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FINAL SECOND YEAR WORK PLAN

**ZAMBIA THRESHOLD PROJECT
JULY 1, 2007 — JUNE 30, 2008**

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Contract No. AFP-I-06-04-00002-00

EXECUTIVE SUMMARY

The Government of the Republic of Zambia (GRZ) has achieved considerable progress in a short time in changing attitudes and reforming processes to fight corruption, improve public sector service delivery, and organize border management, with the active involvement of key partners and civil society organizations. Local news media have lauded GRZ successes, accomplished with support of the Zambia Threshold Project (ZTP).

An initial life-of-project work plan was finalized in September 2006 in collaboration with institutional partners selected by the GRZ to participate in the \$22.7 million partnership agreement with the U.S. Agency for International Development (USAID), on behalf of the Millennium Challenge Corporation (MCC). In June and July 2007, after one year of implementation, the Zambia Threshold Project conducted a series of meetings with those same institutions to reflect on progress in Project Year 1 and plan jointly activities and key milestones for Project Year 2. This second year work plan serves to update the Project Year 1 work plan, with a focus on activities, milestones, and results planned for the period from July 1, 2007 to June 30, 2008.

The government's objective is to promote sound economic and corruption-free governance and to reduce barriers to trade and investment. The project has a presidential mandate and backing at the highest levels of government; the GRZ implementing partners are serious about making the country attractive to investors and improving service to its customers.

Strong Presidential Commitment

"We have to continue working on the improvement of our governance systems so as to ensure transparency, accountability, and integrity in the management of public affairs."

— President Levy Patrick Mwanawasa,
2nd-term inaugural speech, January 2007

Impact can be seen on two fronts: an improved enabling environment for business and the prevention of corruption. After one year of activities, the government has made changes that are having an immediate effect. Through reforming business processes at six pilot ministries, departments, and agencies (MDAs) — the Department of Immigration (DOI), Ministry of Lands (MOL), Patents & Companies Registration Office (PACRO), Plant Quarantine and Phytosanitary Service (PQPS), Zambia Bureau of Standards (ZABS), and the Zambia Revenue Authority (ZRA) — the government is reducing complicated administrative barriers. Unnecessary steps are being eliminated, saving customers and the government money. Processes are being automated. New processes make it easier and faster to access services. Those institutions also are communicating the changes to the public and the business community — using Web sites, brochures, posters, and customer service centers — so customers will know exactly what to expect and what is required. Communication and coordination within those MDAs has also significantly improved.

GRZ Services are Changing

Before

- Unclear, lengthy procedures
- Unknown costs, timelines
- Stacks of easily lost papers
- Isolated employees, closed office doors
- Opportunities for corruption

After

- Shorter, simpler, transparent procedures
- Clear commitments on costs and timelines
- Automated processes, downloadable forms
- Open customer service areas
- Corruption prevention systems

The ZTP also facilitated formation of a Border Management Task Force (BMTF) of ten MDAs, as an intra-governmental planning and coordination body. The MDAs have been working together in an unprecedented manner to develop integrated and streamlined procedures. The BMTF's goal is to develop coordinated and simplified border processes that reduce the time required for processing the entry and exit of cargo and people. The improved processes will be implemented as a pilot at

Chirundu as soon as new government facilities there, currently significantly delayed, are ready.

The government's Anti-Corruption Commission (ACC) is building an institutional alliance against corruption, which includes the ACC, eight MDAs, Transparency International-Zambia (TI-Z), and the Zambia Business Forum (ZBF). ZTP's support to the alliance is directed towards four of the eight MDAs, namely the ACC, the Department of Immigration, the Ministry of Lands, and the Zambia Revenue Authority, TI-Z and ZBF. Under the ACC's leadership, corruption is being stemmed through a

variety of integrated initiatives including institutionalization and strengthening of Zambia's first Integrity Committees in eight pilot agencies, more transparent and streamlined processes, agency commitments to timeliness and well-publicized costs, improved management attention to customer service, establishment of dedicated customer service centers, and staff training in integrity and customer service. The initial efforts at these MDAs will be strengthened in Year 2. They will be complemented by community education to support corruption reporting and resistance, and potentially the expansion of the pilot group of MDAs participating in the GRZ's integrity in government program.

MDAs Participating in the Integrity in Government Program

Anti-Corruption Commission
Department of Immigration
Ministry of Lands
Zambia Revenue Authority
Lusaka City Council
Ndola City Council
Public Service Pension Fund
Zambia Police Force

The ACC has also used ZTP assistance to begin strengthening its Department of Corruption Prevention and Community Education and its communications capabilities, as well as training and supporting Commissioners in visits around the country. In Year 2, ACC will use ZTP assistance to further those efforts, as well as to develop a computerized case management system, improve its corruption monitoring and evaluation system, and enhance its ability to provide leadership to integrity committees and others in government who are involved in the fight against corruption.

In summary, by modernizing government systems through state-of-the-art business process management and e-governance technology, the Zambia Threshold Project is helping the GRZ create greater accountability, transparency, public access, and efficiency in business registration, movement of goods and people at the borders, and land administration. The agencies identified by the GRZ to spearhead reforms and fight corruption are enthusiastically and systematically planning and undertaking improvements that benefit Zambians, with reforms projected to generate significant savings, primarily for citizens and businesses. Successes to date, those projected for September 2007, and those expected by June 2008 clearly demonstrate Zambia's commitment to reform and its ability to undertake a sizeable compact with the MCC.

Key milestones for Project Year 2 include:

- Africa's first Advisory and Legal Assistance Center successfully launched by TI-Z and the ACC – September 1, 2007
- ACC model Anti-Corruption Toolkit developed – November 30, 2007
- Two additional PACRO regional offices opened – December 31, 2007
- Customer Service Charters for DOI, MOL, PACRO, and ZRA established – Jan. 31, 2008
- Customer feedback mechanisms in place at DOI, MOL, PACRO, and ZRA – Dec. 31, 2007
- Coordinated border processes at Chirundu and Lusaka International Airport (LIA) successfully implemented – March 31, 2008
- Automated Zambia Lands Administration System fully operational – March 31, 2008
- Two additional Integrity Committees formed – May 31, 2008

TABLE OF CONTENTS

Section I – Overview of the Zambia Threshold Project.....	1
A. Background and Project Description.....	1
A1. Zambia Threshold Project Results Framework.....	4
A2. ZTP Organization.....	5
A3. GRZ Relationship to ZTP.....	5
B. Overview of Cross-Cutting Areas of Technical Support to the GRZ.....	6
B1. Tailored Institutional Reform.....	6
B2. Public Awareness and Communication.....	7
B3. IT and Equipment Support.....	7
B4. Monitoring and Evaluation.....	8
C. The Work Planning Process.....	8
Section II – Component One – Ruling Justly.....	9
A. Overview	9
B. Detailed Technical Institutional Action Plans – Component One.....	12
Anti-Corruption Commission.....	12
Ministry of Lands.....	16
Immigration Department.....	19
Zambia Revenue Authority.....	22
Transparency International Zambia.....	24
Zambia Business Forum.....	25
Section III – Component Two – Economic Freedom.....	26
A. Overview.....	26
A1. Business and Investment.....	26
A2. Border Management.....	27
B. Detailed Technical Institutional Action Plans – Component Two	27
B1. Business and Investment	
Patents and Commercial Registry Office.....	27
Zambia Revenue Authority – Value-Added Tax Division.....	29
Zambia Development Agency.....	30
Zambia Business Forum.....	32
Program Coordinating Unit.....	33
B2. Border Management	
Border Management Task Force.....	33
Zambia Revenue Authority – Customs and Excise Division.....	35
Zambia Bureau of Standards.....	37
Plant Quarantine and Phytosanitary Services.....	38
Section IV – ZTP Staffing and Management.....	40

TABLE OF EXHIBITS

Exhibit 1	Zambia Threshold Project Results Framework
Exhibit 3	Updated ZTP Staffing Chart

ACRONYMS

ACC	Anti-Corruption Commission
ALAC	Advisory and Legal Assistance Center
ASYCUDA	Automated System for Customs Data
BMTF	Border Management Task Force
CIO	Chief Immigration Officer
CITS	Comprehensive Integrated Tariff System
CSA	Customer Service Area
CSC	Customer Service Charter
CFS	Customer Feedback System
DfID	Department for International Development
DCPCE	Department of Prevention and Community Education (ACC)
GRZ	Government of the Republic of Zambia
IAU	Internal Affairs Unit
IBP	Integrated Border Process
IC	Integrity Committee
ILS	International Land Systems (ILS), Inc.
LAN	Local Area Network
LIA	Lusaka International Airport
LIMS	Land Information Management System
MACO	Ministry of Agriculture and Cooperatives
MCA	Millennium Challenge Account
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
NACS	National Anti-Corruption Strategy
NCPP	National Corruption Prevention Plan
PACRO	Patents and Companies Registration Office
PCU	Program Coordinating Unit
PQPS	Plant Quarantine and Phytosanitary Services
PRA	Pest Risk Analysis
PSD	Private Sector Development
PSDRP	Private Sector Development Reform Program
PSPF	Public Sector Pensions Fund
SAF	Special Activities Fund
SPS	Sanitary and Phytosanitary
TCP	Threshold Country Plan
TIZ	Transparency International Zambia
VAT	Value-Added Tax
ZABS	Zambia Bureau of Standards
ZBF	Zambia Business Forum
ZDA	Zambia Development Agency
ZLAS	Electronic Zambia Land Administration System
ZRA	Zambia Revenue Authority
ZTP	Zambia Threshold Project

SECTION I – OVERVIEW OF ZAMBIA THRESHOLD PROJECT (ZTP)

An initial life-of-project work plan was delivered to the ZTP Steering Committee in September 2006. In June and July 2007, after one year of implementation, the Zambia Threshold Project conducted a series of meetings with its institutional partners to assess progress in Project Year 1 and agree on activities and key milestones for Project Year 2. This second year work plan serves to update the Project Year 1 work plan, with a focus on activities, milestones, and results planned for the period from July 1, 2007 to June 30, 2008.

Following the format of the initial life-of-project work plan, this second year work plan contains four sections. The first, Section I, consists of an executive summary, this introductory section, and an overview of the cross-cutting technical areas that fall within the project's scope of work. Section II contains an overview to Component One (Ruling Justly) and institutional action plans for those partners involved in Ruling Justly activities. Similarly, Section III contains an overview of Component Two (Economic Freedom) followed by detailed institutional action plans for related partners. There are three GRZ partners, namely the Department of Immigration, the Zambia Business Forum (ZBF), and the Zambia Revenue Authority, which are working with the project under both components; their activities are discussed under both Sections II and III. Section IV describes project staffing and management for Project Year 2.

A. Background and Project Description

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 on corrupt practices. As a landlocked Southern African country, the country must entice investors, not overburden them with multiple, complex procedures to start up a business, not surround them with civil servants ready to facilitate registration or imports for the right price.

The Zambia Threshold Project is a US\$22.7 million partnership agreement between the Government of the Republic of Zambia and USAID, on behalf of the Millennium Challenge Corporation (MCC), to assist Zambia in rapidly reducing administrative corruption and improving the effectiveness of selected GRZ institutions with the active involvement of selected civil society organizations in a 24-month period, commencing July 2006. In establishing the Zambia Threshold Project, the GRZ set forth 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.

In order to achieve those objectives, the Zambia Threshold Project has been structured in two components: Ruling Justly and Economic Freedom. Assistance under the Ruling Justly Component is helping the GRZ, through the ACC, reduce opportunities for administrative corruption in the Department of Immigration, Ministry of Lands, and the Zambia Revenue Authority, as well as build the capacity of the ACC to prevent corruption in other GRZ agencies. In Year 1, pilot agencies strengthened existing Integrity Committees (ICs) to lead internal corruption prevention and reform efforts, including institution-specific regulatory reforms to simplify processes, reduce opportunities for corruption, and establish Codes of Ethics. They will also in Year 2 further institutionalize established ICs and create efficient

public monitoring and reporting mechanisms to expose corruption and monitor the effectiveness of reforms as well as establish Customer Service (Citizen's) Charters.

With assistance from the Economic Freedom Component, the GRZ is reducing barriers to doing business and reducing the time required for importing and exporting goods. In particular, the Zambia Threshold Project is assisting the GRZ in: 1) making it easier to start a business in Zambia by reducing the time and steps required to register the company at Patents and Companies Registration Office (PACRO) and at the Value-Added Tax (VAT) Division of the ZRA; 2) making it faster and easier to import and export by simplifying, coordinating, and integrating the procedures of the border management agencies; and 3) establishing the Zambia Development Agency (ZDA) as a one-stop shop for investors.

Project results under this component focus on reductions in the number of days to: 1) register a property sale from 70 days to 35; 2) register a business from 35 days to 10; 3) export goods by 50 percent; and 4) import goods by 50 percent. It will also reduce the percentage of households reporting paying bribes to ZRA customs from 14.5 to 7 percent.

Delivery of these results will help Zambia qualify for compact status with the MCC and thus make Zambia eligible for a large host country-managed development fund from the Millennium Challenge Account.

Generally, the cornerstones of ZTP's success to date can be described as follows:

- The joint GRZ-MCC-USAID selection of enthusiastic partners has allowed the GRZ to demonstrate its ability to make serious reforms in a short timeframe.
- A Zambian-driven implementation assistance unit has been effectively established. The unit has been effective because it has the authority and the resources to meet the GRZ's aggressive two-year implementation timeline.
- The creation of inter-agency working groups has allowed for improved sharing of lessons learned and improved use of project resources.
- USAID/Zambia and ZTP have proven their ability to quickly provide the GRZ with the specialized short-term expertise needed to design and assist with the implementation of new reforms and systems.
- The pilot approach has allowed the GRZ to focus limited project resources and to develop effective improvements with more partners.
- USAID has actively worked to maximize synergies between ZTP and other donor and GRZ initiatives. This includes DfID, PSD, GRZ's Management Development Division (MDD), and the Royal Netherlands Embassy (RNE). As part of the ZTP exit strategy, some of these programs will sponsor the scaling up of ZTP-developed systems and improvements.
- Frequent high-level meetings with each partner have worked to keep the partnership fast paced and focused.

