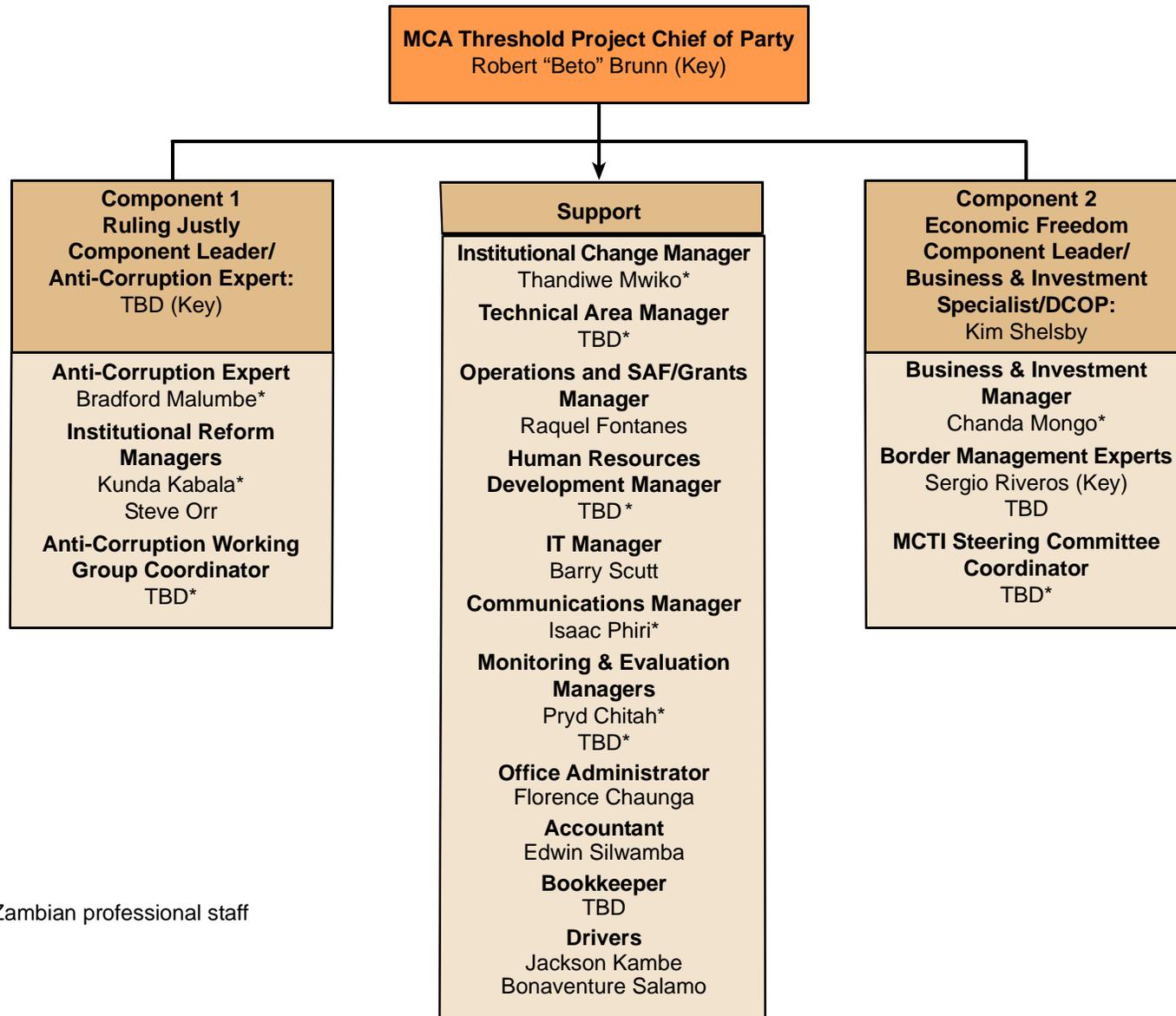
Principal First-Year Milestones		
Component One	Component Two	Cross-cutting
<ul style="list-style-type: none"> Formal establishment of Integrity Committees in the ACC, 3 MCATP partners (Immigration Department, Ministry of Lands, and ZRA) – August 2006 Communications program communicating GRZ receptiveness to complaints and recommended improvements launched – October 2006 Codes of Ethics adopted in the ACC, 3 MCATP partners – November 2006 Corruption reporting mechanisms established and publicized at the three pilot institutions – December 2006 Initial regulatory and service process review completed on priority processes (immigrant permitting, registry of land transactions, and business registration) with streamlining improvements recommended – December 2006 Formal acceptance of required GRZ support requirements in GRZ 2007 budget – January 2007 Participatory stakeholder assessments of integrity committee establishment and functioning concluded – as key inputs in Year 2 work plan formulation – May-June 2007 	<ul style="list-style-type: none"> Border Management Task Force, constituted – September 2006 Review of regulations and policies encumbering the export of 10 leading products - December 2006 Baseline assessments of steps and effective time for imports, exports, and business registration – December 2006 ZDA effectively up and running - December 2006 Inventory of border regulations to be included in Comprehensive Tariff Information System concluded – March 2007 Review of regulations and policies encumbering the imports of 10 leading products – June 2007 Launch of 3 PACRO provincial offices – March 2007 PQPS facilities at Chirundu reach MACO-formulated quality standards – June 2007 Refurbishment of border installations completed in Chirundu – January 2007 	<ul style="list-style-type: none"> Performance Monitoring Plan integrating GRZ agencies M&E capacities designed and approved by MCATP Steering Committee and Working Groups – September 2006 MCATP Official Ceremony – October 2006 Communications updates quarterly throughout the life of the project Initial baseline assessment of citizen perceptions of corruption concluded by IDASA – October 2006, followed by quarterly assessments in March and June 2007 Participatory stakeholder assessments of MCATP progress and implementation problems in all targeted agencies, including ZBF, as key inputs in Year 2 work plan formulation – May-June 2007

B3. MCATP Organization

The GRZ has established an MCATP Steering Committee, chaired by the Secretary of the Treasury, and comprised of the Permanent Secretaries or most senior civil servant in the ten GRZ targeted agencies (see box) as well as two partner civil society organizations, the Zambia Business Forum and Transparency International – Zambia. The Steering Committee is responsible for overall approval of work plans and monitoring and evaluation of MCATP implementation. It is also responsible to assure that additional GRZ and other donor resources required to assure timely implementation of the MCATP are forthcoming.

For each of the major program areas, the GRZ has organized working groups. Each working group is responsible for periodic review of component progress and provides guidance in

Exhibit 1. Staffing Chart



* Denotes Zambian professional staff

component implementation. Each working group is the first recipient of project work plans and progress reports, assures timely start up and has an enthusiastic commitment to MCATP objectives. They promote intra-government awareness, overseeing public awareness campaigns, and adoption of MCATP recommended institutional and policy reforms. Following successful implementation of MCATP activities, each working group will play the roll of carrying work forward and rolling out strategies and action plans to other government agencies with GRZ and, possibly, other donor support.

B4. GRZ Relationship to MCATP

The MCATP is a project designed by and for the people of Zambia. USAID/Zambia and the Chemonics consortium personnel are here to help them achieve their goals to reduce corruption and improve the business environment, demonstrate good governance, improved governance systems, and enhanced economic freedom. The targeted GRZ ministries, departments, and agencies (MDAs) as well as specific civil society partners have formulated initial implementation strategies, which are now being reviewed and transferred into action plans describing required MCATP material, technical and training support as well as additional GRZ and donor support.

MCATP Implementing Agencies	
Secretariat	
<ul style="list-style-type: none"> • USAID/Zambia 	
GRZ Agencies	
<ul style="list-style-type: none"> • Anti-Corruption Commission • Border Management Task Force (to be established) • Immigration Department • Ministry of Lands • Patents and Commercial Registry Office (PACRO) • Plant Quarantine and Phytosanitary Service (MACO) • PSD – Program Coordinating Unit • Zambia Development Agency • Zambia Revenue Authority • Zambia Bureau of Standards 	
Civil society participants	
<ul style="list-style-type: none"> • Transparency International – Zambia • Zambia Business Forum 	

In this joint work planning process, the MCATP team has already built very strong relationships at each of the MCATP partners and will continue to foster those relationships through a supportive approach to GRZ-led implementation. The MCATP team has committed itself to listen to their ideas, provide timely and high quality material and technical support, using wherever possible Zambian managers, coordinate project reviews, and continuously consult with GRZ partners on how to support the GRZ reform efforts approved in the TCP. The GRZ agencies are clear on what they want to do to improve and in many cases have given much thought to the reform mechanisms and the removal of specific administrative barriers to business. The GRZ agencies and MCATP staff will work together to further refine, select, and program technical and material support throughout the two-year life of the project, consistently updating the work plan to meet each agency’s needs. Through the three working groups, the GRZ implementing agencies will manage expectations on milestones and monitor results.

The GRZ agencies will meet weekly with the COP and/or the Component Leaders and USAID/Zambia to coordinate, identify and resolve implementation issues, and assure timeliness and quality of MCATP support.

B5. MCATP Staffing and Management

To effectively achieve MCA Threshold Project results within the two year timeframe, a carefully coordinated, vigorous, and dynamic management approach is needed. The Chief of Party, Beto Brunn, will be responsible for overall coordination and management while he will

delegate the detailed management tasks of each component to the component leaders. The Chief of Party, Deputy Chief of Party and Component Two Leader, Kim Shelsby, and the Component One Leader, along with Operations/SAF Manager, Raquel Fontanes, will comprise the MCA Threshold Project Executive Team and will be responsible for fast decision making, coordinated activities, and management of project resources including short-term technical assistance, equipment procurement, and grants and subcontracts through the SAF.

Long-term staff members are dedicated to each of the components or serve a technical support function that cuts across components, such as Isaac Phiri, the Communications Manager, Pryd Chitah, the M&E Manager, IT Manager, Barry Scutt, and Regulatory Reform Manager, Thandiwe Mwiko. Business and Investment Advisor, Chanda Mongo will oversee business and investment sub-component while Sergio Riveros and another Border Management Manager will supervise the border management activities. Institutional Reform Manager, Kunda Kalaba and Anti-Corruption Manager, Bradford Mulumbe will play key roles in the implementation of Component One. Each long-term manager will be expected to manage activities in his/her area of the work plan, draft scopes of work for and manage short-term technical assignments, maintain relationships with partner institutions, and sit on the grants/subcontracts review committee for SAF applications related to their technical areas. Exhibit 3 illustrates the updated MCATP staffing chart.

Role of the MCATP executive team. Given the fast pace of MCATP activities, the executive team will meet every week to check-in with each other and with USAID/Zambia on the work plan, ongoing short-term technical assistance, future scopes of work, subcontracts, grants, and other activities it will be important to coordinate as well as share feedback and concerns from GRZ and civil society partners. They agree to communicate clearly with each other and support each other in quick and unanimous decision making.

Linkages with other donors. MCATP implementation involves coordination with international bi-lateral and multi-lateral donors on at least five fronts. USAID/Zambia will be responsible for managing bilateral and multi-lateral donor coordination and will coordinate with the GRZ. USAID/Zambia and MCATP will designate a principal representative to work with each of four PSD Working Groups (Lands, Immigration, Trade and Investment, and Administrative Barriers) in coordination with MCATP assistance to the PSD PCU. Secondly, the project will coordinate with and complement working groups attached to the PEMFA and public sector reform initiatives. MCATP will also complement donor support to the Zambia Business Forum in key areas to articulate effectively private sector problems and criteria. The MCATP will also complement other donor support to other GRZ partners such as IOM assistance to the Immigration Department. Finally, MCATP will complement intergovernmental and non-profit donor support for Transparency International - Zambia in identifying sources and consequences of bribe paying as well as in helping citizens better navigate streamlined government service processes.

MCA Threshold Project Supporting Partners

To support the GRZ implementing agencies, the MCATP makes available to them as supporting partners the following organizations

- Chemonics International will provide overall technical and financial coordination, lead project administration, and provide technical assistance in Ruling Justly.
- *The Services Group (TSG)* is the lead organization to support GRZ efforts to streamline administrative procedures and barriers to trade.
-
- *Alfa XP*, a firm specialized in information technology, provides e-governance and IT support for institutions needing sophisticated automation to improve efficiency of services.
- *The Center for Good Governance* will provide as needed support on institutionally tailored reform and integrity committees to prevent corruption where it starts.
- *The International Public-Private Partnership (IP3)* will assist, as needed, brokering and institutionalizing public-private partnerships to achieve MCATP goals.
- *The Project Management and Training Company (PMTc)*, a Zambian consulting firm, will provide organizational capacity building primarily focused on establishing the ZDA.
- *PACT Zambia* and *Panos*, two Zambian organizations, will play an integral role in communications, public outreach, and citizen participation in monitoring corruption.

Immediate short-term technical assistance. This work plan identifies several immediate needs of the GRZ implementing agencies for additional short-term technical assistance. Where possible, activities requiring short-term technical assistance will be undertaken jointly to promote efficiency and cost-savings to the project. For example, Alpha XP consultants, specialists in information systems for result-based management and corruption control can review the needs of two to three organizations during a single assessment trip and work with Zambian specialists to undertake programming support to several GRZ implementing agencies. Anti-corruption specialists from the Center for Good Governance can support capacity building at the ACC as well as the three pilot agencies.

Decisions on additional long-term personnel. At the proposal stage, the Chemonics consortium budgeted for several positions that were yet to be filled. After a more extensive work planning exercise with the GRZ implementing agencies in the month of August, the executive team will consult and determine which long-term, intensive assistance needs require additional staff and the necessary qualifications for those positions based on the work plan. Initial assessments show that the MCATP will likely hire an additional Communications Manager, an M&E Statistician, and a Business Process/Regulatory Reform Specialist to support an ongoing review and streamlining of administrative processes.

Special Activities Fund (SAF). The MCATP SAF will support a wide range of project activities through a variety of mechanisms. The funds will be disbursed for commodity procurements, subcontracts, and grants. The four main mechanisms for disbursing these funds will include:

- Collaboration on an activity or provision of equipment, labor, or supplies as defined in an MOU. MOUs will be used as mechanisms to outline specific collaboration between Chemonics and other stakeholders for implementing specific project activities. These MOUs will incorporate agreements on the exchange of resources and become a good tool to ensure coordination between all parties involved. In particular, they will specify, where needed, implementation expenses to be paid directly by MCATP on behalf of the government agency, for example, in the renovation of newly established provincial offices or the furnishing of new border facilities in Chirundu.

An MOU will also be completed between the project and potential grantees prior to the execution of grant awards.

- **Fixed Price Subcontracts.** The MCATP will fund several fixed-priced subcontracts in support of various activities. Additional funds may be allocated to other local subcontractors under both components on an as-needed-basis including for IDASA to conduct quarterly corruption perception surveys.
- **Purchase Orders.** At times, the MCATP may need an easy mechanism for partners to receive funds under the SAF. To that end, the use of purchase orders will be considered for certain procurements.
- **Grants.** The grants component under the MCATP represents a significant portion of the overall SAF budget. Two potential grantees have been identified to receive funding (Zambia Business Forum and Transparency International – Zambia), but the MCATP anticipates issuing other competitive grants to civil society organizations and/or institutions to promote public dialogue. The project will take the necessary measures to also build the capacity of potential grantees to receive funding.

Updating the work plan and reporting. The fast pace of this project requires constant re-evaluating of performance against the work plan and updating it as needed. On a quarterly basis, the MCATP, with input from the GRZ and civil society implementing agencies, will submit progress reports to the MCATP Steering Committee, the three MCATP Working Groups, and USAID/Zambia that will show progress against the work plan and will report data on appropriate indicators. In addition, the quarterly report will describe key activities to be implemented in the following quarter.

C. Overview to Cross-Cutting Areas of Technical Support to the GRZ

There are four common areas of MCATP support for virtually all GRZ implementing partners: 1) Tailored Institutional Reform, 2) Public Awareness and Communications, 3) IT and Equipment Support, and 4) Monitoring and Evaluation assistance.

C1. Tailored Institutional Reform

Overview. Among the most important good governance and economic growth policies are those that systematically reduce corruption, facilitate business and investment, support the treatment of citizens as clients, and continually improve customer service abilities. Thus tailored institutional reform cuts across both MCATP components.

In Zambia, the legislation is generally vague and therefore open to interpretation. This means that each agency can create its own procedures, that there may be little consistency between the operating procedures of various agencies, and that the public may have little knowledge of how agencies operate, much less input in focusing governmental energies on service quality and timeliness. In effect, it often means that each agency can become a law unto itself and have relatively uncontrolled discretion in establishing regulations and processes for its own convenience.

Recognizing that wholesale regulatory reform would benefit the business and investment climate in Zambia, the MCATP will focus its reform efforts on an institutional basis and on the administrative processes and practices that create bottlenecks for businesses. Additionally, the MCATP will support GRZ efforts to define regulatory review as an assessment of all statutory instruments, regulations, rules, orders, administrative processes and practices. To this end it will take a combined approach:

Ride the Tiger. Each of the institutions receiving MCATP support already have a regulatory review process underway and specific administrative procedures they have tagged for streamlining. The “Ride the Tiger” approach signifies that the MCATP will support those reform efforts, leveraging existing reform priorities, and provide technical assistance to map these process, analyze the bottlenecks, and remove or lighten those specific administrative barriers.

Regulatory Guillotine™. While working on a case-by-case basis with each institution, GRZ partners, the MCATP Steering Committee, and MCATP staff will simultaneously work to mobilize commitment at the very highest levels of Zambian government, including the Minister of Finance to do a more comprehensive, dramatic, “big bang” type of regulatory reform process known as a Regulatory Guillotine™ which is currently being employed in Bosnia by USAID’s SPIRA project and subcontractor, Jacobs and Associates, the proprietors of the trademarked process. Alternatively, we will employ a process similar to the guillotine but adapting the regulatory review and reform to the Zambian context. This approach, in general terms, puts the onus on policy makers and regulators to review their own regulations for vagueness, utility, and opportunities for discretion. They must justify the existence of the regulation and if they cannot, it is deleted. This process is dramatic and would happen over the course of a few months, if the appropriate support were there.

Each institutional action plan in Sections II and III contains steps specific to administrative reform in each agencies.

Management. The regulatory and administrative review and reform approach and activities are led by the Executive Team together. The Regulatory Reform Manager, Thandiwe Mwiko and Institutional Reform Manager, Kunda Kalaba will be involved in the day-to-day management of the variety of activities associated with this topic. Immediate short-term business process engineers are required.

See the institutional action plans for specific short-term technical assistance needs.

Top Areas for Regulatory Review

1. Develop and institute a consultative process to assure stakeholder review and a regulatory impact assessment prior to the enactment of new regulations
2. Develop agency codes of ethics, which could include mandatory asset disclosure
3. Institute a regulatory guillotine within MCATP partners to identify outdated and contradictory regulations
4. Mandate a regulations inventory and publish all rules, orders, statutory instruments, circulars, and regulations.
5. Where agencies give approvals, permits or licenses, publication of all associated costs and all required forms
6. Review ZDA to assure responsiveness to private sector needs

C2. Public Awareness and Communications

Overview. A robust communications program will be key to achieving the MCATP’s objectives. As USAID’s Country Strategic Plan for Zambia notes, a “social movement” against corruption is necessary to achieve a substantial reduction in bribery”. In recognition of the high profile of this project, the need to keep all stakeholders well informed, and the

major role communications can play to help the project achieve its technical objectives, the MCA project has engaged a full-time Communications Manager. A comprehensive communications strategy is in development and will be delivered to the MCATP Steering Committee and USAID in August. The following is a brief overview of how the project will use communications to help achieve its technical objectives.

Support MDA communications campaigns, building capacity in the process. The MCATP will work with government partners to strengthen their capacity to communicate effectively with both internal and external audiences. Effective internal communications to staff members will be essential to generating enthusiasm for the reforms process, and keeping all staff up to date will help to ensure their buy-in for sometimes difficult changes. External communications campaigns will assist MDAs achieve their goals for MCATP participation.

Support NGO-led communications efforts. Strengthened ZBF and TI-Z capacity to develop effective communications strategies will be a lasting project contribution to these organizations. The MCATP will work with both the ZBF and the TI-Z in the development of a targeted communications plan to inform the private sector or the general public of important project activities, building capacity in the process.

Subcontract public outreach efforts. Given the number of communications initiatives throughout the project, local organizations have been identified with highly developed public outreach skills that will implement MCATP-directed communications efforts. Among these organizations are PACT Zambia and Panos Southern Africa. Another benefit of working with these groups is that several have related projects that can be leveraged to achieve MCATP objectives, for example the ZCEA legal rights clinics.

Institute a comprehensive project communications strategy. As stated above, the MCATP team believes communications will be a key element in the project's success. For this reason, a two-person team, made up of the long-term project Communications Manager and an international Communications Specialist, are developing a strategy to support project activities through communications. The strategy will include identification of target audiences, key messages, media channels, and communications goals, and will be developed in consultation with project stakeholders and related donor projects to ensure harmonization of messages and activities. The strategy also will include branding guidelines and a regular schedule of reporting to the GRZ and USAID.

Management. MCATP Communications Manager Isaac Phiri will manage all communications activities, under the supervision of the Chief of Party and the component leaders. Substantial short-term technical assistance is foreseen, as communications strategies will need to be developed for nearly all GRZ partners. Given the number of communications efforts, another Communications Manager may need to be added to the team. The final communications strategy delivered to USAID in August will include a recommendation on expansion of the communications staff.

C3. IT and Equipment Support

Overview. IT hardware, software, and systems are severely lacking in many of the government institutions supported by the MCATP, and capacity building in the form of IT equipment, automation, system design, and training in IT systems will be a major part of both component activities. IT and equipment support fall into three areas for the project:

- General capacity building and equipment support. For several institutions the project will procure computers, standard operating software packages for word processing, budgeting, email, and internet.
- Business process IT needs. To some extent the MCATP will also support the integration and automation of specialized IT systems and facility upgrades within specific institutions and between institutions. Automation of business processes within the Immigration Department and facility upgrades at the Ministry of Lands to improve the security of land records are in this category.
- Stand alone systems and equipment. MCATP will work to design and build such systems with the support from the GRZ and to address a larger systemic efficiency issue. Such systems include the CITS, the Land Information Management System (LIMS), and SPS survey equipment for border post inspection sites.

Management. Long-term IT manager, Barry Scutt will supervise all short-term IT consultants, draft scopes of work, and develop specifications for major IT procurements. Mr. Scutt is not arriving in Lusaka until the end of September and thus the project will hire several short-term IT specialists for extended assignments to assess initial IT needs and develop specifications for the procurements. As a cost savings, the MCATP will attempt to do IT and equipment procurements in bulk to serve several partners at once. Because procurement takes time and IT is so critical to much of the MCATP work, these specifications and orders are a priority for the project and will happen immediately. Other equipment needs will be managed by the case managers for each supported institution. Alpha XP, a US based subcontractor, will provide short-term technical assistance to do an e-governance assessment in conjunction with a local IT firm.

C4. Monitoring and Evaluation

Overview. Results-based management is part of every well-managed USAID project, and is a vision the GRZ wishes to institutionalize in its good governance initiatives. Therefore, the MCATP requires a holistic monitoring and evaluation system which integrates GRZ and civil society partners in managing effectively for results. The overarching goal of the project is to help Zambia meet certain development indicators that qualify it for an MCC compact. Thus, for the GRZ monitoring performance against those indicators is paramount. Monitoring and evaluation on this project is three-fold:

- **Project M&E.** MCATP will develop an integrated performance management plan and M&E system which tracks the five most critical project indicators, as well as other important performance indicators to ensure the MCATP is on the road to achieving results and meeting its targets. The Ministry of Finance, the Ministry of Commerce, Trade, and Industry, the ACC, and USAID/Zambia will work with the MCATP to coordinate with multiple performance plans including USAID's PMP, the PSD M&E plan, and indicators identified in the MOU delineating donor harmonization. Development of the M&E system is a participatory process. The MCATP team has started with the GRZ partners to develop indicators and will meet with them again to validate the final list of indicators, design data collection methods, with triangulation among partners, and ensure that partners have the systems and capacity to collect, analyze, and report the necessary information. All grants, subcontracts, and MOUs signed with project partners will contain data requirements on indicators to ensure they are fully integrated in to the project M&E system and truly contributing to project results.

- **M&E capacity building within institutions.** The project will also build capacity within governmental and civil society partner institutions for M&E and reporting. By building reporting requirements into MOUs, and helping implementing partners collect and analyze agency and project level data on MCATP's behalf, the project will build their capacity to monitor and evaluate agency and project performance based on defined criteria. Additionally, several institutions will need more hands-on, in-depth assistance with their M&E systems to ensure they are meeting the needs of their constituents. For example, the PCU has a critical monitoring and evaluation function for the PSD program which needs significant enhancement and the ZDA will need to develop an integrated performance management plan as they get up and running.
- **Independent impact assessment.** The MCATP will engage an independent agency, IDASA, to conduct quarterly surveys of citizen perception of corruption, primarily with reference to the Ministry of Lands, the Immigration Department, and the ZRA (Customs and VAT). IDASA will develop a standard methodology and conduct a baseline survey in the first quarter.
- **Participatory assessment with stakeholders** of each GRZ implementing partner annually to assess progress and the quality and timeliness of MCATP ZDA support

Management. The executive team will be ultimately responsible for results-based management. Pryd Chitah, the long-term M&E manager will complete the performance management plan with assistance from an international specialist, and will supervise implementation of the project M&E system, including leading technical assistance in the design and implementation of the required M&E data collection and analysis systems of GRZ partners. Short-term technical assistance will be required for the M&E system development and strengthening for certain partner institutions. An M&E statistician will be hired shortly to assist Mr. Chitah in evaluation and analysis of collected data.

D. The Work Planning Process

When USAID/Zambia signed the contract with Chemonics International on July 6th, the latter immediately mobilized the start-up go-team which included some of the long-term staff, and short-term consultants to get the project started as quickly and effectively as possible. Fifteen short-term experts were fielded within seven days in addition to five long-term staff, including the Chief of Party, to undertake detailed assessments and construct individual work plans in partnership with each of the targeted institutions. These rapid consultations culminated in a work planning workshop on July 28th – 29th for in-depth internal review for consistency. Subsequent refinements were identified and incorporated with the GRZ implementing agencies, and this work has been consolidated into this overall project work plan.

D1. Institutional Action Plans

As part of this work plan, there are 12 individual institutional action plans which were prepared and refined by short-term experts through a consultative process with each government ministry, department, and agency as well as the MCATP civil society partners. Each short-term expert met with high-level members of each institution, facilitated a vision-

building exercise to establish “individually defined success,” and conducted a brief internal assessment of their strengths, weaknesses, opportunities, and threats

The MCATP work planning specialists acted as scribes for the partner institutions to communicate what they wanted to do and the assistance they required from the MCATP. These activities were refined and reviewed in general terms, and often in detail, with the partner institutions. Some of the institutions were not as available as others for consultation and/or to specify in detail their technical assistance and training needs for inclusion in this initial project work plan. Therefore, project staff will work with most GRZ agencies to further refine individual work plans in the months of August and potentially September and to support GRZ agency presentation to the respective Working Groups.

D2. Next Steps

Once this draft work plan has been submitted to USAID and while it is in the review process with the appropriate working groups, the MCATP team will follow-up with each partner, refine the plan to best reflect their commitment and needs, clarify the timing of additional resources required with GRZ, and review resource gaps.

SECTION II – COMPONENT ONE – RULING JUSTLY

A. Overview

Reducing opportunities for corruption requires streamlining certain administrative processes as well as institutionalizing internal integrity, corruption prevention, and monitoring functions within ministries, departments, and agencies (MDAs). Additionally, public perception of corruption and citizen participation in holding government agencies accountable is equally critical. All are key components of the GRZ's National Corruption Prevention Plan (NCP) currently in review, pending parliamentary approval, which is expected when parliament reconvenes later in the year.

The GRZ will utilize MCATP assistance to improve the ACC's capacity perform activities outlined in the Threshold Country Plan (TCP), namely to support corruption prevention strategies nationally, coordinate corruption prevention practices at the ministry, department, and agency (MDA) level, and roll out integrity committees to three pilot MDAs..

In addition to the NCP, the MCATP will also collaborate with the GRZ's Public Sector Reform Program focused on assistance at the ministry, department, and agency level. The initial nexus of these reform efforts is the establishment or strengthening of Integrity Committees in the Ministry of Lands (MOL), Immigration Department, and the Zambia Revenue Authority (ZRA) as well as the ACC itself. The MCATP will develop the capacity within the Integrity Committees to lead internal policy and process reviews to streamline service to clients, promote ethical operating practices, and execute public education efforts.

The main themes that run through Component One include:

- Roll-out of Integrity Committees
- Tailored Institutional Reform
- Citizen Participation
- Customer Service and Public Outreach
- Involvement of civil society organizations and the private sector (TI-Z and ZBF)

Integrity Committees (ICs). The ICs will be responsible for conducting an administrative and regulatory review including detailed process mapping, developing a code of ethics, receiving and responding to complaints, implementing reporting and monitoring mechanisms, and issuing a Citizen's Charter that will guide reform efforts as well as their public education campaigns. ICs will also eventually be tasked with training agency staff in ethical operating procedures.

Tailored Institutional Reform. Many of the pilot institutions have regulatory review and reform processes already underway. The MCATP will strengthen these efforts and provide additional technical assistance and resources to ensure that these review processes are completed. Each institution will nominate a staff member or committee to oversee and liaise with the MCATP throughout the process mapping and regulatory reform process. In the long run, each institution's Integrity Committee will have maintenance role, overseeing and keeping tabs on regulatory and administrative bottlenecks that create opportunities for corruption. The initial mapping exercise will analyze key regulations and administrative practices where the true bottlenecks likely occur. The MCATP will designate an overall

coordinator for each GRZ and civil society partner to ensure citizen and private sector participation in the mapping process.

Citizen Participation. The principal vehicle for the improved understanding of service expectations and involvement of citizen opinions in corruption prevention will be the development and dissemination of what are tentatively called Citizen Charters or customer service agreements, in which the pilot institutions will communicate the results of the removal and/or modification of the administrative barriers identified in the initial regulatory and administrative process analysis. Each institution will participate in a consultative process (see box), with participation from both Transparency International – Zambia and the Zambia Business Forum and other civil society and private sector organizations, to develop a Citizen’s Charter or service agreement to commit itself to a time frame and reasonable costs for providing services, such as work permitting, VAT registration, and registration of a land purchase. These Citizen Charters will be published via public announcements and communications campaigns targeting citizens and business clients.

Customer Service and Public Outreach. In addition to establishing the ICs in each institution, the MCATP will invigorate the customer service and public outreach departments by providing training in the value of efficient and friendly customer service. Complaint mechanisms will be established for agency level complaints on administrative delays and other customer service issues. Issues of fraud, malfeasance, and corruption will be referred to the ACC national complaints service for investigation and prosecution.

Transparency International.

Transparency International – Zambia’s role is to act as an interface between the government on one side and the citizens of Zambia on the other. Their involvement in the MCATP relates to three broad areas: communicating government reforms to the public, learning to implement effective mechanisms for soliciting citizen feedback, and communicating that feedback back to the government. A long-term MCATP staff member will be seconded to TI-Z to coordinate MCATP support activities.

Zambia Business Forum. The ZBF’s principal role is to articulate barriers and constraints to business faced by their constituents, the private sector. Their role in the project is to ensure private sector participation in regulatory and process reform and streamlining efforts. The MCATP will help ZBF redefine their role and reconnect with their constituents as well as do some basic capacity building to ensure they are able to fulfill their role as an MCATP partner.

Management. This component is managed by Component One Team Leader, Anti-Corruption Manager, Bradford Mulumbe, and Institutional Reform Manager, Kunda Kalaba. Long-term technical support staff, including Isaac Phiri, Communications Manager, a Human Resource

How to Develop Citizen’s Charter?

- MDA, with input from private sector and civil society, determines what services it provides.
- Develop a comprehensive list of services for a specific function through an internal consultative process (workshop) facilitated by an experienced outside facilitator.
- Conduct business process mapping exercise to determine in very specific terms, the various steps involved in service administration.
- Streamline steps as necessary.
- Determine exactly how these services are and should be administered.
- Vet this list with “sounding board” public” (associations, focus groups, private sector, private institutions)
- Establish meaningful agreements on what the Charter should say.
- Dialogue with private sector.
- Finalize Charter.
- Implement public announcements through a variety of mutually supportive channels (pamphlets, websites, radio spots, meetings with stakeholders, etc.)

Development Manager, and a Regulatory Reform Manager, to be hired, will spend a significant portion of their time on these activities. Immediate short-term technical assistance needs include business process engineers with expertise in land registries, immigration, and VAT registration.

B. Detailed Technical Institutional Action Plans – Component One

Below detailed action plans are presented by institution. These plans represent a summary of lengthy individual work plans and show main activities, timing, resources, and milestones. Annex A contains detailed Gantt charts with activities broken down by task.