Based on progress made in Project Year 1, GRZ implementing agencies have developed clear vision of improvements and reforms, with specific second year milestones for each institution that will ensure measured progress towards intended results.

In general terms the GRZ should expect that as a result of the work by the Ruling Justly partners with the ZTP that the ACC will be stronger and widely acknowledged for its leadership in a wide and expanding corruption prevention partnership, including a sustained

ALAC and ties to private sector primarily through ZBF. Integrity Committees will be seen as a good, effective initiative by the ACC and the GRZ in general. And corruption prevalence as well as perceptions of corruption in the three pilots will be much reduced. Further the 3 pilot MDAs will be seen as having made significant progress in implementing much improved customer service, in particular the lands transfer processes will be much more streamlined.

Year two will see wide acknowledgement of improvements in business registration and benefits and recognition of PACRO and VAT, with DOI and MOL, as new models for governance in Zambia. ZDA will also be operational with effective coordination with the Department of Immigration.

Under the border initiative, GRZ processing times will be reduced to 3 days or less at Chirundu and Lusaka International Airport due to implementation of coordinated systems at ZRA, Immigration, ZABS, PQPS, and other border agencies as well as implementation of an accredited clients program and risk management program at ZRA.

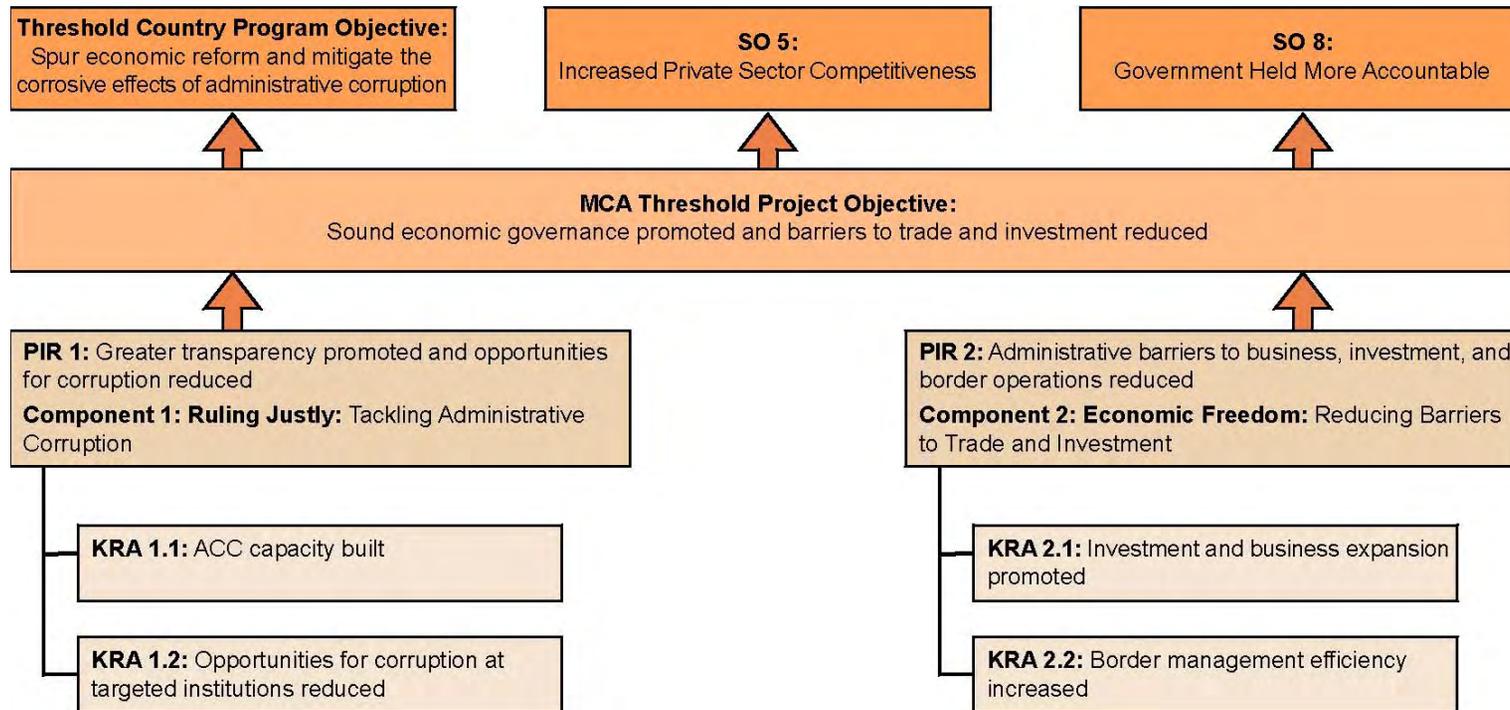
The table below includes a list of principal second-year milestones by component. Each partners work plan to utilize ZTP assistance in implementing and institutionalizing its reforms is discussed in more detail in the following sections.

Principal Second-Year Milestones	
Component One (Ruling Justly)	Component Two (Economic Freedom)
<ul style="list-style-type: none"> • Africa's first Advisory and Legal Assistance Center successfully launched by TI-Z and the ACC – Sept. 1, 2007 • ZBF launched anticorruption campaign – Sept. 30, 2007 • Mid-term assessment of corruption prevalence – September 30, 2007 • ACC model Anti-Corruption Toolkit developed – November 30, 2007 • Customer Service Charters for ACC, DOI, and MOL established – January 31, 2008 • Automated Zambia Lands Administration System (ZLAS) fully operational – March 31, 2008 • Two additional Integrity Committees formed – May 31, 2008 	<ul style="list-style-type: none"> • Two additional PACRO regional offices opened – December 31, 2007 • Coordinated border processes at Chirundu and Lusaka International Airport (LIA) successfully implemented – March 31, 2008 • Customer Service Charters for PACRO and ZRA established – January 31, 2008 • ZDA fully operational – March 31, 2008

A1. Zambia Threshold Project Results Framework

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

Exhibit 1: ZTP Results Framework



A2. Zambia Threshold Project Organization

The GRZ has established a ZTP Steering Committee, chaired by the Secretary to the Treasury, and comprised of the Permanent Secretary or most senior civil servant from each of the nine targeted GRZ agencies (see box), as well as two partner civil society organizations, Transparency International-Zambia and the Zambia Business Forum, and other oversight organizations. The Steering Committee is responsible for approval of ZTP work plans, approval of the composition of working groups, and monitoring and evaluation of ZTP implementation. It is also responsible for assuring that additional GRZ and other donor resources required to assure timely implementation of the Zambia Threshold Project are forthcoming, including raising any issues encountered to the Government.

ZTP Implementing Agencies	
Secretariat	
•	USAID/Zambia
GRZ Agencies	
•	Anti-Corruption Commission (ACC)
•	Immigration Department
•	Ministry of Lands
•	Patents and Commercial Registry Office (PACRO)
•	Plant Quarantine and Phytosanitary Service (PQPS)
•	PSD – Program Coordinating Unit (PCU)
•	Zambia Development Agency
•	Zambia Revenue Authority (ZRA)
•	Zambia Bureau of Standards (ZABS)
Civil Society Participants	
•	Transparency International-Zambia (TI-Z)
•	Zambia Business Forum (ZBF)

The GRZ has organized three technical working groups which serve to empower partnerships among MDAs as well as oversee the work of partner agencies. Those technical working groups are: the Anti-Corruption Working Group, the Border Management Working Group, and the Business and Investment Working Group. All ZTP implementing agencies participate in at least one working group. The Anti-Corruption Working Group has met almost monthly since the project’s inception.

A3. GRZ Relationship to ZTP

The Zambia Threshold Project was designed by the GRZ for the people of Zambia. USAID/Zambia and Chemonics consortium personnel help the GRZ achieve its goals of reducing opportunities for corruption and enhancing economic freedom through improving governance systems and the business enabling environment.

Arguably, the Zambia Threshold Project, and USAID/MCC assistance, have come to be considered by the GRZ as a new model for GRZ-donor partnerships. Indicative of the experience of many other agencies, the Ministry of Lands is pleased with the progress they have seen towards meeting the GRZ’s aggressive two-year timetable. Throughout the first year of project operations, the ZTP team has built very strong partnerships with each of the GRZ

The Verdict is *IN* on ZTP Project Year 1

“We are not just receiving consultants’ reports, we are seeing things change.”
 --Representative, Ministry of Lands, as quoted by USAID

implementing agencies, assuring GRZ-led implementation and sustainability. The ZTP team continues to commit itself to listen to partners’ ideas, provide responsive, timely, and high quality technical and material support using wherever possible

Zambian managers, and continuously consult with GRZ partners on how to best support GRZ reform efforts approved in the TCP. Importantly, GRZ agencies are continually refining what they want to do to improve and have given much thought to the reform mechanisms and the removal of specific administrative barriers to business. The GRZ agencies and ZTP staff will work together to further refine, prioritize, and program technical and material support throughout the second year of the project and beyond.

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

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

There are four common areas of ZTP 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.

B1. Tailored Institutional Reform

The GRZ partners, particularly the Department of Immigration, the Ministry of Lands, the Zambia Revenue Authority, and the ten agencies participating in the Border Management Task Force have all embraced the GRZ's mandate to re-engineer their approach to servicing customers. They are doing this by implementing customer-friendly systems which are transparent as well as reduce costs and time requirements.

These systems are often complemented by newly designed and refurbished customer service areas (CSAs). These customer service areas are changing more than the way MDAs are doing business; they are changing palpably the feel of governance for both citizens and investors. Formerly customers had to wait in innumerable lines at each step of a process; often standing in crowded, shabby areas. GRZ staff were often curt or non-communicative of when a step or whole process would be completed, often saying "come back in a couple of days". Neither customers nor GRZ staff knew where documents were or who was currently responsible for making a decision. One common result was that customers were easily enticed into paying bribes to get their applications acted upon. Or more commonly, customers paid "agents" fees to process their requests.

In the Customer Services Areas doing business with government is a much more satisfying experience. Customers wait in one area where comfortable seating is available, with an easily understood queuing system and with rapid movement towards customer-service personnel, trained in working and assisting customers. These front-line often explicitly titled "customer service agents" have computers to input customer requests and can also access data bases of forms and regulations to facilitate customer orientation. Both at PACRO and VAT, personnel in the CSA have the authority to make many decisions that formerly required officials in other offices to review stacks of paper files another day. And significantly, the separate cashier area is the only area money is officially received. In Year 1 both PACRO and ZRA opened Customer Services Areas in Lusaka to much public acclaim; indeed PACRO has seen business registration requests almost double compared to early 2006. In Year 2, the Department of Immigration will open a Customer Services Area in Lusaka as well as improve service for customers in a rapid queuing system being developed for Livingstone and Lusaka airports, and Chirundu and Livingstone border posts. Similarly the Ministry of Lands will open a Customer Services Area in Lusaka as will PACRO in its new regional offices in Chipata and Livingstone.

These new automated systems also embrace accountability by providing frontline staff with the information needed in a timely manner, rather than having to locate and sift through piles of hard copy files. And they provide middle and senior management with data on efficiency, which is now a mandated focus at all levels. The significant reduction in the time to process

VAT registrations at ZRA is a good example. The time required to register a business had previously not been systematically reviewed; the agency's service commitment stopped at processing business registrations - eventually. When ZRA-VAT senior management reviewed the time data collected with ZTP assistance, they immediately made improvements to established service delivery processes, without adding automation, which resulted in a reduction in the average time to register a business from 21 days to 5 days. Further process improvements have reduced this to 3 days.

In Year 1, significant process improvements have been recorded by the GRZ implementers:

- The Department of Immigration has reduced the average processing time for visas from 15 working days to 3 working days.
- PACRO has:
 - Reduced the average processing time for name clearances from an average of 2 days to less than 1 day.
 - Reduced the average processing time for business registration from an average of 9 days to under 2 days.
- ZRA has reduced the average processing time for VAT registration from 21 days to 3 days.

In Year 2, GRZ targets include:

- Further reduce the number of days for name clearance and business registration at PACRO to 2 days, including at 3 regional offices;
- Reduce the number of days required for VAT registration at ZRA to 2 days;
- Reduce the average processing time for imports and exports at Chirundu and Lusaka International Airport to 3 days, from an average of 6 days; and
- Finalize decisions on work and self-employment permits within the DOI in 10 days.

B2. Public Awareness and Communications

A targeted communications program is key to the GRZ achieving its intended 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 nature of project-assisted activities, the critical need to keep all stakeholders well informed, and the major role that communications can play to help the GRZ achieve its technical objectives, the ZTP has developed a communications team, led by a specialized, full-time Communications Manager, working with communications staff at GRZ partners, supported by another full time Zambia specialist as well as short-term specialized assistance. Additionally, local organizations with highly developed public outreach skills, namely PACT Zambia and Panos Southern Africa, will implement ZTP-directed communications efforts. The following is a brief summary of the twin pillars of ZTP's communications approach.

Support MDA communications campaigns, building capacity in the process. ZTP will continue to 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 reform 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 to more effectively communicate their goals, progress, and the impact of those changes to the public.