Anti-Corruption Commission

The ACC has been the lead organization in Zambia responsible for anti-corruption activities since it began operations in the early 1980s. Since the election of the current President in 2001, political support has been restored and there has been substantial progress in a number of anti-corruption areas, with considerable support from DfID and other donors. The ACC's Strategic Plan (the Plan) for 2004-2008 signaled a significant shift in emphasis toward corruption prevention from investigations and prosecutions over the period of the Plan. In many ways, the TCP has been internalized in the national corruption prevention policy development process in which ACC has played a lead role. The core issue for the ACC is its ability to transition from an agency that focuses substantially and primarily on investigations and prosecutions to one that is equally, if not more, focused on prevention. It is a given that ACC must undertake its prosecutorial functions. Therefore, the solution is to expand the capacity of the Department of Prevention and Community Education. This will require additional, sustainable resources from the Government, or, alternatively, a shift in resources from other ACC departments.

In response to the President's encouragement to expand and quickly launch Integrity Committees, the ACC has developed a focused approach to build its own capacity through the virtually simultaneous implementation of eight Integrity Committees including the ACC itself, the MCATP three pilot agencies, two other national government agencies (police and pensions), and two municipal councils (Lusaka and Ndola). The definition of the scope and timing of GRZ support to that process began in recent months with DfID support, including an intensive workshop in Siavonga with the recently designated members of the Integrity Committees, all director level staff, in each of the eight agencies in late July 2006.

The ACC is planning a full and even roll-out of Integrity Committees in itself and 7 other MDAs. The MCATP will provide technical assistance and material support for rolling out the program to the three pilot agencies (MOL, Immigration, and ZRA). The Integrity Committee process in the three pilot agencies will be considered part of MCATP support to the ACC and not part of technical assistance designated directly for each of the three agencies (see detailed action plans below).

The MCATP will work with the ACC to engage the Anti-Corruption Working Group and the MCATP Steering Committee to discuss resource requirements to support implementation in the four agencies not targeted for MCATP assistance. One potential source of support is the Department for International Development (DfID) or GRZ/other donor support.

Main Objectives. The MCATP will support the ACC to become the premier national corruption prevention agency and will help the ACC develop the capacity to win GRZ and other donor support to replicate its expected successes in corruption prevention in other government agencies.

Main Activities and Timing. The following paragraphs summarize the support that the ACC, in a preliminary fashion, has indicated is necessary to fulfill its corruption prevention mandate. These projected activities are based on initial discussions with the ACC and a draft has been sent to the DPCE for comment. Details and updates will be ironed out in the coming weeks.

- **Build the human resource capacity for the ACC Board of Directors.** It is anticipated that the ACC will hold a half day meeting to brief the board on desired support from the MCATP and the capacity issues ACC faces in terms of establishing the eight ICs and how much project support is needed for to roll out the ICs in the three pilot agencies. (*August – September 2006*) Once the new government is elected, they will need to appoint a new board chair and one additional member. After the board is complete, MCATP will provide training on board responsibilities, oversight, and leadership. Relationships between the ACC and the central government and between the ACC board and Commission staff will be discussed and defined. (*October 2006*) It also projected that the MCATP will provide resources for international exposure to other corruption prevention programs for key members of the Commission, in particular, the DPCE, as well as potentially from the 3 MCATP pilot organizations. (*November 2006*).
- **Strengthen the ACC Department of Prevention and Community Education (DPCE).** The MCATP will provide support, as needed, to assist the ACC in assessing and recommending capacity building to enable it to carry out its responsibilities as the Chair of the Anti-Corruption Working Group and its capacity to provide guidance and assistance to the start-up and consolidation of the Integrity Committees. The ACC will prepare, with MCATP assistance, a proposal for staffing training and equipment needs which will include basic IT equipment. (*August 2006*) The MCATP will provide additional training for prevention officers on analyzing reports received from the ICs on a quarterly basis. (*October 2006*) The ACC DPCE is drastically understaffed and it is understood that DIFD will assist ACC in developing a staff restructuring plan to move staff from other departments. The MCATP will support these restructuring and staffing initiatives so that the ACC is fully staffed and all staffing issues are resolved before the implementation of the IC program. In coordination with DfID, MCATP will provide training for DPCE staff and support ACC training of staff assigned to the Integrity Committees.
- **Harmonize laws and regulations related to anti-corruption.** The NCPP design process revealed that there were myriad laws and regulations that were either out of date or in conflict with one another. USAID/Zambia is currently supporting a process to do a comprehensive regulatory review and are at the stage of contracting short-term personnel to help draft new legislation. MCATP will support and coordinate with this ongoing effort while working directly on institutionally tailored reform in each of the three target agencies. (*October 2006 – ongoing*)
- **Refine and design ACC monitoring and evaluation system under the NCPP.** The ACC's monitoring and evaluation responsibilities under the NCPP include: (a) develop

and implement a monitoring and evaluation system for the implementation of the National Corruption Prevention Policy; (b) adopt a standard monitoring and evaluation system for all activities that will be implemented under this policy; and (c) ensure that every unit or institution taking part adopts the monitoring and evaluation mechanism. MCATP will hire a short-term M&E Specialist to working with the MCATP M&E Manager to help the ACC conceptualize its M&E function and design a multi-faceted system to meet all reporting needs under the NCPP mandate. Additionally the ACC with MCATP support will develop the capacity to review proposed and potential external assessments of corruption to assure their validity if intended as an input in GRZ corruption prevention initiatives. ACC will also participate in the review of IDASA quarterly survey methodology as well as client service surveys undertaken by TI-Z. *(August – September, 2006)*

- **Assess staffing, training, and equipment needs for Integrity Committees in three pilot organizations (MOL, Immigration, and ZRA).** The ACC will coordinate the corruption prevention program in each institution and guide them through a self-assessment, with support, as needed from an MCATP staff advisor. *(August – September 2006.)*
- **Sensitize organizations to the role of the Integrity Committees.** The MCATP will support ACC in communications programs about the ICs, including mini-workshops (half-day) with each organization in which the ACC will take the lead in familiarizing all staff (ACC, MOL, Immigration, and ZRA) of the existence and role of the ICs. *(January 2007)*
- **Train Integrity Committee members and ACC prevention officers.** The ACC, with MCATP assistance, will develop and deliver training modules on the following topics: how to develop and institutionalize a Code of Ethics; how to formulate and disseminate public service charters; how to engage staff at all levels, including enlisting and supporting champions; how e-government can be beneficial at service delivery points; how to map the practices and regulations that are susceptible to change and analyze them for bottlenecks and places where corruption could occur; how to develop annual work plans, performance management systems, and reporting mechanisms. Key deliverables include trainer and trainee manuals for each module listed above, Codes of Ethics and work plans and performance management systems for each targeted IC. *(January – February 2007)* MCATP will directly deliver

Four versus Eight ICs

Even though the MCA Threshold Project will target the ACC and three pilot institutions for the ICs, the ACC has committed to roll out the program to eight institutions including the pension fund, the police, and two city councils. The training modules the ACC develops and delivers with MCATP assistance will be available to support its corruption prevention efforts across all eight institutions. The exact scope of the training modules has yet to be defined with the ACC but are expected to include:

- Codes of conduct;
- Ethical considerations within the MDA workplace and dealing with the public;
- Preparation of Citizen Charters;
- Use of E-government at service delivery points;
- Mapping the procedures of service delivery.

For specialized training beyond the desired internal capacity of the ACC, MCATP will release a Request for Proposals through the SAF to pre-qualify a short list of local training firms capable to develop and deliver some of these modules.

training to ACC and IC staff but will also develop a training-of-trainers course to strengthen ACC's replication capabilities as part of the IC package.

- **Design and implement a public outreach campaign.** To succeed in its corruption prevention efforts, the ACC must form a strong alliance civil society, and the private sector. Civil society and the private sector are represented on the ACWG, through the Zambia Business Federation (ZBF) and Transparency International Zambia (TI-Z). The ACC, through its Community Education initiatives has worked extensively with additional civil society organizations and has also reached out to various sections of the business community. The MCATP Communications Manager will work with communications staff at the ACC to develop guidelines to help government agencies develop Citizen Charters, and broader public education campaigns such as ZRA's taxpayer education campaign. (*February 2007 – ongoing*)

Resource Requirements. The ACC has been asked to submit a proposal to the MCATP project, outlining in detail their capacity building and resource needs. Once that is received and refined, the MCATP will update and finalize the resource requirements for review by the ACWG and, if appropriate, the MCATP Steering Committee. The list below provides a general idea of what kind of resources the ACC is expected to require from MCATP.

- **Procurement.** The MCATP will likely procure computers, hardware, and software to upgrade ACC computer systems for document preparation, materials reproduction, data collection, and analysis.
- **Technical Assistance.** The ACC is the fulcrum for Component One activities and as such will be spearheaded by Component One Leader and the Anti-Corruption Manager, Bradford Mulumbe. Short-term assistance will be needed to develop training modules, conduct a regulatory review, and design the M&E system. Long-term Communications Manager, Isaac Phiri will work with the ACC communications team to develop an overall communications strategy for the launch of the Integrity Committees.
- **Training.** ACC staff will receive training of trainers support, and where appropriate, training will be subcontracted through the SAF, as may the production of training, ethics, and operations manuals.
- **Subcontracts.** MCATP will contract Panos and/or PACT to develop media products, the Citizen Charter guidelines, and other outreach products.
- **Grants.** N/A.

Key Year 1 Milestones and Timing

- Four Integrity Committees established – August 2006
- Staff introduction to Integrity Committees concluded in four agencies (including the ACC) – October 2006
- Working Group on Anti-Corruption meeting regularly with full participation of constituent members, including TI-Zambia and ZBF. – November 2006
- Annual work plans developed by four ICs – November 2006
- Codes of ethics formulated and adopted in four agencies – December 2006
- Participatory assessments of Year One IC establishment and function four agencies concluded – as key inputs in Year 2 work plan formulation – May-June 2007

Ministry of Lands

Overview. The Ministry of Lands (MOL) is the government institution assigned primary responsibility for land administration within Zambia. It is, unfortunately, infamous for its perceived corruption, having recently been singled out publicly by President Mwanawasa as the most corrupt in his administration. Though MOL has made some important attempts, particularly recently, to increase transparency in its operations, its disjointed institutional framework, centralization of services in Lusaka, and lack of technical and human resources result in still high levels of frustration and suspicion surrounding the allocation of land. It was selected in the MCA Threshold Country Plan, along with the Immigration Department and the Zambia Revenue Authority, for assistance under Component One, the purpose of which is to reduce opportunities for and perception of corruption.

Main Objectives

- To simplify the Ministry's technical and administrative procedures associated with land transactions.
- To implement strategies, infrastructure, and modern IT systems that provide greater security and integrity of land records and spatial data and contribute to increased operational efficiency.
- To establish mechanisms for internal and external identification, monitoring, reporting and prevention of avenues of possible fraud and corruption in the Ministry's operations.
- To work closely with other government agencies and customary administrative structures to increase transparency and accountability in land transactions.
- To implement appropriate human resource expansion and capacity building measures to support Ministry objectives.
- To design relevant education and outreach campaigns to increase the general public's understanding of the land allocation process, and other Ministry services and operations
- To implement mechanisms to receive and process customer feedback to improve operational efficiency and reduce corruption.
- To investigate increasing citizen understanding of land allocation processes.

Main Activities and Timing. The three main areas of activity are implementing institutionally tailored reform, establishing internal integrity units, and creating citizens' monitoring and reporting mechanisms, which are further broken down into the below sub-activities.

- **Conduct a series of process and procedural analyses.** The MOL will carry out analyses of several key business processes and procedures of technical focus with MCATP participation and support; they will include: a review of existing land transaction processes analyses; an expansion of existing process analyses to map steps followed against current regulations, transaction forms necessary, and input/output data for each step (*end September, 2006*); an inventory of laws affecting land transactions (*end October, 2006*); a cadastral systems analysis to assess capacity of the Survey Department (*end September, 2006*); and a social dynamics study to establish a baseline for public perceptions of corruption within MOL. The latter will be conducted by IDASA and TI-Z (see the TI-Z action plan) (*end September, 2006*).
- **Improve land transactions processes.** This activity is made up of the following sub-activities: business process reengineering and adoption (*end September, 2006*), refurbishing of customer service areas (*end October, 2006*), and improving security and management of paper records by assessing utilization of existing space, designing new

storage equipment, and a doing a limited pilot activity in scanning and indexing paper records. (*ongoing*).

- **Electronic Zambia Land Administration System (ZLAS).** This activity will see the replacement of LIMS as the operational system and loading of legacy data from LIMS into a new land administration application. Based on the results of the reengineering business process analyses, MOL with MCATP assistance will prepare functional, hardware and network, and system requirement specifications, giving due consideration to upgrading existing network infrastructure where possible (*November, 2006*). After procuring (*January, 2007*), configuring (*end April, 2007*), testing and refining the new system (*end May, 2007*), the old LIMS legacy data will be loaded (*end May, 2007*) and staff will be trained (*June, 2007*) before the new system is used (*June, 2007*).
- **Training and capacity building.** The MCATP will provide resources for international exposure for MOL staff to learn from a country that that has recently undergone successful reform in the land administration sector (*September, 2006*). Additionally, the MCATP and MOL will conduct: training and public awareness-raising activities on land allocation procedures (*October, 2006 and ongoing*); training for survey department technical staff on technical theory aspects of relevant positions and additional structured on-the-job training (*end November, 2006*); training for other MOL staff on implementing scanning and indexing prototype and on creating a prototype cadastral index map (*end October, 2006*).
- **Establish internal integrity committee.** The ACC with MCATP assistance will support the functioning and strengthening of the recently established Integrity Committee within the MOL. As mentioned above MCATP resources will be used through the ACC and is not included in the MOL pool of technical assistance. For timing, and buy-in purposes it is important that other MOL activities are in sync with the roll out of the IC. The IC will: conduct process auditing to include mapping current cases of corruption; and develop a code of ethics. The committee may also eventually be tasked with training agency staff in ethical operating procedures. For the process audit, Audit Control approach will be recommended and implemented for both the manual and computerized operations with the ZLAS. The MOL integrity committee staff will be also be trained to continue the process by conducting quarterly audits. (*December 2006*)
- **Create citizens' monitoring and reporting mechanisms (Citizen Charter).** The establishment of measurable indicators for the Citizen Charter will be prepared based on the new business processes to be adopted. The MOL staff will be trained on how to measure these indicators and conduct the quarterly assessments required in support of monitoring and evaluation. Working along with the overall communications program with clients and citizens the MOL will develop and implement its communication program, including the Citizen Charter, using these established service agreements. (*January 2007*)

Resource Requirements. The MCATP resources that the MOL is expected to require are described below:

- **Procurement.** MCATP will likely fund, through its Special Activities Fund (SAF), procurement of hardware and software for the electronic Zambia Land Administration System (ZLAS), IT and other equipment for enhancing surveying technology,

refurbishing customer service areas, and improving the management and security of paper records.

- **Technical assistance.** Coordination of MCATP technical assistance to the PSD Lands Working Group will fall under Component One. Additionally, Communications Manager Phiri, M&E Manager Chitah, and IT Manager Scutt will provide advisory services to the MOL in their respective areas. Additionally, depending on the final work plan agreed upon with MOL, MCATP may provide the following short-term local or expatriate personnel support: Legal Specialist, Registry and Cadastre Systems Specialist, Land Attorney, Social Dynamics Specialist, Communications Specialist, Land Records Management Specialist, Procurement Manager, Local Land Administration IT Specialist, Registry/Cadastre/GIS Training Specialist, and a CISA Certified IS Auditor.
- **Training.** Training of MOL staff will reinforce institutional capabilities to prepare and implement corruption prevention programs and campaigns, engage staff throughout the organization in regulatory and process review, receive and initially process customer complaints, effectively utilize and support its Integrity Committee, and develop and institutionalize citizen reporting and monitoring activities as described above.
- **Subcontracts.** Subcontracts will likely be signed with the hardware, software, and equipment vendors described above under Procurement.
- **Grants.** Grants may be provided to entities engaging in land transactions to pilot customer service training and new procedures.

Key Year 1 Milestones and Timing

- Analysis and recommendations for strategy to improve records management, including procurement plan, completed - September 2006
- MOL Customer service area refurbished - October 2006
- Functional, hardware, network and system requirement specifications for the Electronic Zambia Lands Administration System (ZLAS) approved by MOL - November 2006
- Modern surveying technology procured - November 2006
- Process and procedural analyses completed - December 2006
- Codes of ethics formulated and adopted in MOL – December 2006
- Select business process reengineering recommendations adopted - January 2007
- Citizen Charter published – February 2007
- Cadastral index map for Lusaka (approximately 250,000 parcels) developed - End of 2007
- Electronic Zambia Land Administration System (ZLAS) in use – June 2007
- Participatory assessment with stakeholders of Year One IC establishment and function in MOL – as key inputs in Year 2 work plan formulation – May – June 2007

Immigration Department

Overview. The Immigration Department plays a vital role in trade and investment, and it has a negative reputation of administrative corruption. So, institutional reform and process streamlining within the department will contribute to anti-corruption objectives of Component One and the business/investment promotion objectives of Component Two. The Immigration Department has enthusiastically participated in the development of this preliminary work plan, articulating its customer service vision, engaging in a candid assessment of its weaknesses, and defining its approach to MCATP implementation.

Main Objectives. The objectives of MCATP's work with the Immigration Department are: to streamline processes and regulations in order to reduce opportunities for corruption; to develop the institution's capacity and systems so that it can maintain a higher standard of practice; and to increase the public's knowledge and awareness of the department's work while decreasing the perception of corruption.

Main Activities and Timing. The Immigration Department's MCATP work plan encompasses activities which can be grouped broadly in four categories - institutional reform, regulatory review and reform, implementing an integrity committee, and public outreach – which are further broken down into the below activities.

- **Analyze, plan, and implement institutional strengthening activities.**

This activity will start with a detailed process mapping exercise to clarify exact steps followed in obtaining documents from the department (work permits and visas) (*September, 2006*). Steps will be mapped against current regulations, transaction forms necessary, and input/output data for each step. The Immigration Department will use the results of this exercise to initiate appropriate regulatory review and reform activities (see below), and to work with the department and stakeholders on developing a five-to-ten year modernization plan (*February, 2007*) and a vision statement (*March, 2007*). The department will organize an internal team to lead this activity in coordination with the MCATP Team Leader for Component One.

- **Conduct a business process and practices mapping exercise.** Before proposing regulatory reforms, the Immigration Department, with MCATP assistance, will establish procedural standards as the bases for analysis (*September, 2006*). Once processes have been mapped alongside regulations as described above, the Immigration Department will identify planned regulatory reforms that will have the greatest impact on process streamlining (*September, 2006*), and develop the Reforms Action Plan (*December, 2006*) and the Training Plan (*March, 2007*). Once reforms are implemented, the Immigration Department will then develop a Citizen Charter (*April, 2007*), publish the approved charter (*May, 2007*), as well as train immigration personnel on the new reforms (*November, 2007*).
- **Analyze and plan expansion of information technology system.** After a thorough analysis of IT needs based on the process mapping exercise and on consultation with

Immigration Department's Vision Statement

By July of 2008, visitors entering Zambia for purposes of business, investment, and tourism will feel confident that they are welcome. They will believe that they have been treated in a professional, friendly and efficient manner upon entering the country and that immigration officers were skilled and helpful. Useful, accurate printed information will have been available to them both at the point of entry and at strategic points in host countries. They will have been able to receive the same information by consulting the Immigration Department's web site.

Major points of entry such as Lusaka airport, and the Livingstone and Chirundu border crossings will be clean and attractive. Border areas will be well managed and the visitor will feel secure. Headquarters and regional offices will be clean and attractive and conducive to conducting Immigration Department business in a professional and transparent manner. All settings where transactions are handled will be sufficiently open and adequate so as not to give off the impression that dubious practices are common.

People with business and investment interests will feel well informed about processes, requirements and regulations for operating in Zambia. They will feel that determinations on their permit requests were objective and timely. They will also believe that procedures for pursuing appeals to unfavorable determinations were equally transparent and objective.

International Organization for Migration (IOM) to determine what system has already been implemented, an IT plan to build on and strengthen the existing system will be drafted and approved (*May, 2007*) to include hardware and software at headquarters, Chirundu, and possibly Livingstone. An Immigration Department website will be developed. Once the IT plan is approved, the MCATP will assist the department staff to procure equipment, install the system (*July, 2007*), and train staff in its use (*December, 2007*).

- **Establish an integrity committee.** The ACC, with MCATP assistance, will continue to support the implementation of its recently established Integrity Committee within the Immigration Department. The committee will report directly to the Chief Immigration Officer. Working with the project and department staff, this committee will: participate in process mapping as described above to include current cases of corruption (*September, 2006*); participate in the development of the Citizen Charter as described below (*December, 2006*), and develop a code of ethics. The committee may also eventually be tasked with training agency staff in ethical operating procedures and carrying out quarterly reviews of the performance of the Citizen Charter (*2007*). Finally, for purposes of monitoring and evaluation, the committee will review external corruption assessments, and develop and implement a baseline assessment and review results.
- **Create a Citizen Charter and public outreach program.** With MCATP assistance, the Immigration Department will design an outreach program around a citizens' service charter to inform the public on immigration services, regulations, and the rights of the individual to receive efficient, friendly and unbiased service (*December, 2006*). After the campaign is designed, staff (including the integrity unit) will produce campaign materials and implement the campaign (*January, 2007*).

Resource Requirements

- **Procurement.** MCATP will likely fund, out of its Special Activities Fund (SAF), procurement of IT equipment for the upgrades planned by the department, including computer hardware and software for Chirundu, building on initial support from IOM, additional hardware at headquarters plus the equipment to connect all three systems in real time. Pending USAID approval, the MCATP may also support computerizing the international airport at Livingstone. Materials may also be procured for the public outreach activities.
- **Technical assistance.** Coordination of MCATP technical assistance to the Immigration Department will fall under Component One. Additionally, Anti-Corruption Manager Malumbe, Institutional Reform Manager, Kunda, Communications Manager Phiri, M&E Manager Chitah, and IT Manager Scutt will provide advisory services to the department in their respective areas. Additionally, depending on the final work plan agreed upon with department, MCATP may provide the following short-term local or expatriate personnel support: Institutional Strengthening Specialist, Public Administration Specialist, Public Finance Specialist, Human Resources Specialist, Regulatory Reform Specialist, IT specialist, Communications Specialist, Media Specialist, and Web Designer.
- **Training.** In the areas of institutional strengthening, regulatory reform, business process analysis and reengineering, integrity and public outreach, the project will provide for international and regional exposure for best practices in immigration reform. Additional training on newly changed regulations, new IT software and equipment, and customer service, described above, will also be funded by the MCATP SAF.

- **Subcontracts.** Subcontracts will likely be signed with the hardware, software, and equipment vendors described above under Procurement. Additionally, a subcontract may be necessary with a firm to migrate old permit records into the new IT systems.
- **Grants.** N/A

Key Year 1 Milestones and Timing

- Process and regulation mapping completed – December 2006
- Citizen Charter published – December, 2006
- Codes of ethics formulated and adopted in MOL – December 2006
- Reforms Action Plan approved– January 2007
- Modernization plan approved – February 2007
- Participatory assessment with stakeholders of Year One IC establishment and function in Immigration – as key inputs in Year 2 work plan formulation – May – June 2007
- Website launched – July 2007
- IT equipment for Chirundu procured – July 2007

Zambia Revenue Authority

The Zambian Revenue Authority (ZRA) was created by an Act of Parliament in 1993 and entered into operations in April 1994. Its primary responsibility is to collect fiscal revenues for inclusion in the budget of the GRZ. As the GRZ's principal agency responsible for the collection of fiscal revenues, the ZRA occupies a critical position in Zambia. However, corruption in ZRA is widely perceived to be a serious problem. The ZRA is aware and anxious to improve its efficiency with a customer service oriented focus, and to improve on its past efforts to reduce corruption. This work plan was developed in a strategic review process with participation from senior ZRA management throughout the organization. The ZRA is very much committed to TCP objectives to reduce inefficiencies that have facilitated administrative corruption, loss of revenues for the GRZ, and caused hesitation on the part of international investors. ZRA wants support from MCATP to reach those objectives but may in practice utilize institutional structures and terminology different from that proposed by the ACC.

Main Objectives. To facilitate operations of each division to provide better public service delivery, increase transparency through public outreach, stem leakage from mismanagement and cumbersome regulatory distortions, reduce corruption, and improve the fiscal resources of the Zambian government.

Main Activities and Timing. In the first 3 months of MCATP implementation (*approximately August – October 2006*), ZRA, with MCATP assistance, will complete assessments to refine the scope and timing of these institutional strengthening activities as well as further define required MCATP assistance. Draft activities based on initial discussions include:

- **The Customs and Excise and VAT Commissioners will conduct a regulatory and administrative review for Customs and Excise and VAT registration.** A review of regulations governing licensing agents should tighten the criteria for individuals, for firms, and present provisions for blacklisting those clearance agents who engage in actions that impede the efficient processing of exports and imports. Officials in ZRA are aware that a critical shortcoming is present in regulatory structure for the Customs and Excise Division and the delays in the VAT registration process (21 days according to the

World Bank 2006 Doing Business survey). The regulations that are cited affect the capacity of Zambia's Customs and Excise Division to process clearance forms with greater transparency, efficiency, and accountability. A review of business registration procedures should identify areas in the VAT registration process that might streamline the time needed for such tasks. (*October 2006*)

- **Support human resources and internal corporate support services.** ZRA requires a number of specific institutional strengthening activities from the MCATP including training events targeting junior officers and middle management for training in corruption prevention and taxpayer education programs. Equipment needs include general computerization in ZRA border posts (see BMTF in Section III). (*February – April 2007*)
- **Support for the Value-Added Tax Division.** The VAT division has among its goals changes to enhance the efficiency of starting a new business and registering for VAT provisions. The target is to reduce the time for new businesses to register for the VAT from 21 days to 10 days. The regulatory and administrative review described above will reduce opportunities for corruption and streamline the process to reduce the number of days required on average. A communications campaign targeting VAT taxpayers and prospective business owners on regulations, the administrative procedures, and their rights as VAT taxpayers will be designed. This will likely be launched as part of the Citizen Charter (see below) developed by ZRA listing what VAT registrants can expect from improved procedures. (*February 2007*)
- **Strengthen the Internal Affairs Unit.** ZRA's Internal Affairs Unit will function in a manner similar to the Integrity Committees in the other institutions. Working with and through the ACC, Internal Affairs Unit staff will participate in all the training and technical assistance, such as developing or reviewing their code of ethics, improving their monitoring and reporting functions, and getting assistance in developing and disseminating their Citizen Charter. In addition, ZRA may receive material resources to investigate allegations of corruption among ZRA officers. MCATP will train ZRA employees in risk management to keep Internal Affairs Unit officers current with best practice investigative techniques. This training will be coordinated through the ACC with support from the MCATP. (*January 2007*)
- **Create a Citizen's Charter and public outreach.** The MCATP will work with ZRA's Internal Affairs Unit to create a Citizen Charter that will be the foundation for a more extensive public outreach effort addressing the behavior that constitutes corruption, how to report demands for bribes, devise strategies to prevent corruption, and whistleblower protections. In addition, MCATP will guide ZRA through a process of developing a program to educate citizens on the importance of paying taxes.

Where Border Management and Corruption Prevention Meet in the ZRA

ZRA is intimately involved in both corruption prevention activities and improving efficiencies at the border and in VAT registration. ZRA regulatory reform and administrative streamlining will happen as part of the agency integration under the Border Management sub-component while corruption prevention activities are focused around the Internal Affairs unit, and training for junior and mid-level management. Equipment procurement such as x-ray machines and forklifts for improved clearance times at the border will be detailed under the Border Management Task Force. The Customs and Excise Office will play an integral role in the BMTF and chair the committee working on the CITS. See Section II – A2a.

Resource Requirements. The general resource requirements for ZRA activities for corruption prevention are presented below. These are rough estimates and subject to adjustment. Fine tuned resource commitments will be ironed out once the working groups have reviewed the draft.

- **Procurement.** MCATP will provide some support for the procurement of equipment.
- **Technical Assistance.** Project activities supporting the corruption prevention function within ZRA fall under Component One. Long-term institutional reform manager and the anti-corruption manager, Bradford Mulumbe, will work directly with ZRA's Internal Affairs Unit as well as with the VAT registration officers. Resources for training, ethics manuals, and Citizen Charter development will be accessed through the ACC as part of the overall roll out of the Integrity Committees.
- **Training.** Much of the training for Internal Affairs officers will be sourced through and coordinated with the ACC.
- **Subcontracts.** N/A
- **Grants.** N/A

Key Year 1 Milestones and Timing

- VAT registration process mapped and analyzed – October 2006
- VAT registration reforms implemented – December 2006
- Codes of ethics formulated and adopted in ZRA – December 2006
- Citizen Charter published – January 2007
- Review and implementation of modified employee disclosure regulations – January 2007
- Participatory assessment with stakeholders of Year One Internal Affairs function in ZRA – as key inputs in Year 2 work plan formulation – May – June 2007
- Participatory assessment with stakeholders of Year One of improvements in timeliness of VAT registration – as key inputs in Year 2 work plan formulation – May – June 2007

Zambia Business Forum

Overview. As stated in the GRZ Threshold Country Plan (TCP) to attain MCC Compact status, “Promoting Economic Freedom and “Ruling Justly” are the central themes of the MCATP. The ZBF has been identified as a key player in representing private sector perspectives on priority economic policy and initiating anti-corruption reforms as part of the implementation team. All MCATP components engage the active leadership of the Zambia Business Forum (ZBF) to help guide, monitor, and evaluate the process and progress.

In order to fill this role, the ZBF must improve its capacity to assist board member business associations and the larger private sector in articulating problems and solutions concerning private sector policy reform initiatives. Additionally, the ZBF must be able to play an active leadership role as part of the four committees which are central to the success of the MCATP:

- **The MCATP Steering Committee**, chaired by the Ministry of Finance
- **The Anti-Corruption Working Group (ACWG)** which will serve as the nexus for planning, analysis, implementation, oversight and monitoring, as well as capacity building for the Anti Corruption Commission (ACC) and other steering committee participating organizations.

- **Business and Investment Climate Working Group** chaired by the Ministry of Commerce, Trade and Industry the central action point for creating an important linkage among all MCA threshold program activities
- **The Border Management Working Group** also chaired by the Ministry of Commerce, Trade and Industry

Main Objectives. The ZBF is currently committed to engage in a much broader range of activity than is contemplated in the MCATP and which is not feasible given its current resources. ZBF planned activity under the MCATP in addition to maintaining current responsibilities is certainly more than the current two professional member staff is capable of delivering. The MCATP will work with the ZBF to redefine and reinforce their role within the program and with their private sector constituent while building certain critical capacity needs for them to be able to help the MCATP and GRZ achieve the program goals.

Main Activities and Timing. To help ZBF effectively critique and support GRZ's economic development goals and policies, several immediate capacity building activities are critical. Rapid response tasks include:

- **Hold a stakeholders' workshop.** A plan for refocusing the role of the ZBF has been put forward as part of the ZBF Sustainability Plan issued recently. Conducting a Stakeholders

Workshop to clarify the sectional interests of the member associations and expectations of the ZBF's role. MCATP will work with ZBF to carefully plan the workshop. (*September 2006*) The workshop should address the institutional framework, restructuring the secretariat and the board of directors, the role of ZBF within the MCATP, work plan and core mandates, expectations of associations, and engaging the private sector. (*Planning – August – September 2006, Workshop – October*)

Suggested Stakeholders

- 2 representatives from each member association, inclusive of the CEO
- All members of the ZBF Executive Committee
- Technical staff of the ZBF Secretariat
- 1 representative from each of the Sub-Donor Group Committees
- The PS at MCTI together with the Director – Domestic Trade
- The Coordinator at the PCU for the PSD-RP
- Team leader of the EU Capacity Building for Private Sector Development project
- Team leader and Chief of Party of the USAID – MCATP

- **Improve accounting systems and human resources.** The ZBF accounting system currently in place is in need of broad assistance to manage project-based assistance. MCATP will help ZBF hire a qualified accountant, assess existing accounting system and select an appropriate upgrade, train the accountant and his/her assistant, implement a system of internal controls, and initiate an independent audit. The accounting system and accountant must be capable of managing grants and subcontracts. (*August – October, 2006*)
- **Advise on a ZBF communication strategy.** Effective communication is essential to the efficient delivery of ZBF activity as it relates to its mandate under the MCATP. The ZBF will be measured by its ability to communicate with and on behalf of the private sector on pressing relevant issues. Key activities that the MCATP will support, advise on, and assist with include website development and management, training on how to communicate policy reform agendas, development of e-newsletters, drafting press release and media guidelines, holding public business forum events (*August 2006*), facilitating virtual discussion forums on current topics related to the private sector, and develop quality

marketing material that can be used to communicate the activity and purpose of the ZBF. MCATP will help ZBF hire a communications specialist (*August 2006*). The MCATP Communications Manager will train the ZBF communications person and they will work together to upgrade certain “quick fix” communications issues like the website and ZBF marketing material. ZBF will develop a longer term communications strategy and MCATP will help meet specific training needs. (*September 2006 - ongoing*)

- **Develop policy analysis capabilities.** The ZBF Policy Analyst is particularly competent in his ability to generate decent policy papers that result from adequate policy analysis; however, one person can not cover the work load necessary to generate an adequate level of policy reform research. Should additional policy research be identified by the ZBF’s constituents as a priority area and the specific policy issues fit into the overall goals of the MCATP, the project may at that point provide training on international best practices in policy analysis, lobbying and advocacy skills. This will likely happen in year two.