Support NGO-led communications efforts. Strengthened TI-Z and ZBF capacity to develop and implement effective communications strategies will be a lasting project contribution to these organizations. The Zambia Threshold Project will continue to work with both the ZBF and TI-Z in the development of targeted communications campaigns to inform the private sector and the general public of important advancements within the GRZ, in particular the nature and effects of partnership efforts to fight corruption, building capacity in the process.

B3. IT and Equipment Support

IT hardware, software, and systems were severely lacking in almost all partner government institutions. Consequently, capacity building in the form of IT equipment, automation, system design, and training in IT systems was and will continue to be a major part of both component activities. IT and equipment support falls into two major areas:

- General capacity building and equipment support for word processing, budgeting, email, and Internet.
- Supporting the integration and automation of specialized IT systems and facility upgrades within and between institutions. The automation of business processes within the Immigration Department, facility upgrades at the Ministry of Lands to improve the security of land records, and the development and roll out of a Comprehensive Integrated Tariff System (CITS) and Sanitary and Phytosanitary (SPS) survey equipment to select border posts fall into this category.

ZTP's IT support to GRZ partners includes:

- Department of Immigration: 110 workstations, 34 printers, and 29 scanners in support of information technology center and in-house computer training center.
- Ministry of Lands: 20 workstations and 5 printers for a temporary in-house computer training center and to support the implementation of ZLAS.
- ZRA: 99 workstations, 43 printers, and 6 scanners to automate and integrate customs systems as well as upgrade of ZRA's main servers to operate ASYCUDA.
- PACRO: 11 workstations, 13 printers, 1 server, and 1 copier to improve day-to-day operations and business registration and related processes at Headquarters, Livingstone, Ndola, and Chipata.
- ZABS: 30 workstations and 7 printers to improve staff productivity.
- PQPS: 20 workstations and 5 printers to.

B4. Monitoring and Evaluation

Monitoring progress and evaluating results are key management functions of any performance-based management strategy. The Zambia Threshold Project's Performance Management Plan was developed in August 2006 and updated in February 2007; it constitutes the basis for the monthly data collection and analysis by ZTP and GRZ partners. It is supplemented by a baseline study currently being finalized. The strength of the ZTP's monitoring and evaluation lies in its ability to provide timely performance information that enables partners to manage for results and to improve project performance. M&E data have assisted PACRO and ZRA-Value-Added Tax Division to fine tune their business registration processes. In Year 2, M&E data are expected to be particularly useful to the Ministry of Lands in reviewing its lease transfer processes. A mid-term evaluation is planned for September 2007, and a final participatory evaluation of ZTP activities in all agencies will be carried out under ZTP M&E staff leadership in April 2008.

C. The Work Planning Process

The second year work planning process was truly partner focused. Separate work planning meetings were held with each institutional partner. Partner participants numbered from two to more than eighteen. Action plans developed as part of the initial work planning process were reviewed and updated. Institutional work plans described in the following sections also highlight key achievements expected by September 2007, which will be included in the FY2008 review by the MCC of Zambia's eligibility for compact status.

The fast pace of this project requires constant re-evaluation of performance against the work plan and updating the activity timeline to reflect strategic challenges and opportunities encountered. MDAs meet frequently with ZTP staff, e.g., weekly at the Department of Immigration. On a quarterly basis, the Zambia Threshold Project, with input from the GRZ and civil society implementing agencies, will continue to submit progress reports to the ZTP Steering Committee through the three PSD working groups, and USAID/Zambia that will show progress against the work plan and will report data on appropriate indicators. Executive management will also continue to give progress update presentations at the Steering Committee meetings. In addition, the quarterly report will describe key activities to be implemented in the following quarter.

SECTION II – COMPONENT ONE – RULING JUSTLY

A. Overview

The Ruling Justly Component is focused on strengthening the ACC’s expanding partnership to promote improved integrity in governance. The partnership includes three pilot agencies designated in Zambia’s Threshold Country Plan—the Department of Immigration, the Ministry of Lands, and the Zambia Revenue Authority—and four other agencies selected by ACC — Lusaka and Ndola City Councils, Zambia Police Service, and the Public Service Pensions Fund (PSPF)—as well as Transparency International-Zambia and the Zambia Business Forum. The partnership is focused on reducing opportunities for corruption through institutionalizing Integrity Committees and corruption and performance monitoring systems, and developing and executing corruption prevention action plans within MDAs, as well as improving the transparency of key customer services. Additionally, public perceptions of corruption and citizen participation in holding government agencies accountable are equally critical for the partnership. All are key components of the GRZ’s National Anti-Corruption Strategy (NACS) currently under review by the Cabinet.

The objective of the Ruling Justly – “integrity in governance” — partnership is to reduce the prevalence of corruption. Progress towards this objective is measured by the percent change in number of customers surveyed reporting paying bribes to the ZRA-Customs and Excise Division. In 2004, 14.5 percent of customers surveyed reported paying bribes to ZRA-Customs. As of late 2006, initial baseline data collected by ZTP indicates that 7 percent of ZRA customers surveyed reported paying bribes, with most corruption concentrated in Chirundu—a positive indication that the GRZ is well on its way to surpassing the ZTP life-of-project target of 7 percent.

The GRZ will continue to utilize ZTP assistance to improve the ACC’s capacity to perform activities outlined in the Threshold Country Plan in the second and last project year, namely to support corruption prevention strategies nationally, coordinate corruption prevention practices at the MDA level, and strengthen Integrity Committees in 4 pilot MDAs, including the ACC itself, and potentially rollout Integrity Committees to additional MDAs. The ACC will utilize ZTP assistance to 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.

Successes under the Ruling Justly Component realized in Year 1 include:

- 8 Integrity Committees strengthened by the ACC, 4 with direct support from the ZTP, including initial work plans reviewed and approved.
- Operational partnership between the ACC and TI-Z which includes outreach support and reception of corruption complaints established.
- Core Values at the Department of Immigration and Ministry of Lands developed (and launched at MOL).
- ZRA Code of Ethics revised and disseminated.
- Targeted training plan for Integrity Committees implemented collaboratively between MDAs, ACC, and ZTP.
- ZBF anti-corruption media campaign in development.
- IT support to ACC’s Department of Corruption Prevention and Community Education.
- ACC Commissioner empowerment activities initiated, supplemented by provincial tours to publicize the ACC’s commitment and strategy to fight corruption.

- Redesign of visa, entry/exit, and permitting processes at the Department of Immigration concluded.
- Redesign of automated land transactions and allocations processes at the Ministry of Lands in process.
- Web sites at the Department of Immigration and Ministry of Lands developed and launched.
- Extensive training in computer skills for targeted Department of Immigration and Ministry of Lands staff.

The main themes that run through the Ruling Justly Component include:

- Strengthening Integrity Committees
- Tailored Institutional Reform
- Customer Service and Public Outreach

Strengthening Integrity Committees (ICs). The ACC has been working to strengthen established Integrity Committees in partner MDAs throughout Project Year 1. The focus of Project Year 2 will be to further strengthen targeted committees so they become a vital part of

<p style="text-align: center;">Fighting corruption in MDAs in Year 2</p> <p>Each MDA will:</p> <ul style="list-style-type: none"> • Impement a Customer Feedback System, with corruption complaints linked to ACC • Adopt automated systems to streamline key processes and improve accountability • Formulate and publicize a Customer Service Charter • Open a Customer Service Area to increase transparency • Implement a How2 campaign with TI-Z • Adopt a Code of Ethics • Update its corruption prevention action plan • Develop its own corruption M&E system • Comunciate internally its program and to engage participation in program to prevent corrution • Communciate externally its reforms, its service peformance, and how to register complaints

the anti-corruption culture of the agencies, and not just another committee without any teeth or impact. The ACC will enhance integrity through initiatives that further transparency, promote accountability, support corruption prevention, and are based on internal education of staff and external education of customers and the public at large. In Year 2, DOI will launch its Core Values and both MOL and DOI will develop and launch Codes of Ethics; all four MDAs develop and supervise customer feedback systems, implement corruption monitoring and reporting mechanisms, create Customer Service Charters with senior management that will improve customer service, and communicate important reforms via public education campaigns. ICs, with ACC support, will also lead training for agency staff in ethical operating procedures. Customer feedback mechanisms will be established to

not only monitor agency-level complaints on administrative delays and other customer service issues, but also to capture the positive things that the agency is doing. Issues of fraud, malfeasance, and corruption will be referred to the ACC national complaints service for investigation and prosecution.

Tailored Institutional Reform. All pilot institutions have completed business process re-engineering (BPR) efforts and the Ministry of Lands has undertaken a regulatory review. The GRZ partners will continue to strengthen these efforts through additional technical assistance and resources from the ZTP to ensure that the planned reforms are successfully implemented and institutionalized. The key to sustaining these reforms will be for each institution to assure that staff members are properly trained and that both staff and customers have the opportunity

to test and refine the systems. Also, each organization must designate a “BPR champion or champions” who will lead roll out of re-engineered processes and systems to other sites and departments even before the conclusion of the ZTP next June 2008. In the long run, Integrity Committees will have an advisory role, overseeing and keeping tabs on regulatory and administrative bottlenecks and corruption vulnerabilities that detract from the public’s image of staff integrity and efficiency at all levels.

Customer Service and Public Outreach. The principal vehicle for improving the understanding of service expectations and involving customers in corruption prevention will be the development of Customer

Service Charters. The latter will reflect each agency’s service commitments of time and cost based on the results of the removal and/or modification of the administrative barriers identified during the business process re-engineering analysis. Each pilot institution will develop a Customer Service Charter in Year 2. The service charter is a commitment that the agency makes to itself and to its customers that it will provide services in a reasonable time frame, at a reasonable cost. Services include visas, work permits, and registration of a land purchase. These Customer Service Charters will be communicated via carefully constructed communications campaigns targeting citizens and business clients as well as agency staff.

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| <p>Developing Customer Service Charters in Year 2</p> <ul style="list-style-type: none"> • Identify priority services for customer service commitment • Conduct business process mapping exercise to determine in very specific terms, the various steps – and costs - involved in service administration. • Streamline steps and reduce costs as necessary. • Determine exactly how these services are and should be administered – to explicitly improve the customer service experience. • Vet these initial commitments with “sounding board” public (associations, focus groups, private sector, private institutions) • Establish meaningful and understandable commitments - the core of what the Charter should say. • Review again with customers. • Finalize Charter. • Implement public announcements through a variety of mutually supportive channels (pamphlets, Web sites, radio spots, meetings with stakeholders, etc.) |
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Also throughout the first project year, MDAs’ customer service and public outreach departments have been energized through training in the value of efficient and friendly customer service. Communications in Year 2 will center on the dissemination of information about the above integrity initiatives, in particular, the availability of customer feedback mechanisms, the implementation of more customer-friendly reforms, the improved use of agency Web sites, and the agency-wide commitment to Customer Service Charters.

B. Detailed Technical Institutional Action Plans – Component One

Below detailed action plans are presented by institution. These plans represent a summary of detailed individual agency work plans and describe main activities, timing, resources, and key milestones.

Anti-Corruption Commission

The ACC is the GRZ’s lead organization responsible for anti-corruption activities since it began operations in the early 1980s. Since the election of the current President in

<p>ACC Vision and Mission Statement</p> <p>To achieve a significant reduction in the levels of corruption in Zambia. To effectively spearhead the prevention and combating of corruption in order to promote integrity, transparency, and accountability for the attainment of zero tolerance to corruption, good governance, and sustainable development for the benefit of all Zambians.</p>

2001, there has been progress in a number of anti-corruption areas, with considerable assistance from DfID and other donors. The ACC's Strategic Plan for 2004-2008 signaled a significant, additional emphasis on corruption prevention to complement the historical focus on investigations and prosecutions over the period of the plan. At the President's encouragement, the ACC's Department of Corruption Prevention and Community Education developed a focused approach to building its own capacity through the virtually simultaneous creation of Integrity Committees within each of the 4 ZTP partner organizations, including its own. ZTP is providing broad support to the ACC in key areas such as communications, monitoring and evaluation, case management, and program development, in addition to targeted support for the ACC's established prevention initiatives.

Progress achieved by the ACC during the first year of its partnership with ZTP includes:

- 1) Joint development and review of IC corruption prevention action plans, or IC work plans;
- 2) ACC Desk Officers are now more effective with computer work stations as well as training in change management and administrative law, complemented by specialized technical assistance and a short course for senior management in London on integrity in governance;
- 3) Development and implementation of an integrated training plan for all ICs, including its own IC;
- 4) Development of an operational alliance with TI-Z to improve corruption reporting through the ALAC and to supplement customer education through an updated "How2" program;
- 5) Improved visibility through communications support of Anti-Corruption Day and the swearing in of the ICs as well as the launch of its Code of Ethics and its investigations manual;
- 6) Initial capacity development of the ACC Board of Commissioners; and
- 7) Creation of a more transparent environment for the ACC to engage other MDAs in dialogue surrounding corruption issues.

This improved environment is a direct result of the wide distribution of the ACC's model Code of Ethics and the ACC's work to support the institutionalization of Integrity Committees in the four partner agencies, as well as four other MDAs with which the ACC is working. Significantly, only the Anti-Corruption Working Group has met almost monthly to review progress and coordinate activities.

The ACC/ZTP partnership will focus on strengthening the ACC's internal capacity in four areas in the second project year:

- 1) Corruption monitoring and evaluation
- 2) Strengthening and assessing IC corruption prevention action plans
- 3) Institutional communications
- 4) Supporting the Government's official adoption of its National Anti-Corruption Strategy (NACS) and to respond to and manage the ensuing demand for assistance, particularly in establishing Integrity Committees.

Main Activities and Timing. The following paragraphs summarize agreed upon support in the second project year that is necessary for the ACC to fulfill its corruption prevention mandate under the TCP.