Resource Requirements

- **Procurement.** MCATP will procure additional computers, desks and office hardware to support additional employees.
- **Technical Assistance.** MCATP will cover the costs of the stakeholder workshop, and specialist technical assistance in communications. A short-term organizational specialist should be fielded immediately to help ZBF restructure and prepare for the stakeholders workshop. In addition the MCATP will second a program coordinator to sit with the ZBF and coordinate activities related to the MCATP.
- **Training.** Technical assistance for training the new accountant and on communications methodologies.
- **Subcontracts.** N/A
- **Grants.** N/A.

Key Year 1 Milestones and Timing

- Action plan for MCATP participation finalized – September 2006
- Action plan from stakeholders workshop completed and disseminated – September 2006
- Accountant hired and trained – September 2006
- Accounting system in place – October 2006
- MCATP Coordinator hired – September 2006
- Communications specialist hired and trained – September 2006
- ZDA organizational and regulatory framework reviewed with private sector – November 2006
- Communications strategy developed and implemented – March 2007

Transparency International - Zambia

Main Objectives. The primary objective of MCATP’s partnership with Transparency International - Zambia (TI-Z) is to ensure that civil society participates in corruption prevention efforts and can eventually conduct sound client surveys of the clients and agents of the Immigration Department, Ministry of Lands, and the Customs and Excise Division of Zambia Revenue Authority, and to communicate the results of those surveys to the public at large and back to the GRZ. This will serve to increase the capacity of TI-Z surveying and in public outreach, and to achieve the MCATP goal of decreased perception of corruption on the part of the public.

Main Activities

- **Work in collaboration with IDASA to conduct client and citizen surveys.** The MCATP will be contracting IDASA, an experienced survey firm, to do quarterly surveys of the citizen and client perception of corruption in the three targeted institutions. In order to build TI-Z's capacity to perform this function in the future we will link TI-Z with IDASA to conduct these surveys on a quarterly basis for the first year, so they can learn the methodology first-hand. *(September – ongoing on a quarterly basis)*
- **Communicate survey results.** TI-Z, with MCATP support, will communicate the results of the survey on a quarterly basis to the Integrity Committees of the target institutions to inform their ongoing anti-corruption activities. TI-Z will use the information gathered as a jumping off point for communications products aimed both at the government to provide citizen feedback and at the public to inform them of government reforms as they occur. *(January 2007 – ongoing)*
- **Manage citizen complaints.** TI-Z needs to develop a citizen complaint mechanism. This complaints system will not be the same as those being developed by each institution as part of their customer service and public outreach activities. The MCATP will help TI-Z develop a more effective complaints mechanism and disseminate this information to the public via the communications strategies mentioned above. Citizen complaints will be analyzed, compiled, and communicated as feedback to the government. The MCATP will work with TI-Z leadership to identify and implement this mechanism, and to advise on appropriate communication tactics. This activity will be undertaken in close collaboration with the ACC. *(February – ongoing)*

Resource Requirements.

- **Procurement.** The MCATP will provide TI-Z with additional computer equipment and some office furnishings.
- **Technical Assistance.** The project will second a TI-Z Project Coordinator to TI-Z to oversee jointly undertaken activities. Other technical assistance includes the one-on-one work with IDASA and advisory support for communications.
- **Grants.** TI-Z is eligible for grants from the MCATP SAF.

Key Year 1 Milestones and Timing

- Baseline survey initiated – September 2006
- Public outreach training concluded – October 2006
- Citizen complaint mechanism identified – December 2006
- First public outreach campaign concluded – September 2007

SECTION III – COMPONENT TWO – ECONOMIC FREEDOM

Overview

Component Two is focused on increasing economic freedom for business, trade, and investment in Zambia. This component is broken down into two discrete but interconnected areas of activity: Business and Investment and Border Management.

A1. Business and Investment

Overview. Administrative bottlenecks, severely interpreted regulations, and a lack of coordination within government agencies greatly affect the perception that Zambia is a good place to do business. By improving efficiencies through regulatory and procedural streamlining, and ensuring that the private sector is aware and comfortable with the new procedures, the GRZ can greatly reduce the number of steps and time it takes to engage in several required processes such as registering a business, gaining title to land, meeting quality and pest standards, and registering for a tax ID and VAT number.

Activities under Component Two address improving efficiencies in government agencies for the purpose of making Zambia a good trading partner, a good place to do business, and a good place to invest. This requires more than simply restructuring and streamlining existing practices within certain agencies. It requires strong involvement of the private sector to ensure that government private sector support institutions are effectively serving the needs of the business community in Zambia and internationally. The creation of the Zambia Development Authority is a strong locus for these reform and support activities. The ZDA has been designed as a reform agency and has a mandate to cut through red tape, streamline government operations affecting investment and business activity, and facilitate economic development.

PSD and the MCA Threshold Project: Working Together

The Private Sector Development (PSD) Steering Committee and Working Groups have a number of activities that overlap with activities in this work plan. Based on GRZ discussions with the PCU and the PSD Implementation Committee, the MCATP is aware of past efforts to prioritize activities and the desire of private sector and GRZ participants to begin systematic implementation, which represents for MCATP a unique coordination and collaboration opportunity. The MCA Threshold Project will assign a staff member to each of the priority PSD Working Groups to coordinate its work plans and its monitoring and evaluation functions. For example, the PSD identified integration of border agencies to streamline processes at the border and support for the newly formed ZDA to serve as a one-stop-shop for business and investors. The MCA Threshold Project will participate in planning and review sessions with the Working Groups to ensure that efforts are collaborative and resources are leveraged as opposed to performing duplicative functions

Government agencies must be coordinated and linked together to facilitate certain transactions. In addition to ZDA, the Patents and Commercial Registry Office (PACRO), and the Program Coordinating Unit of the PSD Program are the focus institutions for this sub-component.

Management. The business and investment activities will be managed by Component Two Team Leader Shelsby and Business and Investment Advisor, Mongo. Long-term technical support staff including Communications Manager, Phiri and IT Manager, Scutt will spend a significant proportion of their time on this sub-component.

A2. Border Management

Overview. The ultimate goal of this sub-component is to help Zambian border agencies exercise clear, transparent holistic operations to facilitate trade and the passage of goods and persons entering, leaving, and transiting Zambian borders. A strong emphasis in the component will be developing within the Zambian Government border regulatory agencies the strategy of informed, voluntary compliance. This strategy starts with making every possible step for compliance available to the public. Easy access to information strongly supports transparency and public integrity. Secondly, the strategy measures, recognizes and rewards those entities that are voluntarily compliant.

Border management activities focus on collaborative efforts to produce results jointly between the MCATP and the counterpart GRZ agencies. The three elements of a Border Management Task Force, Comprehensive Integrated Tariff System (CITS) and risk management through an Authorized Economic Operator Program have all been successfully implemented by USAID and the Government of Jordan. This prior experience will serve as a model for the MCATP approach.

Formation of the Border Management Task Force (BMTF) consisting of representatives from each of the ten border agencies is the focal point for this sub-component. Led by a representative from the Customs and Excise Office at ZRA, each agency will second a senior level staff member to work full-time on this task force to harmonize regulations and automate clearance procedures at the border posts, integrate into a Comprehensive Integrated Tariff System (CITS) and eventually works towards getting Zambian businesses recognized as Authorized Economic Operators. Detailed border management activities are presented below.

Management. Component Two Leader, Kim Shelsby will oversee activities. Sergio Riveros and another, to be hired, Border Management Manager will oversee day-to-day activities and will supervise a staff member to sit on both the PSD Working Group on border management, and the BMTF. Extensive short-term expertise is required for regulation harmonization, and IT support for designing and building the CITS.

B. Detailed Technical Institutional Action Plans – Component Two

Zambia Development Agency

Overview. The president signed the ZDA into law in July, 2006, signifying the official merger of five different agencies (Zambia Privatization Authority (ZPA), Zambia Investment Center (IC), Small Enterprise Development Board (SEDB), Zambia Export Processing Zone Authority (ZEPZA), and Export Board of Zambia (EBZ)) into one, the Zambia Development Agency, in order to eliminate redundancies and streamline trade promotion and facilitation in Zambia. Currently, ZDA exists on paper only, and MCATP is tasked with assisting ZDA to overcome the substantial institutional and administrative challenges associated with the merger. Its mandate is to be a one-stop-shop supporting investors in Zambia. It can regulate the "powers and obligations" of investors in multi-facility economic zones, provide financial assistance to enterprises and create investment incentives, and, with the Ministry of Finance, make regulations regarding them. Its Board grants permits and licenses, and can set and amend conditions on those instruments.

Main Objectives. The objective of the MCATP's work with the ZDA is to provide the technical assistance and resources required to move ZDA from a concept to an operational agency.

Main Activities and Timing. A major obstacle to ZDA becoming a functional government unit is reaching settlement on the legal and financial obligations for each agency's employees. While the project can provide technical assistance with a legal and financial audit as described below, and with analysis on various potential solutions, it cannot settle the financial obligations or any corresponding legal disputes so some attention must be given to finding and implementing a solution outside the MCATP. Project activities with ZDA can be organized into the below main categories.

- **Carry out obligation audits.** In order to clarify the issue of the status of each of the merging agencies under the ZDA Act, MCATP will review and analyze the Act and recommend immediate amendments to resolve confusion (*September-October, 2006*). Secondly, to clarify the five organizations' obligations to current employees, the ZDA Task Force, with MCATP assistance, will: review all employment contracts and labor legislation and clearly establish legal obligation to all staff; conduct a financial audit of the five organizations' obligations to employees; and make recommendations to the five organizations (*September, 2006*).
- **Complete functional assessment of ZDA.** To streamline the business services provided by the five organizations, the MCATP will review Economic Development Agency best practice (*Septembert, 2006*), undertake private sector consultations (*September, 2006*), draft a ZDA mandate, procedures, and operating manual (*October, 2006*), develop transparent Citizen Charter, and assess the need for ZDA regional presence (*October, 2006*).
- **Finalize organization and hiring processes.** Recognizing that significant work has been done by the ZDA task force and others on the organizational structure, MCATP will review the proposed organization and staffing structure, job descriptions, conditions of service, and hiring process/criteria and make recommendations, create a staff performance management plan and code of ethics, and finalize hiring process/criteria according to international best practice (*November, 2006*).
- **Conduct gap analysis of ZDA needs and resources.** Based on the functional assessment, the ZDA Task Force, with MCATP assistance, will assess technical, equipment, and IT needs of ZDA and simultaneously audit the merging agencies' technical, equipment, and IT needs to assess where there are gaps to fill (*December, 2006*). The MCATP will also help the ZDA Working Group design optimal office plan and space needs, review available options for office space, and make a recommendation for physical integration (*December, 2006*).
- **Facilitate ZDA budgeting process.** After auditing the five organizations' non-personnel assets and liabilities, the ZDA Task Force, with MCATP assistance, will develop a monthly operating budget for the remainder of 2006 (*August, 2006*). Because the budgeting for 2007 happens in August/September ZDA will have to start the budget process as soon as possible (*August – September, 2006*). The MCATP will later provide assistance to help ZDA Task Force and/or senior management to identify and estimate the additional revenue generation potential of ZDA (*December, 2006*), and finalize the ZDA's budgeting process (*February 2007*).

- **Advise on the design and implementation a communications strategy.** To advise on the design an internal and external communications strategy, MCATP will review ZDA’s mandate, functions, preliminary organizational structure and any other relevant information in order to design: an overall guiding agency communication strategy, an initial communication strategy for the staff of all merging agencies (*September, 2007*), and specific strategies for communicating with external GRZ institutions as well as the general public and the private sector (*October- December, 2006*). Keeping statutory bodies well-informed will help to ease the transition to the ZDA making internal communications a critical piece of MCATP support.
- **Advise on the development of a ZDA identity.** Along with key ZDA staff members, ZDA, with MCATP assistance, will develop a vision and mission statement that best reflects its mandate, best practice for similar agencies, and the input of ZDA staff (*October, 2006*). Following from this, ZDA staff with MCATP assistance will consult best practice to develop a corporate identity package - including a motto, logo, corporate colors, uniforms, etc – and a corporate identity training package (*January, 2007*).
- **Enhance management and IT systems.** ZDA management, based on a review of the ZDA mandate and operations manual, will, with MCATP assistance: design and implement appropriate management information systems, the financial systems will be the first to be established (*October, 2006*); design the ZDA website (*December, 2006*); train staff in management systems (*January, 2007*); and design a functional and integrated IT plan (*February, 2007*).
- **Advise on ZDA staffing.** MCATP will review the procedures, criteria, and job descriptions and assist ZDA in hiring executive directors (*November, 2006*), and other personnel through both internal and external recruits (*January, 2007*).
- **Design and deliver training to ZDA staff.** Through consultations with ZDA staff, MCATP will design (*December, 2006 – February, 2007*) and deliver training courses and materials on orientation, team building/corporate identity, technical training (research, customer service, integrity, performance monitoring), MIS, and IT (*February, 2007*). Additionally, the MCATP will consider carrying out an assessment mission with ZDA staff to a model development agency (*June, 2007*).
- **Building ZDA’s capacity in monitoring and evaluation (M&E).** As a new institution, ZDA will need to monitor its progress thoroughly, as well as monitor the impact it has on the business environment in Zambia. In this regard, MCATP will work with ZDA to: design an M&E plan based on international best practice (*March, 2007*); conduct the first two quarterly review surveys (*April, July, 2007*); design the reporting system to MCTI and to the public (*January, 2007*); and develop a three-year ZDA strategic plan (*May, 2007*).

Resource Requirements

- **Procurement.** MCATP will likely fund, out of its Special Activities Fund (SAF), procurement of hardware and software for the enhancement of general IT, MIS, and M&E systems as described above. SAF funds will also likely be used to procure materials for the ZDA identity package and equipment for the new ZDA office space, whether it is located at the site of an existing agency or at a new location.

- **Technical Assistance.** Coordination of MCATP technical assistance to ZDA will fall under Component Two and under the leadership of Shelsby and Business and Investment Manager, Mongo. Additionally, Communications Manager Phiri, M&E Manager Chitah, and IT Manager Scutt will provide advisory services to ZDA in their respective areas. Finally, depending on the final work plan agreed upon with ZDA, MCATP may provide the following short-term local or expatriate personnel support: Lawyer, Local Labor Lawyer, Accountant, Development Specialist, Public Administration Specialist, Human Resources Specialist, Institutional Development Specialist, Economist, Workspace Design Specialist, Architect, Accountant/Auditor, Public Sector Specialist, Communications Specialist, Public Relations Specialist, Public Finance Expert, Corporate Image Specialist, Marketing Specialist, IT Specialist, Trainers, MIS Specialist, Web Designer, Development Economist, Strategic Planning Specialist, Facilitator, and M&E Specialist.
- **Training.** MCATP will support training of ZDA staff as described above, the funds for which will likely come from the project SAF.
- **Subcontracts / Grants.** Some potential subcontracts and grants related are: A print, radio, and/or television campaign under ZDA's communication strategy; graphic design and development of corporate identity package as described above; and/or website design.

Key Year 1 Milestones and Timing

- Legal ruling on status of agencies under ZDA Act – September 2006
- 2006 operating budget completed – September 2006
- 2007 budget completed – September 2006
- Uniform transition message developed and disseminated – September 2006
- Obligations to employees defined – September 2006
- Internal communications strategy developed – October 2006
- Hiring manual completed – October 2006
- Detailed, practical operations manual published – November 2006
- Organizational and staffing charts and job descriptions finalized – November 2006
- Physical (office) integration completed – December 2006
- New ZDA website launched – December 2006
- Management information system functional – February 2007
- M&E plan completed – March 2007
- Participatory assessment with stakeholders of Year One of improvements in quality and timeliness of ZDA support to businesses and investors – as key inputs in Year 2 work plan formulation – May – June 2007

Patents and Commercial Registry Office (PACRO)

Overview. The Patents and Commercial Registry Office (PACRO) is critical to helping achieve MCATP goals. PACRO provides business registration and related services to all business owners and investors in Zambia. PACRO is centralized in Lusaka which provides a great disadvantage to any company outside of Lusaka. PACRO also lacks electronic payment and receipting processes and has an insufficient records management system, especially for tracking files.

Main Objectives. MCATP will work with PACRO to decentralize PACRO's operations to enhance operational efficiency and reduce the cost of accessing services by clients as well as streamlining the business registration process and related services. By working with PACRO,

MCATP will reduce cost in time and money of accessing the services by clients in Lusaka and 3 provinces (Copperbelt, Southern and Eastern Provinces) and by helping design an Information Management System to more efficiently process registration documents. Increasing the level of public awareness of PACRO operations and creating a dialogue between PACRO and the private sector is also a main objective.