ACC and ACC IC Strengthening:

- **ACC IC Empowerment and Board of Commissioners Development.** A major part of empowering and strengthening the capacity of the ACC's Integrity Committee will be the design and implementation of a Customer Service System, including improving its hotline. With ZTP's assistance, the ACC has pledged to have a Customer Service System in place by December 31, 2007. The various pieces of the system include developing an ACC Customer Service Charter (*July-December 2007*), designing and implementing a Customer Service System database (*July-September 2007*), revamping its hotline, refining the ACC Code of Ethics (*July-December 2007*), developing and implementing a communications and outreach campaign (*strategy development: July-December 2007; implementation: January-June 2008*), and building the skills of ACC staff to effectively utilize these systems. Additional ACC will develop an ACC-wide corruption case management system linked to the ALAC (*July-December 2007*). The corresponding training plan for the ACC will be refined by August 31, 2007. Training for staff will continue through the end of the ZTP project (*June 2008*). Specific capacity development of the ACC Board of Commissioners will continue and assistance will be provided by ZTP for select officials to visit three provinces, Northern, Southern, and Western, to raise awareness of the ACC's corruption prevention activities and to directly assess corruption problems outside Lusaka (*July-December 2007*). The formal transfer of ZTP-procured equipment to the ACC will occur following USAID's acceptance of the proposed equipment transfer plan (*December 2007*).
- **Corruption Prevention.** The ACC's major contribution to the advancement of corruption prevention throughout the GRZ will be through continuing assistance to institutionalizing the entire corruption prevention continuum, centered around a model Corruption Prevention Toolkit, which will include Core Values, Codes of Ethics, Customer Service Charters, and feedback/reporting systems, as well as by a corruption vulnerability assessment framework. Based on the findings of a ZTP-funded corruption vulnerability assessment scheduled for July/August 2007, the ACC will develop and test (*July-December 2007*) a framework for conducting corruption vulnerability assessments in other MDAs as well as the toolkit prior to presenting it to the ICs through an intensive training effort; it will be launched (*March 2008*). The ACC will also develop and test a corruption monitoring and evaluation system (*August-September 2007*).
- **Communications and Outreach.** Communications capacity building will enhance the ACC's ability to effectively implement all aspects of its strategic plan beyond just prevention activities. The ACC will work closely with ZTP Ruling Justly and communications staff to develop a comprehensive, long-term communications strategy for the agency. This work will largely take place during the first quarter (*July-September 2007*) and will include guidance on internal and external communications critical to the ACC's strategic plan. Corruption prevention messaging will commence in September. A major element of this strategy is the ACC agency Web site that was re-designed during the first project year and will be launched by September 30, 2007. Implementation of the strategy will take place during the remainder of the second project year and will play an integral part in changing corruption perceptions of customers and the general public as well as enhancing the ACC's credibility. Building on its new strategy the ACC will

<p>4 Components of a Corruption Prevention Toolkit</p>

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| <ul style="list-style-type: none">• Transparency• Accountability• Prevention• Education |
|--|

provide regular reports on all activities to key stakeholders including Government, civil society, and the private sector.

- **Monitoring and Evaluation.** With assistance from ZTP, the ACC will develop a corruption monitoring and evaluation system. This will include developing a performance monitoring plan with clearly identified performance indicators, primary and secondary data sources, data collection tools, and data quality assurance mechanisms (*July-December 2007*) and accompanying training plan (*July-December 2007*) to sensitize staff to the importance of monitoring and evaluation for continued improvement and train them in system. ACC staff will also be trained in the design and review of external corruption assessments. Ongoing training support to institutionalize monitoring and evaluation capabilities within the ACC will continue throughout the remaining life of the project. ACC will also be involved in the design and review of results of the planned mid-term corruption prevalence assessment (*August-September 2007*) as well as the final corruption prevalence assessment (*March-April 2008*).

ACC Support and Management of MDA ICs:

- **MDA IC Empowerment.** As with the ACC's own internal IC empowerment strategy, a major part of strengthening the capacity of the MDAs' Integrity Committees will be the design and implementation of Customer Feedback Systems and the review and expansion of the agency's Corruption Prevention Action Plan. Pilot MDAs are at various stages in their development of the requisite components of a Customer Feedback System. The ACC will also support each pilot MDAs in developing a Code of Ethics and a Customer Service Charters; its communications program will also support disseminating codes and charters. It will also review and conduct relevant integrity training for agency staff. These efforts will be ongoing throughout the remaining life of the project.

The ACC's Desk Officers, the base for the longer-term sustainability of the ICs, will continue to serve as the primary technical link with the MDAs. Consequently, they will receive ongoing technical guidance in IC mentoring and oversight from a ZTP consultant based in the ACC's DCPCE.

- **Corruption Prevention.** The ACC, in collaboration with the Zambia Threshold Project, will support pilot MDAs in conducting corruption vulnerability assessments, reviewing the results of ZTP's corruption prevalence assessments, and adapting and utilizing the ACC's model Corruption Prevention Toolkit. As with IC empowerment and Board development, pilot MDAs are at varying stages in their readiness to receive technical assistance in this area. Corruption prevention assistance from the ACC to pilot MDAs will be ongoing throughout the remaining life of the project.

Resource Requirements. Resource requirements for the ACC for the second year of ZTP operations largely include:

- **Short-term Technical Assistance.** ZTP short-term assistance will assist the ACC to: 1) develop its model Anti-Corruption Toolkit; 2) develop a corruption monitoring and evaluation system; 3) develop a framework for conducting corruption vulnerability assessments; 4) complete a long-term communication strategy for the agency; and 5) develop a model Customer Service System database.

- **Training.** ACC staff will receive direct training and training of trainers support from the ZTP long-term training team in each of the areas identified above.
- **SAF.** The Zambia Threshold Project will contract a local media organization to develop select communications products as part of the ACC's communications and outreach campaign. Tours of the Northern, Southern, and Western provincial offices will also be funded out of the SAF.

Key Year 2 Milestones and Timing: First 90 Days

- Corruption prevention messaging initiated – September 30, 2007
- Upgraded ACC Web site launched – September 30, 2007
- ICs finalize 2008 Corruption Prevention Action Plans and budgets – Sept. 30, 2007
- ACC's 2008 GRZ budget request finalized to include additional resources for Integrity Committee development and communications – September 30, 2007
- ACC-MDA review of results of mid-term corruption prevalence assessment - September 30, 2007

Key Year 2 Milestones and Timing: Remaining Life of Project

- ACC Customer Feedback System with renovated hotline launched – October 31, 2007
- Corruption M&E system launched – December 31, 2007
- ACC Customer Service Charter launched – February 28, 2008
- ACC model Anti-Corruption Toolkit launched – March 31, 2008
- Integrity Committees established in at least 2 non-pilot agencies – March 31, 2008
- Strategy and program for establishing and institutionalizing ICs in all GRZ agencies once GRZ Anti-Corruption Strategy is adopted prepared – March 31, 2008
- Review of results of final corruption prevalence assessment - April 30, 2008
- Stakeholder assessment of ACC-ZTP results – May 15, 2008

Ministry of Lands

The Ministry of Lands (MOL) has the primary responsibility for land administration within Zambia. It is, unfortunately, infamous for its perceived corruption, having been singled out publicly in 2006 by President Mwanawasa as the most corrupt in his administration, with the former Minister and other top

officials dismissed for corruption in March 2007. Though the MOL has made some important attempts to increase transparency in its operations, its processing and filing systems, highly centralized organizational structure, and lack of technical and human resources still result in high levels of frustration and suspicion surrounding the allocation and transfer of land parcels. It was targeted by the GRZ's Threshold Country Plan, along with the Immigration Department and the Zambia Revenue Authority, for assistance in reducing opportunities for and perception of corruption.

MOL Vision Statement

To effectively, transparently, and equitably deliver land, maintain up-to-date land records and provide land information in order to contribute to socio-economic development for the benefit of the Zambian people and the country. To make land available to users for all purposes.

Main Objectives

- To drastically simplify the Ministry's technical and administrative procedures associated with land transactions, reducing processing time from 52 days to no more than 17 days.

- 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 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 improve citizen understanding of land allocation processes.

There was consensus among Ministry officials participating in the work planning session that the Ministry's most significant accomplishments from ZTP Project Year 1 include the formation and accomplishments of the MOL Integrity Committee, the launch of the Ministry's Web site, and the establishment of a temporary in-house computer training facility. MOL senior management has given a high priority to the ZTP activity. More than just receiving ZTP consultants' reports, the MOL has internalized the recommendations and taken ownership of designing systems that will work for them. Many are anxious for the opening of the Customer Service Center, currently programmed for September 2007. They feel that the launch of the center will represent a visible sign of change to the public and improve the productivity and quality of customer service of MOL officials by taking customers out of their offices and directing them to the Ministry's one-stop shop.

Main Activities and Timing. The three main areas of activity are implementing reforms to land transaction and allocation processes, strengthening corruption prevention led by the Integrity Committee, and creating customer monitoring and reporting mechanisms, which are further broken down into the below sub-activities.

- **Electronic Zambia Land Administration System (ZLAS).** The remainder of the second project year (*July 2007-June 2008*) will be spent designing, installing, testing, and refining the new Zambia Land Administration System (ZLAS), implementing a cadastral index map prototype, and installing IT systems and network work stations. The MOL, with ZTP assistance, will finalize functional hardware and network system specifications (*August 2007*). After configuring (*September-December 2007*), testing and refining the new system (*October 2007-March 2008*), the old LIMS legacy data will be cleaned and loaded (*January - March 2008*) and staff will be trained (*October 2007-March 2008*) in ZLAS operation and maintenance before the new system becomes operational (*April-June 2008*). ZLAS will be officially launched by April 2008. The formal transfer of ZTP-procured equipment to the MOL will occur following USAID's acceptance of the proposed equipment transfer plan (*December 2007*). ZTP will work with the MOL and the PSD Working Group on lands to prepare a strategy for the roll out of ZLAS outside of Lusaka (*January-April 2008*).
- **Establishment of a Customer Service Center at MOL's headquarters.** Construction on the Customer Service Center at the MOL's headquarters will begin in August 2007, with a formal launch currently scheduled for September 2007. Training for front-line customer service staff will take place simultaneously (*August-September 2007*). Initially the CSC will permit more comfortable and responsive attention to customers, and

eliminate the need for back office lobbying for personalized attention. The launch of the Customer Service Center will be accompanied by the implementation of a Customer Feedback System, with corruption complaints linked to the ACC (*September 2007*).

- **Streamlining lands transactions processes.** In direct response to the baseline conducted by the World Bank and the MCC, the MOL, with assistance from the Zambia Threshold Project, will plan and conduct a baseline assessment of the processes, time, and bottlenecks related to the transfer of existing leases (*August-September 2007*). Based on the outcome of the assessment, the MOL will identify and pilot test streamlining of existing processes for the direct reassignment of leases.
- **Improve transaction processing and filing areas.** ZTP refurbishments will include improving security and management of paper records by more effective utilization of existing space, equipment storage, and pilot scanning and indexing of paper records (*July 2007-December 2007*).
- **Training and capacity building.** The Zambia Threshold Project and MOL will finalize a draft institutional training plan, including training for implementing the cadastral index map prototype (*September 2007*), with an update scheduled following finalization of re-engineered processes (*end September 2007*). Training for staff will be ongoing (*July 2007-May 2008*).
- **Strengthen the MOL Integrity Committee.** ZTP will support the functioning and strengthening of the established Integrity Committee within the MOL through the ACC. Identified Project Year 2 activities include the development of a formal Code of Ethics based on the Core Values already approved (*December 31, 2007*), analysis of corruption vulnerabilities along the business process map (*September 2007*), preparation of quarterly reports for submission to the ACC (*ongoing*), and working with customer service staff on service delivery as well as complaint receipt and response (*July 2007-June 2008*).
- **Improving service to customers.** The MOL has established a series of milestones related to improving service to customers. As noted above, the MOL will launch a Customer Feedback System with the opening of its Customer Service Center (*September 2007*). The MOL will also develop a Customer Service Charter to accompany the launch of ZLAS (*October-December 2007*). And it will work with TI-Z in the implementation of a How2 program to help customers understand its new processes for land transactions and allocations.
- **Communications.** MOL, building on best practices from other MDAs, will design and implement a targeted outreach and communications program revolving around the dissemination of Core Values (*August 2007*), the promotion of its Customer Service Center (*September- 2007 – March 2008*) and newly automated ZLAS (*January-April 2008*). Other ZTP assistance will include support in developing the Ministry's long-term communications strategy including an action plan (*August-October 2007*), improving the MOL Web site, and developing a Web site marketing strategy (*July 2007-March 2008*). The MOL, with ZTP assistance, will also identify options for creating its own communications support unit and seeking 2008 budgetary support for specialized communications personnel. (*September 2007*).

- **Monitoring and evaluation.** MOL staff will review baseline data (*July-September 2007*) and continue on-going monthly assessments of progress towards established targets. With ZTP assistance, the MOL will also conduct a corruption prevalence assessment (*September 2007*), a semi-annual progress review (*December 2007*) and final participatory impact assessment (*May 2008*).

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

- **Short-term Technical Assistance.** Areas of short-term technical assistance envisioned for the second project year include: conducting the baseline assessment of processes related to the transfer of existing leases, corruption prevalence assessments, change management, developing a standardized bill of sale template, streamlining processes at the typing pool, ZLAS systems configuration, LIMS legacy data cleansing, and the development of a long-term communications strategy.
- **Training.** Training of MOL staff by the ACC 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 feedback, effectively utilize and support its Integrity Committee, and develop and institutionalize customer reporting and monitoring activities as described above.
- **SAF.** The Zambia Threshold Project will fund, through its Special Activities Fund (SAF), the procurement of IT and other equipment for refurbishing the training and customer service centers. SAF funds will also support scanning related to implementation of the records management strategy and the procurement of new filing systems. International Land Systems (ILS), Inc. through a subcontract will continue its support in the development of ZLAS.

Key Year 2 Milestones and Timing: First 90 days

- ZLAS specifications and functional requirements finalized – September 1, 2007
- Pilot re-engineering of the direct reassignment of leases – August 31, 2007
- Communications outreach initiated – September 30, 2007
- Lands and Deeds records rooms refurbished – September 30, 2007
- Customer Service Center and Customer Feedback System launched – Sept. 30, 2007
- Pilot implementation of corruption vulnerability assessment in Lusaka offices concluded – September 30, 2007
- MOL 2008 Corruption Prevention Action Plan finalized – September 30, 2007

Key Year 2 Milestones and Timing: Remaining Life of Project

- Customer Service Charter finalized – October 15, 2007
- Code of Ethics adopted – December 31, 2007
- ZLAS officially with How2 campaign launched – April 30, 2008
- Stakeholder assessment of MOL-ZTP results – April 30, 2008

Department of Immigration

As at MOL, there is a tangible commitment to continuous improvement that has been fostered widely among Department of Immigration staff. The DOI has formed a business process reform team, has a functioning Integrity Committee, and is effectively using the new

computers procured for headquarters and pilot offices by the Zambia Threshold Project as well as 60 workstations by the Government of Korea, with USAID-funded operating systems, installed at other border posts. The DOI, generally led by the Chief Immigration Officer (CIO), meets weekly with ZTP staff, to assess progress, resolve implementation issues, and refine work plans. The CIO participated in the ACC's March 2007 public forum on corruption at the border. The most apparent testimony of the DOI's success is exhibited by its ability to successfully reduce the number of days required to issue visas to 3 working days from 15 days during the course of Project Year 1.

DOI Vision Statement

To facilitate and regulate the movement of persons entering and leaving the country and to control the stay of immigrants and visitors in order to contribute to the maintenance of internal security.

Main Objectives. The objectives of the Department of Immigration, with the support from the Zambia Threshold Project, are to: 1) streamline processes and regulations in order to reduce opportunities for corruption; 2) develop the institution's capacity and systems so that it can maintain a higher standard of practice; and 3) 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 ZTP work plan encompasses activities which can be grouped broadly into the following categories: institutional strengthening, implementation of ZIMS, fighting corruption, IT, Customer Service Charter/Customer Feedback System, communications, and monitoring and evaluation— which are further broken down into the below activities.

- **Institutional strengthening activities.** During the second project year, the DOI will update its training plan (*August 2007*), develop a supplemental staffing (particularly IT support staff) proposal for the 2008 GRZ budgeting cycle (*September 2007*). Other activities related to institutional strengthening include the conduct of a holistic human resources assessment, including the development and refinement of new and existing DOI staff scopes of work (*August-December 2007*), which will be synchronized with the phased roll out of ZIMS and done in close collaboration with the BPR team. The DOI, in collaboration with ZTP, will revisit the agency vision strategy document created in 2006 (*October-December 2007*) and will develop a long-term institutional strengthening plan (*January-March 2008*). The DOI will also be assisted in developing strategies to access other GRZ reform assistance, such as PEMFAR (*September-December 2007*).
- **Implementation of the Zambia Immigration Management System.** Building on the business process mapping and analysis done in Project Year 1, the Department of Immigration will implement a phased roll out of new processes and systems, including the new Zambia Immigration Management System (ZIMS) (*July-December 2007*). The phased roll out will also include tailored, ongoing training for DOI staff which will continue throughout the remaining life of the project. This will require further updating of the training plan based on experience of the re-engineered process roll out (*December 2007*). Another key milestone for the DOI in this activity area will be to designate (*September 2007*) a BPR focal point to lead the institutionalization and sustainability of the reforms implemented under the ZTP partnership (*ongoing*). The development of roll out plans for other border sites will begin in the second half of the second project year (*January 2008*) for consideration by other donors, in particular the PSD.

- **Information technology.** IT equipment procurement has been completed by the ZTP for Lusaka and Livingstone; support for Chirundu will be provided once construction of GRZ facilities there is concluded (*October 2007*). ZTP will work with the DOI to create (*July 2007*) and develop a plan for managing the inventory. The formal transfer of the equipment to the DOI will occur following USAID/Zambia's acceptance of the proposed equipment transfer plan (*December 2007*).
- **Establish a Customer Service Center at DOI Headquarters.** Construction on the Customer Service Center will begin in July 2007, with the center launch scheduled for August 2007. Computer training for front-line staff will take place in July/August 2007. To complement the CSC, the DOI will develop and implement a Customer Feedback System (*July-September 2007*). There are three phases to the systems development: the design (*July-September 2007*), system implementation (*October-December 2007*), and accompanying general computer and ZIMS training which will take place throughout the remainder of the project, including targeted training of trainers activities. The design of the Customer Feedback System will be done in close collaboration with the ZIMS design team in order to maximize synergies between the two systems.
- **Enhancing integrity and fighting corruption.** The ACC, with ZTP assistance, will continue to support the institutionalization of the established Integrity Committee within the Department of Immigration. Working with the project and ACC staff, the committee will: develop and disseminate Core Values (*July 2007*), expand Integrity Committee membership and update the IC action plan (*July-September 2007*), and prepare and submit quarterly reports to the ACC (*ongoing*). Other activities include the development (*July-September 2007*), affirmation (*July-September 2007*), and dissemination (*October-December 2007*) of a Code of Ethics, development of a Customer Service Charter (*September 2007*) and Customer Feedback System (*October-December 2007*), and the conduct of a corruption vulnerability assessment (*October-December 2007*).
- **Communications and Public Outreach.** ZTP will support the Department of Immigration in carrying out a series of communications and public outreach-related activities related to the launch of the Customer Service Charter, the Customer Service Center, the Customer Service Feedback System, and ZIMS (*ongoing*). The Zambia Threshold Project and the DOI will work collaboratively to develop a comprehensive, long-term communications strategy (*July-September 2007*) and develop a plan for continuously improving and marketing the DOI Web site (*July-December 2007*).
- **Monitoring and Evaluation.** DOI monitoring and evaluation efforts during the second project year will include review of the baseline study conducted during Project Year 1 (*July-August 2007*) and monthly data collection and reporting to the ZTP. During the period covered under this work plan, the DOI will conduct weekly progress update meetings with ZTP staff and quarterly joint reviews with the PSD. The Zambia Threshold Project will also support the DOI in conducting a mid-term corruption prevalence (*September 2007*) and final participatory assessment of ZTP-assisted activities (*April 2007*).
- **Participate in the Border Management Task Force.** The DOI will continue to work with the BMTF throughout the second project year to develop a plan and implement an accompanying system to improve coordination among border agencies (*ongoing*) to be piloted at Chirundu (*October 2007 – June 2008*).

Resource Requirements

- **Short-term Technical Assistance.** Short-term technical assistance will be provided to support ZIMS design and implementation, including preparing a plan to roll out ZIMS to nine additional border sites. Other areas for support include accessing other assistance programs, corruption vulnerability assessments, legislative and regulatory review to identify areas for improvement related to the implementation of improved customer services, and communications.
- **Training.** Training assistance will encompass principally institutional strengthening, business process reengineering, customer service, computer skills, ZIMS use and maintenance, and integrity and public outreach.
- **SAF.** Refurbishment of and the procurement of furnishings for the new Customer Service Center and Chirundu operations will be funded under the SAF.

Key Year 2 Milestones and Timing: First 90 days

- Core Values statement launched – July 18, 2007
- BPR pilot completed – August 31, 2007
- Life-of-project training plan finalized – August 31, 2007
- Customer Service Center opened – August 31, 2007
- ZIMS installed and operating in Livingstone Regional Office, International Airport, and Victoria Falls Border Control as well as Lusaka Regional Office – September 27, 2007
- Customer Service Charter finalized – September 30, 2007
- Long-term communications strategy developed – September 30, 2007

Key Year 2 Milestones and Timing: Remaining Life of Project

- ZIMS installed and operating in Lusaka International Airport – October 18, 2007
- Chirundu Regional Office and Border Control Station upgraded – November 2, 2007
- Stakeholder assessment of DOI-ZTP results – April 30, 2008

Zambia Revenue Authority-Integrity Committee and Internal Affairs Unit

Given that the primary responsibility of the ZRA is to collect fiscal revenues on behalf of the GRZ, it occupies a critical position in Zambia. However, corruption in ZRA continues to be 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. The ZRA is very much committed to GRZ' objectives to reduce inefficiencies that have facilitated administrative corruption, loss of revenues, and caused hesitation on the part of international investors.

ZRA Mission Statement

Helping the nation grow.
Maximizing and sustaining revenue collection, through integrated, efficient, cost effective, and transparent systems, professionally managed to the expectations of all stakeholders.

The Zambia Threshold Project will continue to provide assistance to three separate units within the ZRA: Customs and Excise, Internal Affairs, and Value-Added Tax (VAT). Work with Internal Affairs has been carried out under the Ruling Justly Component. Support to Customs and Excise and VAT by the ZTP is managed under Economic Freedom Component. This section describes only the activities and assistance under the Ruling Justly Component.

In Year 1, ZRA worked to strengthen its integrity in governance program, led by its Integrity Committee, as well as to strengthen its Internal Affairs Unit (IAU). The Integrity Committee was the first of all other fledgling ICs to develop a Corruption Prevention Action Plan. It was also the first to plan and lead a review of its Code of Ethics. The code was launched in March 2007 and personally disseminated border post-by-border post by the newly appointed Commissioner General. The IC participated in the ACC's March 2007 public forum on corruption at the border. It has developed a draft Customer Service or "Taxpayer" Charter scheduled for launch in August 2007. The ZRA is the only MDA to date to establish a permanent office for its IC with a dedicated staff person. The IC has also conducted a training needs assessment of ZRA staff and developed a targeted integrity in governance training plan, including a component focused on building its own capacities. The IAU has received enhanced computer and communications equipment from ZTP. The ACC Desk Officer for the ZRA indicated during the second year work planning session that the ACC is "impressed by the speed with which the ZRA is moving forward." So is the ZTP staff.

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.

- **Strengthen and institutionalize the ZRA Integrity Committee.** As significant progress has already been made in this activity area during the first project year, the focus for Year 2 will be on reinforcing and sustaining the reforms put in place primarily through staff training and sensitization and longer term planning. Specific activities include: developing and implementing its Corruption Prevention Action Plan for 2008 (*November 2007*), reviewing and refining operational manuals and processes, including the ZRA staff handbook (*ongoing*), conducting accountability workshops for ZRA staff (*October-December 2007*), preparing and submitting quarterly reports to the ACC (*ongoing*), and strengthening the ZRA's partnership with the ACC through monthly meetings (*ongoing*). The IC, with Zambia Threshold Project assistance, will conduct a pilot corruption vulnerability assessment (*September-October 2007*).
- **Support human resources and internal corporate support services.** Ongoing pilot integrity training for targeted ZRA staff will take place throughout the duration of the second project year. The ZRA will update its training plan during this period as well (*September 2007*).
- **Create a Customer Service ("Taxpayer") Charter.** The ACC, with targeted support from the Zambia Threshold Project, will work with ZRA's Integrity Committee to finalize its Taxpayer's Charter (*July-August 2007*). An extensive public outreach effort centered on the charter will address how to report demands for bribes, devise strategies to prevent corruption, and whistleblower protections. In addition, the Zambia Threshold Project will guide the ZRA through a process of developing a Customer Feedback System (*July-December 2007*).
- **Strengthen the Internal Affairs Unit.** The Zambia Threshold Project will support the ZRA's Internal Affairs Unit into the second project year by assisting them with the

development of a case management database. This activity has two phases: design (*August 2007*) and implementation (*September-November 2007*).

- **Communications.** In the area of communications, the Zambia Threshold Project's assistance to ZRA in the second project year will be to disseminate the Code of Ethics and Taxpayer's Charter (*August-September 2007*) and support outreach to ZRA staff on the role of the Integrity Committee and further sensitise them to issues of corruption. ZRA will work with TI-Z to support customer education.
- **Monitoring and Evaluation.** The ZRA's focus regarding monitoring and evaluation during the second project year will be on reviewing the results of a baseline study conducted in Project Year 1 (*July-August 2007*) as well as the future planned corruption prevalence assessments (*September 2007 and April 2008*); ZRA will also strengthen monthly data collection and review with the ZTP. During the work planning period, the ZRA will also conduct monthly progress update meetings with ZTP staff and quarterly reviews with the ZRA Commissioner General (*August 2007*).

Resource Requirements. The general resource requirements for ZRA corruption prevention activities are presented below.

- **Procurement.** The IAU case management system will be developed and installed.
- **Short-term Technical Assistance.** Short-term technical assistance is anticipated in developing a Taxpayer Education Program, conducting an institutional corruption vulnerability assessment, designing, testing, and installing the IAU case management system and the ZRA Customer Feedback System, and delivering change management training.
- **Training.** Much of the continued training for Integrity Committee members and the Internal Affairs officers will be sourced through and coordinated with the ACC.
- **SAF.** Limited SAF funds will be available to support ongoing communications and outreach efforts.