Main Activities and Timing. MCATP activities in support of PACRO include establishing three regional offices, conducting baseline studies, conducting a process mapping exercise to determine where the bottlenecks are, training, and information management. Below are specific activities:

- **Conduct a baseline assessment of the time it takes to register a business with PACRO.** The World Bank Doing Business Report claims that it takes nine days (out of 35) to register a business with PACRO. PACRO's executive management team says it only takes one day to register a business. To reconcile these numbers and have an idea of what the actual baseline is, the MCATP M&E manager will design a baseline survey as part of the business process mapping process mentioned below to identify an average number of days as a de facto baseline number to cross reference against the World Bank. *(September 2006)*
- **Conduct comprehensive business processes and regulatory review and analysis.** MCATP will work with PACRO to do a comprehensive business process mapping exercise to identify procedural and regulatory bottlenecks. *(September - October 2006)* Based on this analysis, further regulatory review may be required.
- **New process for registering and doing business.** In an effort to consolidate processes and as part of the business process mapping exercise, PACRO will examine its procedures and determine whether there is a better process for registering businesses, collecting fee and tax payments, and conducting business to government transactions electronically. *(November 2006)*
- **Establish one-shop on-line business registration capability, data resource and interactive IT system capable of reaching throughout PACRO's anticipated regional offices.** For PACRO to function as efficiently as possible it needs to implement an integrated management system that enables connectivity between the central and regional offices, provides online information and applications services, and connects other required document storage facilities. To start, MCATP will fund an IT assessment on best ways to accomplish PACRO services via internet access. *(September – October 2006)*. Integrate and strengthen the information management database for record keeping and digitize business registration and trade name applications for online usage. *(October 2006 – ongoing)* Develop in-house training for IT related installation of and maintenance of IT systems adopted by PACRO so future maintenance can be completed within PACRO. *(November 2006 – February 2007.)* An electronic link will be established from provincial office locations to the capital using IT technologies such as a Wide Area Network, to transmit digital forms and payments from provincial offices to the capital for processing *(Design – October 2006, Roll out – March 2007)*. Create a business plan with the end target to create and implement electronic liaison with ZDA to ensure paperless transactions for investors using ZDA services. *(August - October 2007)*

- **Develop in-house training programs for PACRO's customer service.** Some of delays in business registration faced by the private sector are contingent on a lack of understanding of proper customer service, as opposed to administrative procedural challenges. Developing and implementing customer service training modules that PACRO can roll out internally and to their to-be-established regional offices will have an effect on reducing the number of days to register. *(November 2006 - March 2007)*
- **Establish business relationships with banks to establish online payment for fees and services credit processing.** An online one-stop-shop service center requires PACRO systems to link with banks for banking services and business to government online transactions. *(January 2007)*
- **Assisting in the establishment of three regional offices in Livingstone, Ndola, and Chipata.** MCATP staff will help PACRO prepare itemized budgets for regional centers including equipment needed, technical support, telephone, utilities, advertising and promotions and then support equipment and limited materials procurement. *(March 2007)* Once regional office needs are established and starting up, MCATP will help establish Regional Business Registration Help Centers. *(March 2007 – ongoing)* and develop and implement training programs for business help center activities. *(March – May 2007)*
- **Develop regional outreach programs.** MCATP communications staff will work with PACRO to enhance their public outreach programs, informing business owners of business registration procedures and of PACRO's commitment to extending services to outlying areas. Public outreach includes the creation of PACRO-mobile to be based in regional offices for reaching rural areas. *(July 2007 - ongoing)*

Resource Requirements

- **Procurement.** A IT procurement will be made in behalf of PACRO including hardware (servers for satellite offices to host databases and the website, work stations, printers, LAN, laptops, scanners, DVD writers, switches, firewall equipment, etc..), and software (security applications, databases, etc..).
- **Technical Assistance.** PACRO is one of the key elements of Component Two and the sub-component on business and investment. Component Leader Shelsby and Business and Investment Advisor, Chanda Mongo will lead these efforts with significant support from other long-term team members Communications Manager Phiri and IT Manager Barry Scutt. Short-term technical assistance includes a Customer Relations Expert, Business Process Engineer, Economist, E-governance Specialists, and Website Designers.
- **Training.** Training resources will come out of the SAF and include training in internet programming such as PHP and JAVA, website design and management, database software, maintenance, and security, and customer service.
- **Subcontracts** – Alpha –XP will supervise the e-governance assessments in conjunction with a local IT firm hired through the SAF. Panos or PACT Zambia may be hired through the SAF to assist PACRO with their communications and public outreach.
- **Grants** – N/A

Key Year 1 Milestones and Timing

- Business process mapped – September 2006
- Baseline survey completed – September 2006
- Three regional offices established – March 2007

- Participatory assessment with stakeholders of Year One of improvements in timeliness of business registration – as key inputs in Year 2 work plan formulation – May – June 2007
- Regional business registration help centers established – June 2007
- Online one-stop-shop established and functional – August 2007

Program Coordinating Unit

Overview. The objective of the Private Sector Development Reform Program (PSDRP) is to “to lay the foundation for faster, sustained, private-sector led economic growth by implementing a comprehensive action plan for enhancing the business and investment climate, and restoring investor confidence (PSDRP Programme Document, 1/2006).” The Program Coordinating Unit (PCU) is the secretariat of PSDRP’s Steering Committee and is tasked with coordinating and monitoring implementation of the PSDRP. The expected outputs of the PCU are listed in the box to the right. To achieve these outputs, the PCU engages in the following:

Expected PCU Outputs

- Faster pace of PSDRP implementation
- Increased quantity and quality of proposals for funding from the Ministries for the PSD-SC’s consideration
- Improved implementation of the reform action areas as a result of constant scrutiny of the Ministries’ performance
- Regular evaluations of the overall success of the PSD Action Plan
- Provision of accurate information on the status and achievements of the Reform Programme to the all interested parties, including the general public

- Receiving and screening policy proposals and requests for funding.
- Providing secretariat services to the PSDRP Steering Committee and other relevant bodies.
- Preparing, communicating, and facilitating PSDRP-related meetings.
- Managing the Programme Support and Policy Funds and processing grants for approved proposals.
- Increasing awareness of PSDRP through the Communication and Information Fund.
- Monitoring performance of PSD activities in line Ministries.
- Monitoring and evaluating the overall implementation success of the PSDRP.
- Preparing necessary reports on the implementation process.

The reform process has been moving slowly and many involved are beginning to lose steam. The PCU, however, with its advantageous structure, clear mandate, and access to the private sector through the working groups, is in a strong position to do its job now that funding is available.

Main Objectives. The objective of the MCATP’s work with the PCU is to build its capacity to carry out the activities listed above and to leverage its position to reinvigorate the reform process.

Main Activities and Timing. Project activities with the PCU can be organized into the four below categories. This work plan only included those activities in the PCU’s own work plan that the MCATP is likely to support directly, though they are planning additional work to be supported by their own staff or other outside assistance.

- **Energize and cement PCU’s governance and authority.** This activity will begin with an assessment of the PSDRP’s action plan to find out what is working, what is not, and where there are low-hanging fruit for PCU successes (*by November, 2006*). At least one

of these available opportunities will be quickly carried out and highlighted in a high profile splash activity (*by end-February, 2007, depends on initiative*). Finally, quarterly assessments of PCU progress on its work plan will be carried out and reported through its monitoring and evaluation system (*November, 2006 and quarterly thereafter*).

- **Improve monitoring and evaluation (M&E) capacity and practice.** In order to assure that PCU is monitoring the progress and impact of the PSDRP, MCATP will work with the PCU to assess its M&E needs (*September, 2006*), put in place a strong M&E system, and train staff in its use (*November, 2006*).
- **Support communications activities.** Development of a PCU Communications Strategy is planned and has the support of a group of donors. Depending on the details of the strategy, some targeted areas for MCATP assistance in communications may arise, and the MCATP will be opportunistic in this regard. Additionally, its long-term Communications Specialist will serve as a sounding board for PCU communications activities, starting with the design of the communications strategy and throughout the project. (*November, 2006*).
- **Strengthen the working groups.** Because of the vital role that the working groups play in the reform plan structure, PCU, with MCATP assistance, will reinforce its internal and external ties and to enhance their skills at project planning and implementation. The MCATP will support training programs for the working groups on aspects of project management such as realistic work planning, identifying and sequencing actions, setting meaningful targets, identifying informative milestones, creating realistic budgets, writing useful scopes of work, managing consultants or volunteers, and managing work plan implementation (*November, 2006*).

Resource Requirements. In addition to MCATP resources available to the PCU and described below, other resources available to the PCU are: the PSDRP Steering Committee, the PCU staff members, the sponsor donors (Finland, Great Britain, Netherlands, and Sweden), and working group participants.

- **Procurement.** Depending on identified need, the MCATP may fund procurement of hardware and software for the M&E system through its Special Activities Fund.
- **Technical Assistance.** Coordination of MCATP technical assistance to the PCU will fall under Component two. Additionally, Communications Manager Phiri, M&E Manager Chitah, and IT Manager Scutt will provide advisory services to the PCU in their respective areas. The MCATP will also likely provide the majority of resources for the strengthening of the working groups, as these tasks likely fall outside the existing PCU resources.
- **Training.** The MCATP will support training activities to strengthen the working groups, as described above, and possibly also to PCU staff in M&E and Communications.
- **Subcontracts and Grants.** N/A

Key Year 1 Milestones and Timing

- Assessment of PSDRP completed - October 2006
- First quarterly assessment of PCU progress on work plan - November 2006
- Staff trained on new monitoring and evaluation system - November 2006

- Participatory assessment with stakeholders of Year One quality and timeliness of MCATP implementation – as key inputs in Year 2 work plan formulation – May – June 2007

Border Management Task Force

Overview. The main vehicle for improving efficiencies at the border for the MCATP is the establishment of a Border Management Task Force (BMTF). The ZRA Customs and Excise Office is primary border agency relating to the crossing of goods from one nation to another. However, many other national agencies and ministries such as ZABS, Agriculture and Health have border related mandates and are parties to the border crossing and international trade process. Zambia has a unique opportunity to take the lead in forming outcome-based inter-governmental relationships that can then be used as a model for other agencies in Zambia's government.

Main Objectives. The main objectives suggested for the BMTF and the Border Management sub-component is to establish an effective BMTF for 18 months of operation to develop a voluntary compliance program within Zambia, design and implement the Comprehensive Integrated Tariff System (CITS), and manage risk through an Authorized Economic Operators (AEO) program.

Main Activities and Timing

- **Conduct legal research on cross designation, Memoranda of Understanding (MOUs), and Service Level Agreements (SLAs).** Legal assessment of the ability of agencies to sign formal agreements with other agencies and memorandums of understanding on mutually beneficial activities. Further the legal expert will identify any legal constraints to cross designation of authority from one agency to officers of another agency. *(October-December 2006)*
- **Establish the BMTF.** An effective process to address a specific, multi-agency mandate such as international border issues is the formation of a defined task force to meet the objectives. The task force concept has the advantage of allowing the participants to form a cohesive group that will then look at the broader picture of national rather than agency specific priorities. The BMTF is not intended as a new organization, but is formed and later dissolved to meet a clearly defined, specific objective in a specified timeframe without the tunnel vision that frequently occurs in other working group dynamics. Putting the BMTF together is the most critical activity the MCATP will do in the first three months. It is comprised of several key tasks including: holding a workshop with representatives from each of the relevant border agencies to discuss the mandate and goals of a BMTF; asking each agency to second a full time staff person to the task force; identifying and approving the task force chair. *(August – October 2006)*. Another workshop will be held for BMTF members on task force concepts and ground rules. *(September 2006)*
- **Develop BMTF project plan.** The MCA project will deliver extensive training to the selected participants in the BMTF in project management best practices. The skill sets and the knowledge that will be gained by the participants in the BMTF is anticipated to give them practical training and experience equivalent to a one-year post graduate program. *(October-November 2006)*

- **Review export and import regulations for selected products.** The BMTF will initiate a review of export regulations for selected products looking for commonalities and inconsistencies between agencies (*November – December 2006*). Later, they will review the import regulations of selected products (*June 2006*).
- **Conduct IT systems and architecture review of border agencies.** (*August – December 2006*)
- **Select and outsource process mapping and reengineering experts to work with BMTF.** Process map current activities for border crossing activities for persons and vehicles. Train BMTF in process mapping and re-engineering. (*September – December 2007*)
- **International exposure for BMTF to observe and learn about appropriately similar border management systems.** (*May 2007*)
- **Comprehensive Integrated Tariff System (CITS).** An integrated tariff is a publication or database that provides to government and the trade community all customs and tax rates in a single database. An integrated tariff is designed around the most critical reference material used to define goods crossing the borders, the national tariff tables. Developing this system requires a significant amount of resources and is comprised of several large tasks:

Identify project sponsor. USAID/Zambia will identify a sponsor in the ZRA to support the building of the CITS project and commit to customs business practice reforms to support and maintain the CITS once successfully launched. The MCATP team will assist the ZRA Customs in drafting a business case for the CITS project and a project charter. (*August 2006*)

Conduct an IT and telecommunications study. In parallel to the first step in the work plan the MCA Project will select a subcontractor to do an evaluation of the IT environment in Zambia as well as a feasibility study to determine if the existing CITS software can be modified to make the system compatible to the available IT infrastructure and telecommunications capacity in Zambia. (*September – October 2006*)

Hold a series of information workshops. The BMTF, with MCATP assistance, will also implement a series of workshops for both the public and private sector to help them understand the purpose and power of the CITS approach to public information. The BMTF will finish taking stock of import and export regulations for specific products applied at the time of import, export or transit. This will assist the CITS in the content development. (*February – April 2007*)

Outsource the design and engineering of CITS to an IT contractor. The MCATP will outsource the design and engineering of CITS to an IT contractor to design the database, internal application design, user interface screens, trade agreement modules, ASYCUDA++ interface, online application, registration and subscription modules, and discussion forum. Test and roll out phases will be built into the contract and Earned-Value Management software will be used to manage and monitor performance of the project. (*June 2007 – December 2007*)

Business processes. These activities for managing the CITS process will happen concurrently to the development of the software and the system itself. The BMTF and the MCATP project will hire a project manager. That person and a project team from ZRA, along with the BMTF, will oversee taking stock of the regulations, developing the project charter, developing a public awareness campaign, selecting and supervising the IT engineering firm, overseeing user training, and launching the new Zambia CITS. (November 2006 – June 2008, see Gantt chart for detailed sequencing)

- **Conduct risk management activities with the ZRA.** For international trade, risk management is at the organizational level, not at the individual port location level. The ZRA has what is described as a relatively well running training capacity internally through their academy. The issue of training in risk management is premature until the risk management methodologies are in place. The first step of developing “border risk management” is determining the strategy for defining and addressing risks. The most modern approach to risk management is defining and recognizing the “full circle due diligence process” that has now been incorporated into the development of the WCO “Framework of Standards to Secure and Facilitate Global Trade” SAFE program. Key to the development of this risk approach is recognition of lower risk companies in the international trade community. The SAFE standards define these companies as “Authorized Economic Operators.” As a long range goal the GRZ implementing partners and the MCATP believe that within a five-year period Zambia can reach a stage where 70% or more of the international trade crossing Zambia’s borders will be by low risk AEOs. The development of a strong AEO program is the pillar of voluntary compliance in the informed, voluntary compliance strategy. MCA will undertake a variety of tasks to assist ZRA in gaining SAFE standards recognition from the WCO.
 - *Develop a sustainable (train the trainers) system in border risk management and audit-based controls for border officers.*
 - *Develop a work plan with the ZRA and WCO, recruit AEO expert to develop training modules for border officers and test the training system at LIA and Chirundu,*
 - *Hold two workshops for private sector and ZRA on due diligence concepts*
 - *Identify, train, and audit beta test companies with ZRA. ZRA will identify willing companies with good reputations to serve as the beta companies. The MCATP will provide training on standards and compliance, develop compliance manuals, and schedule a test audit of the beta companies.*
 - *Define Zambian due diligence checklists by trade community sector*
 - *Extend invitations to other customs for mutual recognition*
- **Electronic payment applications.** The BMTF will conduct a review of Zambia’s banking applications and review business practices of ZRA for payments and ASYCUDA compatible platforms, with MCATP assistance. Make recommendations on modifications to the payment process. (December 2006 – March 2007)
- **Equipment procurement at Chirundu.** The BMTF, with MCATP assistance, will review equipment requirements with ZRA, define equipment specifications, advertise for equipment procurements, select winning bid, ensure equipment delivery, and implement training in new equipment. (November 2006 – July 2007)
- **Equipment procurement at LIA.** The BMTF, with MCATP assistance, will review equipment requirements with ZRA, define equipment specifications, advertise for

equipment procurements, select winning bid, ensure equipment delivery, and implement training in new equipment. (November 2006 – July 2007)

Resource Requirements

- **Procurement.** The border management sub-component will require procurement for IT equipment and border control infrastructure.
- **Technical Assistance.** The long-term border management team will oversee these activities with significant short-term resources on business process engineering, CITS specifications and design, regulatory review specialists, systems analysis and design experts, IT and telecommunications experts, Web and Oracle application professionals, and AEO Program specialists.
- **Training.** Training resources will come from the SAF fund and include training on business process mapping, project management best practices, for businesses on voluntary compliance audits, and for the ZRA on how to use new border equipment.
- **Subcontracts.** N/A.
- **Grants.** N/A

Key Year 1 Milestones and Timing

- BMTF formed and work plan approved – October 2006
- Develop business case and charter for CITS – January 2007
- BMTF defines Zambian approach to holistic border management, and drafts proposal – February 2007
- Participatory assessment with stakeholders of Year One improvements in quality and timeliness of border operations (exports and imports) – as key inputs in Year 2 work plan formulation – May – June 2007
- ZRA approves initial companies for AEO program – October 2007
- GRZ– approves, rejects, or modifies BMTF plan, charters BMTF II – December 2007
- CITS first stage deployment – December 2007

Zambia Bureau of Standards

Overview. The Zambia Bureau of Standards (ZABS) is a key agency at Zambia's borders –it is the government body responsible for preparing Zambian standards and promoting their use, testing and examining products for import, export, or domestic use, providing pre-import and pre-export clearance, providing training and consultancy on standards and quality assurance, and finally establishing metrology and other testing laboratories. Improvements in the ZABS infrastructure and operations would be advantageous to business by reducing time at the border and encouraging entrepreneurship and investment.