Key Year 2 Milestones and Timing: First 90 days

- Taxpayer's Charter launched – August 31, 2007
- Customer Feedback System launched – September 30, 2007
- Corruption vulnerability assessment at Chirundu completed – September 30, 2007
- Taxpayer Education Program launched – September 30, 2007
- ZRA 2008 Corruption Prevention Action Plan and budget, including communications support, finalized – September 30, 2007

Key Year 2 Milestones and Timing: Remaining Life of Project

- IAU Case Management System launched – November 30, 2007

Transparency International - Zambia

Main Objectives. The primary objective of the partnership with Transparency International - Zambia (TI-Z) is to increase awareness of the GRZ's anti-corruption efforts and to assist pilot agencies to more appropriately and effectively identify and respond to cases of corruption. TI-Z formalized its participation in

TI-Z Mission Statement

TI-Z, inspired by the need for a culture of honesty, sincerity, and accountability, will endeavor to contribute to the creation of a culture of zero tolerance for corruption and uphold good governance through research, capacity building, advocacy, and coalition building.

the ACC-led partnership to promote integrity in governance through a subcontract signed with the ZTP in early June 2007. Under this mechanism, TI-Z will design, in consultation with the ACC, Sub-Saharan Africa's first Advisory and Legal Assistance Center (ALAC), which will become an outlet for public reporting of corruption. TI-Z, as the managing body of the ALAC, will screen reports and forward to the ACC and other GRZ MDAs as appropriate for action. The ACC, on behalf of the GRZ, will periodically report on actions taken. It is the role of TI-Z to communicate this information to the public. TI-Z will also assist GRZ partners in educating customers on how to access services and report corruption.

Main Activities and Timing.

- **Establishment of an Advisory and Legal Assistance Center (ALAC).** TI-Z will design in consultation with the ACC an ALAC (*August 2007*), with the scheduled launch anticipated later in the year (*September 2007*). It will hold a review of ALAC effectiveness, including coordination with ACC and other ZTP partners (*March 2008*), and develop a sustainability plan if the ALAC merits continuation (*April 2008*).
- **Updated How2 campaigns.** TI-Z will revise existing How2 campaigns for the Department of Immigration (*October 2007*), the Ministry of Lands (*February 2008*), and integrated processes at Chirundu (*December 2007*) to reflect re-engineered business processes and incorporate newly opened Customer Service Centers and the MDAs' Customer Feedback Systems.
- **Monitoring and Evaluation.** TI-Z's focus regarding monitoring and evaluation during the second project year will be on reviewing baseline study conducted in Project Year 1 (*July-August 2007*) and reviewing monthly corruption action reports from GRZ partners as well as the mid-term (*September 2007*) and final corruption prevalence assessments (*April-May 2008*).

Resource Requirements.

- **Short-term Technical Assistance.** The project will include TI-Z in consultancies related to corruption prevention monitoring and evaluation as well as corruption vulnerability assessments.
- **SAF.** All of TI-Z's work is being conducted under a subcontract with ZTP, executed through the Strategic Activity Fund.

Key Year 2 Milestones and Timing: First 90 days

- ALAC successfully launched – September 1, 2007
- How2 campaign for DOI successfully launched – September 30, 2007

Key Year 2 Milestones and Timing: Remaining Life of Project

- How2 campaign for coordinated border processes successfully launched – Dec. 15, 2007
- How2 campaign for Ministry of Lands successfully launched – February 1, 2008

Zambia Business Forum

ZBF is primarily working the Economic Freedom initiatives, and as such is discussed in more detail in that sector of this work plan. Its partnership with the Ruling Justly Component is in promoting and participating in GRZ' anticorruption initiatives; it will also implement its own anticorruption campaign in the second project year (*September-December 2007*).

SECTION III – COMPONENT TWO – ECONOMIC FREEDOM

A. Overview

The Economic Freedom Component is focused on improving the enabling environment for business, trade, and investment in Zambia. Activity under this component is organized into two discrete but interconnected areas: Business and Investment and Border Management. Specifically, the Economic Freedom Component is working to: 1) reduce the number of days required to start a business; 2) reduce the number of days needed by GRZ to process imports and exports; and 3) establish an operational ZDA.

Key achievements of Economic Freedom partners during Project Year 1 include:

- PACRO:
 - Business registration processes streamlined and automated
 - Customer Service Center in Lusaka successfully launched
 - Provincial office in Ndola opened
- ZRA-VAT:
 - VAT registration processes streamlined and automated
- BMTF:
 - Task force constituted and proactive
 - Integrated border management process drafted
- ZRA-Customs and Excise:
 - IT hardware upgraded and ASYCUDA++ software system centralized in Lusaka mitigating trader vulnerability
- ZABS:
 - Automated system developed
 - Marketing manager hired and marketing plan being implemented
- PQPS:
 - Border operations upgraded
 - Import application and inspection processes automated
 - Export permit processes re-engineered and automated
- ZBF:
 - Grant negotiated and approved, implementation underway
- Web sites and intranets in use at PACRO, PCU, PQPS, ZABS, and ZBF
- PCU: M&E system developed and operational

A1. Business and Investment

Administrative bottlenecks, severely interpreted regulations, and a lack of coordination within government agencies adversely affect the business climate in Zambia. By improving efficiencies through procedural streamlining, and ensuring that the private sector is aware and comfortable with the new procedures, the GRZ will greatly improve the business climate and perceptions of doing business in Zambia, saving both businesses and the government money as well. Specifically, under the ZTP, GRZ is reducing the number of steps and time it takes to register a business, transfer title to land, meet quality and pest standards, and register for a VAT number.

Similarly, 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.

Government agencies must be coordinated and linked together to facilitate certain transactions. The Patents and Commercial Registry Office (PACRO), the VAT department at the ZRA, the Zambia Development Agency (ZDA), and the Zambian Business Forum (ZBF) are the focus institutions for this sub-component.

Together improvements in the business registration processes at PACRO and VAT have enabled the GRZ to meet its target of a business registration process requiring no more than 10 days.

A2. Border Management

The ultimate goal of this sub-component is to improve the coordination and efficiency of operations of Zambian border agencies to facilitate trade and the passage of goods and persons entering, leaving, and transiting Zambian borders. A strong emphasis of current and future ZTP efforts is on developing a strategy of informed, voluntary compliance within GRZ border regulatory agencies. 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 individuals and corporate customers that are voluntarily compliant.

Border management activities have focused on collaborative efforts to produce results jointly between the ZTP and counterpart GRZ agencies, led by the ten-member Border Management Task Force (BMTF), and complemented by the Comprehensive Integrated Tariff System (CITS) and ZRA's risk management initiatives, including the Authorized Economic Operator Program. Representatives from each of the ten BMTF agencies have been mapping and redesigning processes to improve coordination and efficiency. The planned roll out at Chirundu continues to be delayed by the slow construction of new facilities there. The Zambia Threshold Project also completed an assessment of required improvements to modernize the Nakonde Border Post toward the end of Project Year 1.

B. Detailed Technical Institutional Action Plans – Component Two

B.1 Business and Investment

Patents and Commercial Registry Office (PACRO)

One of the key objectives of the GRZ is to reduce the number of days required to start a business at the Patents and Commercial Registry Office (PACRO) which issues the approval for the name of the business then issues a registration certificate. At the start of the project, the registration process took an average of 11 days, the applications could only be processed in Lusaka, and the records were difficult to access.

Main Objectives. To streamline processes, reduce time, make services more accessible, and communicate process improvement to improve public perceptions. The net result will be an increase in the number of business registrations and a reduction in the cost of doing business.

Year 1 was a very successful one in the PACRO/ ZTP partnership. Process automation has improved tracking and transparency dramatically. The time to register a business has been reduced to an average of three days. To make the service more accessible, a Customer Service Center was opened in Lusaka and a regional office was opened in Ndola. In Year 2, PACRO will make the service even more accessible by expanding the Lusaka Customer Service Center, opening additional regional offices, and enabling electronic submission of applications.

Main Activities and Timing. Specific Year 2 activities will focus on building on prior achievements and scaling up reforms to other regions, including:

PACRO on Progress To-Date

“Not only have we reduced the time needed to register a business and made the process more transparent thanks to ZTP assistance, we now know how long it takes and how to improve further.”
Mr. Makumba, PACRO

- **Systems upgrades.** Substantial work to automate processes was undertaken in Year 1. Early in Year 2, ZTP will support the upgrade of PACRO’s software system to further simplify business registration processes and enable on-line registration (*January 2008*); the latter will include a review and potential simplification of forms. The project will provide technical assistance to develop a plan to enable electronic data exchange between PACRO and other GRZ agencies such as ZRA, the ACC, and ZDA (*September 2007*) and then implement it (*October 2007*). PACRO staff will also be trained in the processing of on-line applications (*December 2007-February 2008*).
- **Institutional strengthening.** PACRO will continue to improve its Customer Service and strengthen its organization by developing a Code of Ethics, Customer Service Charter, and a customer feedback system (*September-November 2007*).
- **Open provincial offices.** PACRO will formally launch its Ndola office in August 2007. Other offices will be opened in Livingstone (*September 2007*) and Chipata (*December 2007*).
- **Communications Strategy.** The PSD program is supporting a PACRO communications program; ZTP will support PACRO in reviewing and improving it (*August-September 2007*). ZTP will also support the preparation of a longer-term business strategy for the organization (*October-December 2007*).

Resource Requirements

- **Procurement.** Substantial hardware and software were procured for PACRO in Year 1. Fine-tuning of internal systems and online services will be provided in Year 2, along with both hardware and software for the provincial offices. Additional procurement is not anticipated in Year 2. The formal transfer of ZTP-procured equipment to the PACRO will occur following USAID’s acceptance of the proposed equipment transfer plan (*December 2007*).
- **Short-term Technical Assistance.** Short-term technical assistance is anticipated in the refinement of the business registration system, development of the customer feedback system, customer service charter, and long-term business strategy.
- **Training.** ZTP will support training/mentoring of PACRO staff as described above.

Key Year 2 Milestones and Timing: First 90 days

- Version 2 process for registering a business implemented – August 31, 2007

- Communications strategy reviewed – September 30, 2007
- Livingstone office opened – September 30, 2007

Key Year 2 Milestones and Timing: Remaining Life of Project

- Electronic data transfer with other GRZ agencies enabled – October 31, 2007
- Code of Ethics, Code of Conduct, Customer Service Charter, and customer service feedback system implemented – November 30, 2007
- Chipata office opened – December 30, 2007
- On-line processing of registration applications enabled – February 28, 2008
- Participatory impact assessment of PACRO-ZTP activities conducted – April 30, 2008

Zambia Revenue Authority-Value-Added Tax Division

At the beginning of the project the VAT registration process took 21 days. It was neither efficient nor transparent and the 21 days represented lost revenue for the business.

Main Objectives. To assist ZRA-VAT in making the process faster, more efficient, more transparent, and more accessible, and hence reduce the cost of starting a business.

ZRA Mission Statement

Helping the nation grow. Maximizing and sustaining revenue collection, through integrated, efficient, cost effective, and transparent systems, professionally managed to the expectations of all stakeholders.

Main Activities and Timing. ZTP began working with the VAT Division in October 2006. With the leadership of the Commissioner of VAT, the registration process has been reduced from 21 days to 3 days in ZRA's Lusaka Headquarters. To draw attention to the new process and make the service more accessible, ZRA's Lusaka Customer Service Center was renovated. The center's official launch, along with the launch of the ZRA Code of Ethics, took place on March 27, 2007. The launch was conducted by The Honorable Vice President of Zambia, Rupiah Banda.

In Year 2, ZTP will provide technical assistance to ZRA to implement the new registration process in regional offices. The goal is to make the VAT registration process consistent and fast across Zambia, requiring no more than 2 days.

- **ZRA-VAT pilot site process review.** ZTP will work with VAT to review existing processes and identify and implement opportunities for improvement (*September-December 2007*).
- **Expand new VAT process to designated outposts.** VAT will develop a plan to implement the new process in the VAT regional offices (*November 2007*). The new process will be implemented by in the regional offices (*February-May 2008*).

Resource Requirements.

- **Procurement.** Workstations and furniture were procured in Year 1 for the refurbishment of the Customer Service Center. No additional procurements are planned for Year 2.
- **Technical Assistance.** No short-term technical assistance is anticipated.
- **Training.** Training will be provided primarily by the Business Process Improvement Specialist, Steve Cox.

Key Year 2 Milestones and Timing: Remaining Life of Project

- VAT process further improved in Lusaka Headquarters – December 31, 2007
- Re-engineered processes implemented at designated VAT regional offices – May 31, 2008
- Participatory impact assessment of ZRA-ZTP activities conducted – April 30, 2008

Zambia Development Agency

The merger of the Export Board of Zambia, the Small Enterprises Development Board, the Zambia Export Processing Zone Authority, the Zambia Investment Center and the Zambia Privatization Agency into the single Zambia Development Agency (ZDA) was signed into law in July 2006. The ZDA is intended as a

ZDA Mission Statement

To become a premier one-stop shop for business in Zambia.

one-stop-shop to support business, particularly investors, in Zambia. The five agencies were officially closed at the end of 2006 and most staff retained on two successive three-month contracts to ZDA to carry out essential functions until the full ZDA is organized.

Many activities listed in the Project Year 1 work plan for support to ZDA were successfully completed. ZTP provided assistance in assessing agency assets and liabilities as well as legacy IT resources. ZTP also proposed initial staffing configurations, with job requirements and salary ranges, as well as assisted in advertising for the Chief Executive Officer, as yet undesignated. The ZTP also prepared a report summarizing private sector criteria for ZDA organization and focus, based on the June conference sponsored by the ZBF on the ZDA. Network cabling of the ZDA offices was initiated.

Main Objectives. To support ZDA start up.

Main Activities and Timing.