Main Objectives. The objective of the MCATP's work with ZABS is to build its capacity to carry out the activities listed above with improved quality, efficiency and speed in order to reach the project's goal of reducing time and cost for traders at the Zambian border.

Main Activities and Timing.

- **Improve quality and international certifications of ZABS services.** In the area of improving the quality of ZABS' service, ZABS will work with the MCATP to first hire a Quality Manager (January, 2007), and then to establish a formal relationship with a large third party certification company like BSI, TUV, or SGS (July, 2007). The MCATP will

help ZABS acquire ISO 9000:2000 certification through a series of steps, including: training ZABS managers in ISO management standards (*March, 2007*); forming an ISO leadership team and plan in ZABS (*April – June, 2007*); and completing the necessary audits to earn certification (*Year 2*). Additionally, ZABS will achieve full membership in the leading standards bodies (ISO, IEC, and ASTM) and creating (*July, 2007*) and delivering (*in Year 2*) train the trainer courses in ISO and other internationally-known certification programs. Finally, ZABS will increase its participation and recognition in regional and international forums by: creating (*February, 2007*) and executing (*March, 2007*) a plan for full membership in ISO and IEC, and evaluating other necessary alliances.

- **Increase efficiency of inspections.** In the area of improving inspections, the MCATP will undertake a series of baseline assessments of the existing Import Quality Monitoring System (IQMS) to establish baselines for: number of consignment inspections that are conducted at the border by product, month, and border location; number of companies and consignments that are taking advantage of the pre-clearance IQMS process; and the cost of IQMS in time and dollars. The assessment will lead to development of a plan for improving the utilization rate of the IQMS and reducing the cost (*October-November, 2006*). The MCATP will also help ZABS create a quick reference guide for ZABS/customs inspectors and officials (*March 2007*); design and deliver (*April, 2007*) a manual and training course on existing products and standards; initiate preliminary inspections (*May, 2007*); and start official inspection of the new products (*May, 2007*).
- **Upgrade information technology systems.** In order to facilitate the improvement of ZABS' information technology capabilities, the MCATP will hire an IT Specialist, first developing the scope of work (*September, 2006*), justifying the position and identifying the budget, interviewing and selecting a candidate (*January, 2007*). ZABS will simultaneously work on designing and launching a ZABS website (*February, 2007*). ZABS will then: develop a justification, plan, and specifications for print-on-demand and e-commerce functions for the ZABS website (*February, 2007*); select a vendor and begin development (*June, 2007*); and complete the website upgrade (*in Year 2*). The MCATP provided IT specialist will help develop an internal network and system linked to two border sites by: defining the specifications (*November, 2006*); selecting a vendor (*April, 2007*); designing, configuring, and testing the system to eventually go live (*in Year 2*).
- **Advise ZABS marketing, brand, and image.** To increase the public's awareness of ZABS, MCATP will work with them to hire a marketing manager (*September, 2006*) and create an agency marketing plan (*November, 2006*). Through a consumer survey, ZABS will establish the baseline awareness of ZABS' brand, logo, and the role of certifications and standards (*January, 2007*), which will inform the development and launch of public awareness-raising marketing campaigns as well as campaigns targeted at specific industries on relevant standards, etc (*launching in June, 2007*). MCATP will help ZABS designing and distributing a Standards Bulletin to the public (*1st edition in August, 2007*); and disseminating other general announcements about training courses offered, among other things (*ongoing*).
- **Refine ZABS' standards.** MCATP will facilitate a dialogue between ZABS and the private sector stakeholders to assess its plans and priorities for additional mandatory standards, for establishing voluntary standards, and for review of existing standards. (*November 2006*)

Resource Requirements

- **Procurement.** MCATP will likely fund, out of its Special Activities Fund (SAF), procurement of hardware and software, including servers, telecommunications equipment, computers, printers, and other items for the upgrading of IT systems and for the development of the ZABS website. SAF funds will also likely be used to procure office furniture for the IT Specialist, and equipment at the Chirundu and Livingstone facilities.
- **Technical Assistance.** Coordination of MCATP technical assistance to ZABS will fall under Component Two. Additionally, IT Manager Scutt may provide advisory services as appropriate. Additionally, depending on the final work plan agreed upon with ZABS, MCATP may provide the following short-term local or expatriate personnel support: IT Specialist; Programmer/Software Engineer; Website designer; Trainer of Trainers in ISO-9000 Certification; Food Safety Expert and Trainer; Food Safety Auditor Trainer; Quantitative Survey Design Specialist; Management Expert and Trainer.
- **Training.** MCATP will support training of ZABS staff as described above, the funds for which will likely come from the project SAF. Proposed courses include: management training; ISO-9000 manager training; ISO-9000 certification course; certified food safety train the trainer course; and food safety auditor training.
- **Subcontracts.** Subcontracts will likely be issued out of the SAF for website development and IT system/network development.
- **Grants** – N/A

Key Year 1 Milestones and Timing

- Participatory assessment with stakeholders of ZABS standards setting completed – November 2006
- Inspections manual for the inspectors distributed – April 2007
- First edition of Standard Bulletin published – August 2007
- Plan for full membership in ISO and IEC developed – July 2007
- Participatory assessment with stakeholders of Year One quality and timeliness of ZABS operations in facilitating imports and exports – as key inputs in Year 2 work plan formulation – May – June 2007
- Public awareness marketing campaign launched – June 2007
- Two auditors internationally certified – September 2007
- First certified training courses offered – October 2007

Plant Quarantine and Phytosanitary Service – Ministry of Agriculture and Cooperatives (MACO)

The Ministry of Agriculture and Cooperatives (MACO) in its quest to strengthen technical, human and financial capabilities has received support from various external partners such as the FAO, the Netherlands, IFAD, the World Bank and USAID who jointly have just completed an in-depth review of Sanitary and Phytosanitary (SPS) issues entitled “*Zambia: SPS Management, Recommendations of a Joint World Bank/USAID Assessment Team.*” MACO expressed concern that available technical, human, and financial resources are inadequate to monitor and manage SPS risks as required by trading partners, thus Zambian products are at a disadvantage in international markets and Zambia is at risk from alien pests entering the country.

Main Objectives. During the next two years the Plant Quarantine and Phytosanitary Service (PQPS) division of the Ministry of Agriculture and Cooperatives (MACO) will undertake many actions necessary to meet international SPS obligations for specific Zambian exports. It will participate actively in regional and international plant protection and quarantine organizations.

Main Activities and Timing. The main activities the MACO/PQPS will undertake with MCATP assistance focus on building capacity within the government to understand exactly what pests and diseases are in Zambia which effect top Zambian exports and to improve controls on imports at Chirundu and on exports at LIA.

- **Send Plant Quarantine and Phytosanitary Service (PQPS) person to WTO SPS meeting.** With the trend towards more strict sanitary requirements for imported products, Zambia must participate in discussion that determines standard requirements. MCATP will increase Zambia's participation in international SPS standards setting activities. The WTO SPS meeting in Geneva is the first opportunity to do this and MCATP will provide support for three members from PQPS to attend the conference three times a year. (*October 11 – 13, 2006, ongoing three times per year.*)
- **Develop SPS procedural and training manuals.** MACO/PQPS with MCATP assistance will contract an SPS specialist to review proposed legislation and make recommendations and work with MACO to develop training and SPS procedures manuals for identified Zambian exports. Concurrently MCATP will work with contracted lawyer to review proposed new legislation. (*January – March 2007*)
- **Purchase survey hardware and software.** To be accepted by the international community as an agricultural trading partner, Zambia must have current, accurate, transparent and accessible pest lists. MCATP will purchase pilot computer/GPS based agricultural pest and disease information system to begin this survey process (*February 2007*).
- **Contract local institution (possibly University of Zambia) to provide training in the identification of quarantine pests and diseases.** (*January 2007*).
- **Purchase references.** One of the basic needs (and WTO requirement) is that the country conducts pest risk analysis of fresh agricultural products being offered for importation as part of the permit process. This requires current pest information of the importing country and the country wishing to export the product. There are many basic references and journals that are necessary in this process. The MCATP will cost-share the purchase of initial reference material to help identify pests regularly identified in Zambian exports. (*October 2006 – ongoing*)
- **Pest Risk Assessment training.** MACO/PQPS with MCATP assistance will develop and deliver PRA training during the rainy season depending on the needs of PQSP. Some PRA training as been given but, no formal PRA unit exists and there is no dedicated person or group to do this activity. It is proposed that a PRA specialist conduct training and advise the MACO PQPS on the establishment of a PRA unit to meet the requirements of the WTO- SPS agreement. MCATP will contract a PRA trainer to provide training in conducting PRA's to 5 MACO technical specialists and advise MACO officials on the establishment of a PRA unit. (*During rainy season January – March 2007*)

- **Install pest identification equipment at airport and border.** With MCATP assistance, PQSP will purchase needed equipment for use at border location and the Lusaka Airport, including hand lenses, flashlights, laptop computers for communications, 1 for Lusaka and two for Chirundu, 2 stereo microscopes, 2 digital imaging cameras, 2 internet connections for 2 years. (It is assumed the Netherlands will build office and inspectional facilities and provide basic equipment at the Lusaka airport in the near future.) (*March 2007*)
- **Review operations at Lusaka Airport and Chirundu.** MCATP will hire a quarantine specialist to review operations at the airport, Chirundu, and at least four other border ports to assess progress and further needs for increased protection from agricultural pests and alien invasive species. (*April 2007*)
- **Advise MACO on their SPS communications strategy targeted at the business community in Zambia.** To increase efficiencies at the borders with regard to SPS regulations and requirements, facilities need to be updated but the private sector also needs to be aware of what kinds of tests and restrictions they need to comply with. In partnership with the ZBF, MACO/PQPS with MCATP assistance will develop a communications plan targeting the private sector. Additionally, MACO will have a seat on the BMTF and SPS regulations will be integrated into the CITS. (*June 2007*)

Resource Requirements.

- **Procurement.** MCATP will cost-share some pest reference manuals, inspection manuals, hardware and software for pest and disease surveys, survey supplies, a compound microscope, one stereo microscope, and a laptop computer for use with pest surveys by Mt. Makulu. MCATP will also work with other donors to outfit airports and pilot border posts with hand lenses, flashlights, laptop computers for communications, stereo microscopes, digital imaging cameras, internet connections for two years. (It is assumed the Netherlands will build office, inspectional facilities, and provide basic equipment at the Lusaka airport in the near future).
- **Technical Assistance.** As a border agency, work with PQPS will fall under the leadership of Component Two Leader, Shelsby, and Border Management Expert, Riveros. SPS activities will require heavy short-term technical assistance in the form of SPS and legal specialists, training specialists, and PRA trainers.
- **Training.** MCATP will provide transportation, lodging and per diem for one week three times a year for two years to participation in the WTO-SPS Committee meetings and transportation, per diem, and lodging for unspecified number of trips for PQPS to participate in regional SPS meetings such as the Inter-African Phyto-sanitary Council. Training in PRA, and pest and disease surveys,
- **Subcontracts.** N/A
- **Grants.** N/A

Key Year 1 Milestones and Timing

- MACO/SPS regulations integrated into the CITS – March 2007
- Initial equipment procurement at the airport and pilot border posts completed – April 2007
- Inspection procedures drafted and published for identified Zambian exports – June 2007

- Participatory assessment with stakeholders of Year One improvements in quality and timeliness of PQPS operations in facilitating imports and exports – as key inputs in Year 2 work plan formulation – May – June, 2007

**MCA Threshold Project Year 1 Work Plan
Annex A: Detailed Institutional Action Plans**

Activity	Milestones	First Year Project Calendar												
		Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Anti-Corruption Commission (ACC)														
Build the human resource capacity for the ACC Board of Directors	Appointments													
	Training													
Strengthen the ACC DPCE	Assessment													
	Procurement													
	Recruitment													
	Training													
Harmonization of AC Regulations (by WGAC)	Assessment													
	Support													
ACC Monitoring and Evaluation	Design													
	Implementation													
Assess staffing, training needs of ICs in pilot institutions	Assessment													
Sensitize organizations to the role of the ICs														
Train IC members and ACC preventing officers	Manuals developed													
	Codes of Ethics developed													
	Work plans													
	PMPs													
Design and implement public outreach campaign														

Activity	Milestones	First Year Project Calendar												
		Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Ministry of Lands														
Conduct Business Process Mapping and Other Analyses														
Land administration business process mapping & re-engineering	Registration business processes established													
Legal and regulatory review														
Cadastral systems analysis														
Social dynamics study with IDASA and TI-Z														
Improve Land Delivery Process														
Business process reengineering and adoption	Proposed changes approved													
Refurbish customer service areas	Area designed													
Electronic Zambia Land Administration System (ZLAS)														
Prepare functional, hardware, and systems requirements specifications	Specs approved													
Systems procurements	Vendors contracted													
System configuration														
System testing, installation & commissioning														
Load legacy data from LIMS into ZLAS	LIMS data loaded into new IT application													
Train MOL staff on operation and maintenance of ZLAS	Staff trained in system use													
Full operation of ZLAS														
Training & Capacity Building														
International exposure to successful land administration reform example														
Training & awareness on land allocation procedures														
Training for additional Survey Department technical staff														
Training for staff implementing scanning & indexing pilot														
Create prototype cadastral index map														
Training for staff implementing cadastral index map prototype														
Finalize analysis of current records management														
Analysis and design of prototype scanning & indexing operation														
Implement records management strategy for 4 records rooms	Refurbished records rooms													
Implement scanning & index prototype	Files scanned and indexed in Department of Lands													
ESTABLISH INTEGRITY COMMITTEE														
Refurbish public information office														
Analyze existing cases of corruption along the business process map														
Quarterly audits of operations														

Activity	Milestones	First Year Project Calendar												
		Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Ministry of Lands														
Work with customer service staff on improving complaint receipt and response														
CREATE CITIZEN CHARTER														
MOL outreach/communications program with clients and citizens														
Seek citizens' input on contents of citizen charter														
Develop citizen charter														
Disseminate and communicate citizen charter	Charter published													
Quarterly assessments with citizens and clients of effectiveness of program														
Monitoring and Evaluation														
Develop baseline scenario for internal monitoring														
Implement baseline assessment and review results (MOL & MCATP)														
Quarterly assessments of # days for purchase transactions														
Semi-annual review of progress and work plan														