- **Organizational development.** A strategic planning workshop will be held with ZDA senior management (*August 2007*). A functional assessment, to be undertaken with senior management and following the designation of the CEO, will require two months of time and will ensure that the new agency is providing the services required by its mandate and vision most efficiently. Results will feed into human, technical, and systems requirements, monitoring and evaluation, and ZDA's communications strategy including its ZTP-supported Web site (*October 2007*). The ZDA's final organizational structure and salary grid will be developed with support from ZTP as needed (*November 2007*). ZDA will also develop a Code of Ethics and a customer feedback system as appropriate (*October 2007*).
- **Support effective management.** ZTP will support the strengthening of ZDA operations by advising on the introduction of management information systems taking account of the agency's revised mission and streamlined procedures. (*December 2007*)
- **Improve management information systems.** ZTP is supporting the installation of a local area network (LAN). The network installation will be complete in July 2007. The ZTP will also procure 45 workstations and 2 servers on behalf of the ZDA (*August 2007*). Five computers from the former agencies will be salvaged and the EU will donate an additional 10 computers and a server. ZTP will also support the procurement and

installation of an accounting system (*August 2007*). A key to effective performance will be the link between the customer feedback system and ZDA performance management systems. (*December 2007*)

- **Build capacity of ZDA staff.** Shortly after the full staff comes onboard, ZDA will provide them with an orientation and basic IT skills training. ZTP will also agree with ZDA, a schedule for other training needs identified, including technical, customer service, team building, management information systems, and M&E training. (*October 2007*) Training for ZDA staff will be ongoing throughout the remainder of the project.
- **Adopt a communications strategy.** As a new agency, it is crucial that ZDA communicate effectively its purpose and standards to both investors and the business community, and to other GRZ agencies with which it will interact. A key to communications will be messaging to develop a “ZDA identity” which the staff can embrace and project, and to promote service commitments and the customer feedback system. (*December 2007*)
- **Institutionalize monitoring and evaluation.** Monitoring performance to guarantee continued success and a high level of service delivery will be all-important for the agency tasked to represent Zambia to the world business community. The ZDA Board is keen to develop both short- and medium-term strategic plans for the new agency, and a full M&E system to support the achievement of established targets. Quarterly performance reviews with stakeholders will be included in the M&E strategy, and ZBF will survey the private sector on ZDA performance six months after it officially launches. (*September 2007-April 2008*)

Resource Requirements

- **Procurement.** ZTP provided ZDA with 45 computers, printers, and other hardware, as well as a Web site and cabling of the ZDA offices, in Year 1. No further procurement is anticipated in Year 2.
- **Short-term Technical Assistance.** Short-term technical assistance is programmed to complete the agency functional assessment begun in Project Year 1.
- **Training.** ZTP will support training of ZDA staff as described above.
- **SAF.** ZTP will provide IT and other office furnishings and accounting software to ZDA in Project Year 2.

Key Year 2 Milestones and Timing: First 90 days

- Functional assessment completed – August 31, 2007
- ZDA strategy defined – August 31, 2007
- ZDA procedures and operating manual adopted – September 15, 2007
- Communications and M&E strategies developed – September 30, 2007

Key Year 2 Milestones and Timing: Remaining Life of Project

- Organizational structure and job descriptions for full staff finalized – October 31, 2007
- Job evaluation and conditions of service for full staff finalized – October 31, 2007
- ZDA Web site launched – October 31, 2007
- Customer Service Feedback System in place – December 31, 2007
- Participatory impact assessment of ZDA-ZTP activities conducted – April 30, 2008

Zambia Business Forum

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. In each of the ZTP components, the project will engage the leadership of the Zambia Business Forum (ZBF) to help guide, monitor, and evaluate the process and progress.

During Project Year 1, ZBF utilized resources from its \$326,000 grant from ZTP to refurbish its new office space, procure an accounting package specifically designed for its operations, and recruit a program coordinator (seconded from ZTP) to oversee ZTP-related activities, including managing ZBF's grant with ZTP. The grant will provide resources for ZBF to get input from the private sector on a wide variety of issues and make policy recommendations to the GRZ. The first activity carried out under the grant was the ZDA forum hosted in June 2007. Remaining activities will take place in Year 2.

Main Objectives. To help the ZBF effectively critique and support GRZ's economic development goals and policies.

Main Activities and Timing.

- **Undertake selected participatory assessments with its private sector members to analyze and articulate policies and advance positions on behalf of private sector.** Identified studies will include:
 - Implementation of ZDA Act,
 - Implementation of Citizen Economic Empowerment (CEE),
 - Development of proposals for reducing the cost of doing business in Zambia,
 - Study on impact of Economic Partnership Agreements (EPAs), and
 - Comparative cost-benefit analysis of Zambia's membership in SADC and COMESA.
- **Enhance ZBF's capacity in creating awareness on issues of concern to the private sector.** Effective communication is essential to the efficient delivery of ZBF activity as it relates to its mandate under the ZTP. The ZBF will be measured by its ability to communicate with and on behalf of the private sector on pressing relevant issues. ZBF will utilize ZTP assistance to upgrade certain "quick fix" communications issues like the Web site and ZBF marketing material. ZBF will develop a longer term communications strategy and ZTP will help meet specific training needs. (*ongoing*) It will also finalize design and begin implementation of an anticorruption campaign (*September-December 2007*). ZTP will also provide technical assistance to the ZBF in evaluating the impact and effectiveness of the campaign.
- **Improve accounting systems and human resources.** Accounting systems and human resource improvement activities were mostly completed in Project Year 1. The new accounting system will be fully operational in July 2007.

Resource Requirements

- **Short-term Technical Assistance.** ZTP funding for the seconded policy analyst/project coordinator will continue through April 2008. ZTP will also provide support to ZBF in developing its long-term communications strategy.
- **SAF.** ZBF has a grant through the ZTP SAF to undertake project-related activities.

Key Year 2 Milestones and Timing: First 90 days

- E-conference on costs of doing business in Zambia concluded – July 18, 2007
- Anti-corruption media campaign launched – August 31, 2007

Key Year 2 Milestones and Timing: Remaining Life of Project

- ZBF Web site upgraded – October 31, 2007
- Participatory impact assessment of ZBF-ZTP activities conducted – April 30, 2008

Program Coordinating Unit

The Program Coordinating Unit (PCU) is the secretariat of the Steering Committee of the Private Sector Development Reform Program (PSDRP), whose aim is “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).

Main Objectives. To build the capacity of the PCU to carry out its mandate and leverage its position to reinvigorate the reform process.

Main Activities and Timing. ZTP support to the PCU in Year 1 covered three areas: 1) strengthening relations with the working groups; 2) improving communication; and 3) improving the PCU’s M&E capacity. In November 2006, ZTP assisted the PCU in strengthening the PSD Working Group by hosting a workshop to develop their missions and work plans. In February 2007, ZTP delivered a Web site and content management training to assist the PCU in communicating with partners. ZTP also worked with the PCU to design and install an M&E system (February 2007) which made it easier to exchange information with the PSD Working Groups.

All activities planned for Year 1 were successfully completed. The PCU has requested technical assistance for the development of a PCU logo (*August 2007*).

B.2 Border Management

Border Management Task Force

The Border Management Task Force (BMTF) was established with ZTP support to drive the process of integration and coordination of the border-clearing agencies. The task force consists of members seconded from ten border agencies, on a full or part time basis.

Main Objectives. The BMTF was designed to meet the objective of reducing the time and cost of importing and exporting goods at Zambia’s borders, piloting improvements initially at Chirundu.

The BMTF: Working Together at the Border

- 1) Department of Immigration
- 2) Environmental Council of Zambia
- 3) Interpol
- 4) Ministry of Agriculture and Cooperatives:
Plant Quarantine and Phytosanitary Service*
- 5) Department of Agriculture and Cooperatives
- 6) Ministry of Health -Environmental Health Department
- 7) Pharmaceutical Regulatory Authority -
- 8) Siavonga District Council
- 9) Zambia Bureau of Standards*
- 10) Zambia Revenue Authority -Customs and Excise Division*

* Full-time representation

Main Activities and Timing. The BMTF's major achievement in Year 1 has been its ability to bring together all the relevant players and get agreement on guiding principles and overall border integration architecture. Key processes have been mapped and integration alternatives identified. By increasing awareness of overlap and potential for practical cooperation, the BMTF has energized the border agencies to move ahead. Further progress is potentially limited by infrastructure constraints at the borders, but ZTP-supported BMTF accomplishments in Year 2 will be significant:

- **BMTF strengthening, and member training and development.** ZTP will support the BMTF to sustain and increase its effectiveness throughout Year 2, including periodically re-evaluating task force membership, producing monthly progress reports, participating in national trade facilitation working group meetings, and providing input to ASYCUDA++ selectivity profiles (*July 2007-May 2008*). The ZTP will also support the BMTF where applicable in providing on-the-job business process mapping and re-engineering training to new members (*July 2007-May 2008*). ZTP resources permitting, the BMTF will also identify ways in which to gain exposure to relevant international border management operations best practices (*tentative, November 2007*).
- **Support border agency clearance processes re-engineering.** A draft Integrated Border Process (IBP) was prepared in Year 1. The IBP serves as a roadmap to clearance integration. In Year 2, feedback on the proposed process will be solicited (*July-August 2007*). The new process will be tested at Lusaka International Airport (LIA) (*September 2007*) with full implementation to follow shortly thereafter. Developing and implementing an outreach campaign to publicize the re-engineered processes will be an integral part of successfully rolling out these reforms. The outreach campaign will coincide with the phased roll out of the IBP (*July-September 2007*). The integrated process will be subsequently tested and launched at Chirundu (*October-November 2007*).
- **Establishment of interagency ASYCUDA++ selectivity.** In the context of the IBP, adding an interagency selectivity function to ASYCUDA++ will help improve risk management and reduce border processing time by facilitating determination of jurisdiction and priority. ZTP will assist the BMTF in developing a strategy/concept design for the ASYCUDA++ upgrade (*August 2007*), fostering sufficient buy-in from BMTF member agencies and other relevant stakeholders. Commodity profile information, or tariff classification, will be collected (*September 2007*) and agency profiles will be developed and tested (*September 2007*). The upgraded system will be rolled out with monthly reviews of the agency profile performance (*October-November 2007*).
- **Publish acts and regulations on the Internet.** BMTF will obtain permission from the GRZ to publish selected acts and regulations on the Internet (*August 2007*). Once necessary permissions are obtained, the information will be entered into a temporary database (*August-September 2007*) and subsequently published (*September 2007*). Publishing acts, regulations, procedures, and fees on the Internet will make importing and exporting procedures more transparent, and in turn, further reduce the cost of doing business, opportunities for corruption, and improve perceptions of corruption.

Resource Requirements

- **Procurement.** Significant procurement was provided in Year 1. In year 2 ZTP resources will be utilized only to refurbish facilities at Chirundu.

- **Short-term Technical Assistance.** Support to border management IT system improvement will be provided by long-term ZTP staff. No additional short-term technical assistance is presently envisioned.
- **Training.** ZTP will support training of BMTF partners as described above, including assisting BMTF to leverage training resources from other sources as possible and relevant.
- **Subcontracts/Grants.** Subcontractor Alpha XP's services will be used in the design of public interface to the border management information system.

Key Year 2 Milestones and Timing: First 90 days

- ASYCUDA ++ selectivity profiles established – August 31, 2007
- Integrated Border Process (IBP) approved by all border agencies – August 31, 2007
- IBP pilot at LIA carried out – September 15, 2007
- Full implementation of IBP at LIA completed – September 30, 2007

Key Year 2 Milestones and Timing: Remaining Life of Project

- Integrated process for permit issuance designed – October 31, 2007
- Integrated process for permit issuance implemented – February 28, 2008
- ASYCUDA++ upgraded to include interagency selectivity – November 30, 2007
- Participatory impact assessment of BMTF-ZTP activities conducted – May 31, 2008

Zambia Revenue Authority-Customs and Excise Division

The primary responsibility of the Zambian Revenue Authority (ZRA) is to collect tax revenues for the GRZ. 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 GRZ's objectives to reduce inefficiencies that have facilitated administrative corruption, loss of revenues, and caused hesitation on the part of international investors.

Main Objectives. ZRA-Customs is the GRZ agency which has primary responsibility for the movement of goods across borders. A primary goal of ZTP is to reduce the time for importing and exporting by 50 percent. Customs is the lead agency in this endeavor. The goal of ZTP and ZRA-Customs is to reduce the time required while maintaining the ZRA's mandate to protect Zambian citizens and generate revenue.

Main Activities and Timing. The main ZTP and ZRA-Customs activities for Year 2 include:

- **Systems upgrades.** Centralization of the ASYCUDA system will speed up transit times by allowing bonds to be cleared more quickly (*July-October 2007*). Additional improvements programmed for Project Year 2 include: 1) upgrading ASYCUDA to version 1.18e, which will improve the efficiency of the system and provide additional system functionality, such as selectivity, and allow for integration with the other border agencies, including with Zimbabwean agencies which are of strategic interest for the GRZ (*August-October 2007*); 2) further improving customs clearance processes; 3) implementing ASYCUDA++ upgrades at Lusaka-Port (*August-October 2007*) and LIA (*August-November 2007*); 4) upgrading to MODCAR, which will enable air cargo carriers

arriving at LIA to transmit their cargo manifests electronically in ASYCUDA++ and, in turn, speed up clearance times (*September 2007-February 2008*); and 5) upgrading to enable a digital repository for cargo clearance documents, which will allow importers and exporters to submit supporting documents to ZRA electronically rather than sending hard copies of the documents to the border (*April-May 2008*).

Additionally, ZTP will help establish a relationship between ZRA and select commercial banks so that clients can electronically transfer tax payments directly to ASYCUDA++ (*August-February 2007*). All of the above-listed reforms will further reduce the time required to import and export goods. Ongoing troubleshooting and business process improvement will continue throughout the life of the project.