Activity	Milestones	First Year Project Calendar												
		Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Immigration Department														
Analyze, plan, and implement institutional strengthening activities														
Develop a long-range strengthening plan	Strengthening Action Plan Approved													
VISION Strategy Document	VISION Strategy Document approved													
Document presented and distributed														
Conduct business process and practices mapping exercise														
Clarify steps to obtain work permits and visas														
Conduct comprehensive process mapping														
Identify/prioritize regulations requiring reform														
Develop the reforms action plan	Reforms action plan approved													
Develop training plan to implement regulatory reforms														
Implement reforms upon approval														
Develop training design and materials	Reforms Training Plan Approved													
Train staff on reforms														
Analyze and plan expansion of IT system														
Procure equipment and install system	IT expansion plan approved													
Train staff (continues into year 2)														
Establish Integrity Committee														
Launch integrity committee operations														
Design action plan	Action plan approved													
Create citizen's charter and public outreach program														
Seek citizens' input on contents of citizen charter														
Develop a citizens' charter														
Publish approved charter														
Quarterly assessments with citizens and clients of effectiveness of program														
Monitoring and evaluation														
Review external corruption assessments, particularly from TIZ														
Develop and implement baseline assessment and review results														
Quarterly assessments of # days for immigrant permitting														
Semi-annual review of progress and work plan														

Activity	Milestones	First Year Project Calendar												
		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	Ma	Jun	Jul	Aug
Zambia Revenue Authority (ZRA)														
Regulatory and administrative review for Customs and Excise														
Map administrative processes against regulations and cases of corruption														
Identify process bottlenecks and propose changes to reduce both process time and opportunities for corruption	Streamlined processes approved													
Identify regulations for review														
Conduct review														
Propose amendments to regulations	amended													
Support human resources and internal corporate support services														
Training for junior officers and middle management in corruption prevention														
Training for ZRA staff in taxpayer education programs														
Regulatory and administrative review for VAT registration														
Map administrative processes against regulations and cases of corruption														
Identify process bottlenecks and propose changes to reduce both process time and opportunities for corruption	Streamlined processes approved													
Identify regulations for review														
Conduct review														
Propose amendments to regulations	Regs revoked or amended													
Support for the Value-Added Tax Division														
Identify and contract local media firm														
Design a communications strategy targeting business and VAT payers														
Strengthen the Internal Affairs Unit.														
Identify equipment specifications														
Procure and install equipment														
Design risk management training for ZRA employees (& IAU)														
Carry out training program														
Coordinate with ACC to design taxpayer education programs that include anticorruption messages														
Implement training program														
Create citizen's charter and public outreach														
Seek citizens' input on contents of citizen charter														
Develop citizens' charter														
Disseminate and communicate citizens' charter														

Activity	Milestones	First Year Project Calendar												
		Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Zambia Business Forum														
Stakeholders Workshop														
Preliminary meetins to define purpose	Define ZBF Role													
Enlist the participation of all key stakeholders and sub-doners	All Stakeholders Engaged in the Process													
Hold 2 day Event in Lusaka Funded by MCATP	Event Completed													
Consolidate Information Gathered, develop a Rapid Response Action Plan as it relates to MCATP Implementation	Action Plan Developed													
Implement an Effective Accounting System														
Hire a qualified accountant	Accountant hired													
Examine existing accounting system through independent audit	Recommend changes													
Select an accounting system and implement	Accounting System Functions Properly													
Train accountant in new system	Accountant trained													
Implement a System of Internal Controls	System in place													
Monitor the accuracy and efficiency of the ZBF accounting System														
Communications Specialist Resource Requirements														
Initiate a recruitment a Communications Specialist														
Communications Specialist brought on board														
Training and TA provided														
Communications Strategy														
Develop a Communication Strategy that Supports MCATP Activity and other ZBF activity														
Create Quality marketing Material														
Issue Periodic Press Releases														
Hold Monthly Economic Forum events that engage the private sector in dialogue on relevant Economic Policy Issues														
Publicize the Activity of the MCATP														
Re-examine Existing BOD Structure														
Review current Board Stucture and consider Board of Trustees Structure														
Establish an Executive Council and limit its activities to policy reform dialogue and analysis on cross cutting issues.														
Provide TA/Training related to the establishment of new Board Structure														
Establish an Audit Committee of the BOD to examine accounting system														

Activity	Milestones	First Year Project Calendar												
		Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Transparency International Zambia														
Conduct Client Surveys with IDASA														
Work with IDASA to design surveys														
Implement surveys	Survey completed													
Conduct follow-up surveys to measure change														
Communicate survey results														
Communicate results to agencies														
Communicate results to the public														
Manage citizen complaints														
Identify mechanism to receive general citizen complaints														
Analyze and compile complaints														
Disseminate feedback to GRZ														

Activity	Milestones	First Year Project Calendar												
		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Zambia Development Agency														
Obligational Audits														
Legal clarification and final ruling on interpreting status of merging agencies under ZDA Act	Legal ruling													
Legal audit of five organisations' obligations to current employees	Full and final settlement of obligations to employees													
Financial audit and recommendations of/to five organisations' obligations to current employees														
Functional Assessment														
Functional assessment of ZDA - improving and streamlining business services provided by five organisations	Detailed, practical operations manual													
- Economic Development Agency best practice														
- private sector consultations														
- detailed mandate and procedures														
- ZDA operating manual														
- transparent pledge of service delivery														
- regional presence requirements														
- recommendations based on functional assessment														
- recommendations on implementation regulations														
- recommendations for legal amendment of ZDA Act		Improved law												
Organization and Hiring Processes														
Review of proposed organizational chart and job descriptions	Finalised org. chart & job descriptions													
Review of proposed ZDA conditions of service	Finalised service conditions													
- staff performance management plan														
- code of ethics														
Review of proposed selection process and criteria	Hiring manual													
Needs and Assets Assessment														
Needs assessment based on ZDA functional assessment and five organisations' resources (technical, equipment, IT)	Resources for key functions met													
Resource gap analysis and recommendations														
Analysis of space and location requirements and options	Physical integration complete													
Recommendation on physical integration														
Budgeting														
Audit of five organisations non-personnel assets and liabilities (contracts, court cases)	Audits completed													
Develop of monthly operating budget for ZDA functions to Jan 1, 2007	Operating budgets													
Identification and estimate of ZDA revenue generation potential (Priv. Trust, donors, cost sharing)	2007 budget													
Development of 2007 budget for ZDA														
Development of budget process	Institutionalised budget process													
Communications Strategy														
Development of an internal and external communications strategy	Standardised message on transition													
- to five organisations' staff														
- to external GRZ organisations linked to ZDA functionally														

Activity	Milestones	First Year Project Calendar												
		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Zambia Development Agency														
- to private sector clients														
ZDA Identity														
Development of ZDA vision and mission statement	ZDA brand recognition													
Development of ZDA "corporate identity" package and training materials														
Management Systems and IT														
Design of accounting system	Functional MIS													
Design of management information systems (incl. financial systems)														
Design of IT plan that reflects functionality and integration, plus MIS requirements														
Design ZDA website	Operational, sustainable website													
- launch new, complete ZDA website														
- design maintenance plan for sustainability														
Staffing														
- Consultant-supported selection of executive directors														
- internal advertisement														
- selection														
- offers														
- open advertisement and selection														
- offers														
Training														
ZDA Training design (team-building, technical, research, customer service, integrity, performance monitoring, MIS, IT)	Training plan and materials													
ZDA Training delivery	Staff trained													
- orientation and team building														
- technical														
- research														
- customer service and integrity														
- performance monitoring														
- MIS														
- IT														
Identify study tour destination and program, and participants														
Undertake study tour and report														
Monitoring and Evaluation														
ZDA Progress monitoring and evaluation	Effective M&E plan													
- design M&E plan														
- review transition record after 3 months														
- review functionality and performance after 6 months (private sector input)														
Establishment of an internal watchdog unit	Watchdog unit													
Design reporting system to MCTI and the public														
Development of ZDA strategic plan (3 years)	Comprehensive strategic plan													
- identification of participants														
- review five organisations' plans														
- stakeholders' working sessions														

Activity	Milestones	First Year Project Calendar												
		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Zambia Development Agency														
- design of action plan (timelines, responsibilities)														

Activity	Milestones	First Year Project Calendar												
		Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
PATENTS AND COMPANY REGISTRY OFFICE (PACRO)														
Conduct baseline assessment of "time to register a business"	Baseline completed													
Conduct comprehensive business process and regulatory review and analysis														
Map business processes alongside relevant regulations														
Implement new process for registering and doing business														
Establish One-Stop Shop and Upgrade IT Systems														
Conduct feasibility study on internet-based PACRO services														
Develop interactive internet and intranet sites														
Establish one-stop shop online business registration capability														
Develop updated digitalized database for all of PACRO's commercial/business registration activities														
Develop in-house training on installation of and maintenance of new IT systems														
Conduct IT training														
Provide training on establishing online services														
Provide training on newest Microsoft software package (Office 2007, Vista)														
Create a business plan for implementing electronic liaison with ZDA to ensure paperless transactions for investors using ZDA services														
Digitalize all required business registration and trade name applications for online usage														
Develop and implement training programs for PACRO's customer service														
Establish business relationships with banks to establish online payment for fees and services credit processing														
Assist in Establishing Three Regional Offices														
Prepare itemized budget for regional centers														
Establish of Regional Business Registration Help Centers	regional offices open													
Design and establish electronic link between provincial offices and the captial for form transmission	regions networked with headquarters													
Develop Outreach Programs														
Develop action plan to expand market services to include private sector business associations														
Develop regional outreach programs including creation of PACRO-mobile to be based in regional offices for reaching rural areas														

Activity	Milestones	First Year Project Calendar												
		Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Program Coordinating Unit (PCU)														
Vet proposed PCU work plan with the PCU and sponsoring donors														
Compare list of 78 with MCATP-PCU work plan														
Quarterly Review with PCU														
Day 1: PCU updates progress against plans														
Day 2: PCU meets with chairs of WGs														
Day 3: M&E system adjusted														
Assess PCU M&E Needs														
Assess M&E expectations of stakeholders														
Develop M&E system														
Design / Install PCU M&E System														
As appropriate install, set-up and configure hardware and														
Train in use														
Ongoing adjustments to system	M&E system upgraded													
Communications Strategy (design and implement)														
Communicate Successes of PSDRP to Public														
Engage consultant and/or survey firm														
Design communications strategy	Strategy developed													
Implement the strategy														

Activity	Milestones	First Year Project Calendar												
		Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Border Management Task Force (BMTF)														
Conduct legal research - cross designation, MOUs and SLAs.														
Establish the BMTG														
Solicit agencies & recruit members														
Location and logistics set up for BMTF														
Identify BMTF members from selected agencies	BMTF formed													
Workshop for BMTF members on task force concepts, define ground rules														
Articulate BMTF project plan														
Take stock of and review regulations related to select exports														
Inventory regulations related to select inports														
Conduct IT systems and architecture review of border agencies.														
Select and outsource business process mapping														
Train BMTF in process mapping and re-engineering														
Process map current activities for border crossing activities for persons and vehicles.														
Workshop for BMTF members on alternative approaches to holistic border management														
International exposure to relevant country border operation														
BMTF defines Zambian approach to holistic border management, and drafts proposal	Recommendations approved													
Comprehensive Integrated Tariff System														
USAID/Zambia identifies project sponsor														
Conduct IT and telecommunications study														
IT and telecommunications study														
CITS software modification study & technical requirements														
Hold a series of information workshops														
Design and engineering of the CITS														
IT build contractor selected														
CITS database design and build														
ASYCUDA Interface														
Business Processes														
Project manager hired														
Business process review														
Prepare business case														
Prepare project charter														
Project team selected from ZRA														
Project plan completed														
BMTF directed regulation stock take														

Activity	Milestones	First Year Project Calendar												
		Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Border Management Task Force (BMTF)														
Public awareness campaign														
CITS content development														
CITS business process re-engineering (Year 2)														
Risk Management														
Identify and recruit AEO expert														
Coordinate work plan with ZRA and WCO														
Identify and recruit AEO capacity builder for private sector														
Identify beta test companies with ZRA														
Hold 2 workshops for private sector and ZRA on due diligence concepts														
Define Zambia due diligence checklists by trade community sector														
Conduct training for ZRA on compliance auditing														
Provide TA to beta test companies on development of compliance manuals														
ZRA conducts voluntary compliance audits of beta test companies														
Beta test companies complete any required changes														
Electronic Payment Applications														
Review of Zambia banking applications														
Review of business practices of ZRA for payments and ASYCUDA														
Payment process modification recommendations														
Equipment Procurement CHIRUNDU														
Review equipment requirements with ZRA														
Define equipment specifications														
Advertise for equipment procurements select winning bid	Contract awarded													
Equipment delivery														
Training in new equipment														
Equipment Procurement LIA														
Review equipment requirements with ZRA														
Assist LIA ZRA manager in writing business case														
Define equipment specifications														
Advertise for equipment procurements select winning bid	Contract awarded													
Equipment delivery														
Training in new equipment														

Activity	Milestones	First Year Project Calendar												
		Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Zambia Bureau of Standards														
Improve quality and international certifications of ZABS services														
Develop Relationship with 3rd Party Certification Company (e.g: BSI, TUV, SGS)														
Define goals and objectives for the relationship														
Develop a scope of work or TOR for the relationship														
Define evaluation criteria to measure potential partners by														
Solicit and interview potential companies														
Select partner														
ISO-9000:2000 Certification for ZABS														
Attend ISO Manager training														
Forms ISO leadership team in ZABS and gets buying from the Management to move the program forward														
Develops a tactical plan for ISO Certification														
Review plan with management and new partner to make sure everyone is on the same page														
Execute the plan (year 2)														
Create certified ISO, GHP, GSP, GMP Programs														
Work with the partner to develop a train the trainer ISO program that allows ZABS to offer training and consulting to industry														
Work with the partner to develop a train the trainer GHP, GSOP program that allows ZABS to offer training and consulting to industry														
Courses offered in year 2														
Increase efficiency of inspections														
Manual and Training for ZABS Border Inspections														
Create a quick reference guide														
Create training and manual on the new products and standards														
Begin training on the new standards for all ZABS and customs officials														
Begin preliminary inspections to help importers and freight forwarders understand the new standards														
Start inspection under new standards														
IQMS Inspection Process														
Baseline assessment of inspections														
Baseline assessment of usage and cost of pre-clearance IQMS process.														
Develop and implement a plan for cost/program reduction if needed														
Conduct a reassessment of IQMS usage and cost in order to make improvements (year 2)														
Upgrade information technology systems														
Informations Technology Specialist														
Develop Scope of work and Terms of reference														
Justify position and identify budget														
Obtain approval for a new hire and position														
Interview and hire candidate														
ZABS Website														

Activity	Milestones	First Year Project Calendar												
		Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Zambia Bureau of Standards														
Assessment of current ZABS website														
Update and launch the site														
Develop a plan for print on-demand for the web site and justification as well as specifications for e-commerce														
Write and RFP and solicit proposals														
Select a vendor and begin process of customization and testing														
New improved web site is published (year 2)														
ZABS Internal System with Links to Pilot Border Sites														
Define specifications for hardware and telecommunications needs														
Write and issue the RFP														
Begin evaluation process including demonstrations of commercially available of the shelf products														
Select vendor														
Begin the configuration and customization phase of the plan														
System live in year 2														
Advise on a marketing strategy														
Marketing Plan														
Develop scope of work and terms of reference														
Interview candidates and hire Manager	Marketing Mgr hired													
Create Marketing Plan which includes pricing, promotion, placement, positioning and a formal 2 year budget	Marketing plan completed													
Industry Awareness of Standards, Certification, IQMS and Pre-Clearance Program														
Establish current level of brand awareness by industry of ZABS brand, logo and role of certification & Standards														
Create a survey of industry														
Conduct the survey and summarize results	Survey completed													
Develop a targeted IQMS advertising campaign specific for industry (manufactures, buyers, importers, freight forward companies)														
Develop materials														
Start the first campaign	Campaign launched													
Refine ZABS' standards														
Facilitate a dialogue between ZABS and the private sector														

Activity	Milestones	First Year Project Calendar												
		Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
PQPS - Plant Quarantine and Phytosanitary Service - Ministry of Agriculture and Cooperatives														
Send PQPS staff to WTP SPS meeting														
Support PQPS participation in WTO SPS meeting														
Develop and SPS procedural and training manuals														
Identify and contract SPS specialist														
Identify and contract lawyer														
Review proposed legislation														
Make recommendations														
Develop training and SPS procedures manuals														
Procure Modern Survey Equipment														
Assess equipment needs														
Procure equipment														
Train staff in its use														
Purchase Reference Material														
Pest Risk Assessment (PRA) Training														
Identify and contract PRA specialist														
Conduct PRA training														
Advise SPS on establishment of PRA unit														
Install pest identification equipment at the airport and border														
Purchase needed equipment for use at border location and the Lusaka Airport														
Coordinate with other donors on installation of equipment in new buildings														
Review Airport and Chirundu Operations														
Identify and contract a quarantine specialist														
Assess progress and further needs for increased protection from agricultural pests and alien invasive species														
Make recommendations to PQPS														
Develop Communications Strategy														
Design communications plan targeted at the private sector														
Border Management Task Force														
Participate in Border Management Task Force														
Provide task force with relevant regulations for inclusions in CITS	Regulations submitted to task force													