- **Compliance Management Phase II.** A compliance management program will give ZRA the data it needs to create a risk management program. Phase I of compliance management was completed in Year 1 of the project. In Year 2, the project will assist ZRA by designing and conducting Post Clearance Audit technical training. The technical assistance will include guidelines for the implementation of a compliance management program. (*August-November 2007*)
- **Accredited Clients Program.** The accredited client program will reduce administrative barriers and make the import and export of goods faster for ZRA's largest customers. The program will be launched (*August 2007*) and will lead to accreditation for selected companies under the World Customs Organization Authorized Economic Operator Program (*February 2008*).
- **Develop sustainability strategy for new system and processes.** A strategy for institutionalizing reforms implemented during the course of the project will be collaboratively developed during the second half of the second project year (*February-March 2008*). ZRA and ZTP will also develop a strategy for rolling out ZRA-Customs systems and process reforms to other border stations. (*April-May 2008*)

Resource Requirements.

- **Short-term Technical Assistance.** Short-term technical assistance is anticipated in implementing ZRA's risk management and Accredited Client programs, ASYCUDA functional support, and linking ASYCUDA to commercial financial institutions.
- **Training.** Training will be coordinated by Rodrigo Crespo.
- **SAF.** Renovations, including the provision of certain furnishings, to ZRA offices at Chirundu, LIA, and the Lusaka-Port are planned for Project Year 2. The formal transfer of ZTP-procured equipment to the ZRA will occur following USAID's acceptance of the proposed equipment transfer plan (*December 2007*).

Key Year 2 Milestones and Timing: First 90 days

- Accredited clients program launched – August 31, 2007

Key Year 2 Milestones and Timing: Remaining Life of Project

- ASYCUDA++ centralized – October 31, 2007
- ASYCUDA++ system upgrade completed – October 31, 2007
- Compliance Management (CM) Phase II implemented – November 30, 2007
- ASYCUDA++ reconfigured and new clearance processes implemented at LIA and Lusaka Port - November 30, 2007

- Accredited Clients Program - February 28, 2008
- Electronic Tax Payment negotiated - February 28, 2008
- ASYCUDA++ MODCAR implemented at LIA – February 28, 2008
- Sustainability strategy developed – March 30, 2008
- Roll out plan to other stations developed – May 30, 2008
- Digital repository for cargo clearance documents developed – May 30, 2008
- Participatory impact assessment of Customs-ZTP activities conducted – May 31, 2008

Zambia Bureau of Standards

The Zambia Bureau of Standards (ZABS) protects Zambian citizens by establishing and enforcing product standards. There are over 500 product standards in Zambia. Only about 10 percent of these are mandatory. ZABS inspects and tests products which have mandatory standards. In addition to writing or adopting standards and inspecting products, ZABS also certifies products as meeting a standard and provide labs services.

Main Objectives. One of the overall objectives of ZTP is “to reduce the number of days required to import and export products.” In this context, ZTP assistance will be focused on streamlining border inspections and clearance processing at ZABS.

Main Activities and Timing. Key ZTP activities with ZABS in Year 2 include:

The Leader of the Pack

“By June 2008, we will be the regional benchmark for a modern standards e-office.”--Mr Mukebai, ZABS CEO

- **Increase efficiency of inspections.** Building on the work undertaken in Year 1 to establish a baseline for the existing Import Quality Monitoring System, ZTP will facilitate the streamlining and re-engineering of inspections procedures to reduce the time and cost of border-crossing (*October 2007*). Streamlining ZABS inspections will be consistent with ongoing work by the BMTF.
- **Prepare ZABS for ISO-9000 certification.** To improve the quality of ZABS services, ZTP will support, with specialized technical assistance, the agency’s preparation for ISO-9000 certification (*August 2007-April 2008*). This will entail both technical assistance from an established certification program and some form of affiliation with an internationally-recognized company. ZTP will also assist ZABS in preparing a plan for additional ISO certification, which the agency can then present to potential donors.
- **Upgrade IT systems.** ZTP provided ZABS with workstations, servers, an Intranet, and a Web site in Year 1, which have greatly improved efficiency. To further support the re-engineering of ZABS border-clearing, ZTP will assist the agency in implementing a workflow system for automating the inspection and standards writing processes. (*September 2007*)
- **Improve marketing strategy.** In Year 1, ZTP supported improved ZABS communications through the development of a communications strategy and the recruitment of a marketing manager. To continue the transformation of ZABS, ZTP will assist the agency in refining its comprehensive marketing strategy including a branding strategy and guidelines. (*December 2007*)

Resource Requirements

- **Procurement.** ZTP provided significant IT support, including equipment, to ZABS in Year 1. No further procurement is anticipated in Year 2.
- **Short-term Technical Assistance.** Short-term technical assistance is anticipated in ISO 9001 certification and communications support.
- **Training.** ZTP will provide training to ZABS staff as required by the changes to systems and procedures described above.
- **SAF.** Funds will be used for the refurbishment of ZABS' conference room and building. The formal transfer of ZTP-procured equipment to the ZABS will occur following USAID's acceptance of the proposed equipment transfer plan (*December 2007*).
-

Key Year 2 Milestones and Timing: First 90 days

- ZABS Web site launched – July 31, 2007
- Plan for ISO-9000 preparation agreed with ZABS – August 31, 2007
- Automated inspection and standards writing process operational – September 30, 2007

Key Year 2 Milestones and Timing: Remaining Life of Project

- Customer service feedback system introduced – October 31, 2007
- IQMS improved – December 31, 2007
- Marketing campaign launched – December 31, 2007
- ZABS systems upgraded in line with ISO-9000 – February 28, 2008
- Participatory impact assessment of ZABS-ZTP activities conducted – April 30, 2008

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

Main Objectives. To improve the efficiency of the inspections and the coordination with the other agencies to reduce the transit time at the border while meeting the responsibility of their mandate. In addition to improving the border process, ZTP has been working with PQPS to build the capacity of the organization.

What is Good for PQPS is Good for Zambia

"One year from today, we will see a tenfold increase in international trade interest, lots more enquiries from abroad, and a different image of PQPS as a facilitator of market access."--Mr Sekala, PQPS

In Year 1, ZTP: 1) procured reference material and refurbished the PQPS resource center; 2) installed a local area network (LAN) at the agency; 3) procured workstations and servers; 4) provided basic computer training; 5) provided Pest Risk Analysis (PRA) training; 6) supported an SPS expert in developing operations and inspections manuals; and 7) launched a Web site and provided content management training; and 8) designed an Intranet and automated processes for inspections and import permit applications.

Main Activities and Timing. In Year 2, PQPS, with targeted support from ZTP, will:

- **Conduct a legal review.** ZTP will support a review of the existing SPS legislation in Zambia. (*July 2007*)

- **Participation in WTO meetings.** ZTP will sponsor three international trips for PQPS officials to attend WTO meetings Geneva (*October 2007*) and one other location to be determined.
- **New SPS manuals.** Procedural and training manuals were produced for PQPS in Year 1. Immediately upon official adoption of the manuals, they will be published and disseminated to all PQPS staff. (*August 2007*)
- **Procure equipment.** Inspection equipment requirements were identified and partly procured in Year 1. Delivery of outstanding equipment will occur in Year 2. (*October 2007*)
- **Pest risk assessment training.** In Year 1, ZTP undertook a broad assessment of PQPS's procedures and established gaps in trade monitoring practice. As part of the review process, some training was provided to explore modern risk assessment for effective SPS controls of border-crossing. Further training will be supported by ZTP in Year 2 to upgrade the skills of PQPS staff to implement efficient pest risk assessment (*November 2007*) and eventually constitute a pest risk assessment team (*December 2007*).
- **Communications strategy development.** The role of PQPS is not always understood or appreciated by traders and the public. The service needs to build up its image by developing core values and monitoring client service commitments, and publicizing its activities. ZTP will assist PQPS in developing a communications strategy (*October 2007*), introducing a customer service feedback system (*September 2007*), designing a monitoring and evaluation plan (*September 2007*), and identifying appropriate facilities to support compliance with PQPS. The Web site developed in Year 1 will play an integral part in PQPS's communications and will be launched formally early in Year 2 (*September 2007*).

Resource Requirements

- **Procurement.** ZTP provided PQPS with important IT and technical equipment in Year 1, including a Web site and the automated permit application and inspections system.
- **Short-term Technical Assistance.** Short-term technical assistance is anticipated in the conduct of a legal review of SPS legislation, communications, and pest risk assessment.
- **Training.** ZTP will support training of PQPS staff as described above.
- **SAF.** SAF funds will be used for international and domestic conferences, the procurement of equipment, direct marketing billboards, and PRA training. The formal transfer of ZTP-procured equipment to the PQPS will occur following USAID's acceptance of the proposed equipment transfer plan (*December 2007*).

Key Year 2 Milestones and Timing: First 90 days

- Legislative review completed – July 31, 2007
- Manuals published and distributed – August 31, 2007
- Web site officially launched – September 30, 2007

Key Year 2 Milestones and Timing: Remaining Life of Project

- Pest risk assessment training delivered – November 30, 2007
- Communications campaign launched – November 30, 2007
- PRA team in place – December 31, 2007
- Participatory impact assessment of PQPS-ZTP activities conducted – May 31, 2008

SECTION IV - ZTP STAFFING AND MANAGEMENT

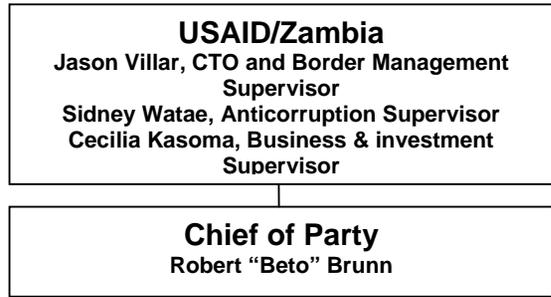
To effectively achieve intended Zambia Threshold Project results within the two-year timeframe, a carefully coordinated, vigorous, and dynamic management approach has been needed. USAID/Zambia is to be credited with the formation of a supervisory team that has rapidly responded to the ZTP team's request for approvals and clearances, as well as providing invaluable strategic and technical assistance in focusing project resources. It has been available and when needed led discussions to set priorities and engage ZTP resources. That team is led by Jason Villar, as Cognizant Technical Officer (CTO), with Sidney Watae, as the anticorruption supervisor and Cecilia Kasoma as the business and investment supervisor.

With the ZTP itself, the Chief of Party, Robert "Beto" Brunn, has been responsible for overall project coordination and management, including maintaining this approach, throughout the first project year. The day-to-day management of specific tasks related to each component has remained with the component leaders Charles Lengalenga (Ruling Justly Component) and Kim Shelsby (Economic Freedom Component).

Having a fluid staffing configuration has also allowed the ZTP to be more responsive to the needs of the GRZ agencies and other implementing partners it is working to serve. During the first project year, long-term staffing positions were added in communications, IT and IT customs support, operations, monitoring and evaluation, and training. Each long-term manager is 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 where relevant, coordinate with the SAF Manager when SAF funds are required for their specific activities. Exhibit 3 illustrates the updated ZTP staffing chart. In Project Year 2, ZTP executive management will reevaluate staffing needs frequently to make the most effective use of limited resources possible during this critical, final period.

Role of the ZTP executive team. The ZTP Executive Team is responsible for timely decision making, coordinating activities, and holistically managing project resources including short-term technical assistance, and equipment procurement, grants, and subcontracts through the SAF. Given the fast-paced nature of ZTP activities, the executive team meets every Monday to check in with each other on progress towards implementation of the project work plan, the status of on-going short-term technical assistance, future scopes of work, subcontracts, grants, and other SAF-related activities as well as share feedback and concerns from GRZ and civil society partners. This weekly meeting facilitates effective communication among the team, surfacing synergies between the two components, and decision making. The Chief of Party, Deputy Chief of Party and Component Two Team Leader Kim Shelsby, Component One Team Leader Charles Lengalenga, Operations Manager Claudia Panto, SAF/Grants Manager Robert Keating, Communications Manager Moges Gebremedhin, M&E Manager Enoch Shawa, Institutional Reform Manager Kunda Kalaba, Business and Investment Manager Chanda Mongo, Training Manager Julia Hoag, and Office Manager Florence Chaunga comprise the Zambia Threshold Project Executive Team.

Exhibit 3 Updated ZTP Staffing Chart



Ruling Justly Component	Economic Freedom Component	Operations	Support
Ruling Justly Component Leader Charles Lengalenga	Economic Freedom Component Leader/DCOP Kim Shelsby	Operations Manager Claudia Panto	SAF/Grants Manager Robert Keating
Anticorruption Manager Christine Munalula	Business & Investment Manager Chanda Mongo	Office Administrator Florence Chaunga	SAF Assistant Manager Rhoda Mulila
Anticorruption Manager Bradford Malumbe	Border Management Manager Sergio Riveros	Accountant Edwin Silwamba	SAF Assistant Freda Chikonde
Institutional Reform Manager Kunda Kalaba	Customs Specialist – IT Rodrigo Crespo	Bookkeeper Evaristo Mfuta	Communications Manager Moges Gebremedhin
Corruption Prevention Advisor John Dalton	Risk Management Expert Steven Cox	Admin Asst/ Secretariat Coordinator Hope Sichone	Events Planner TBD
	Sr. Monitoring & Evaluation Advisor Brad Fuller	Receptionist / Assistants E.Kazembe N. Banda T.Mwanawina T.Mumba	Communications Specialist TBD
	Monitoring & Evaluation Manager Enoch Shawa	Drivers P. Mudenda C. Phiri S.Simba J. Piri	IT Manager Barry Scutt
	Training Manager Julie Hoag		IT Specialist Forest Beattie
	Training Specialist Cynthia Chanda		IT Specialist Alick Simungala
			Procurement & IT Assistant Jackson Kambe

