Millennium Challenge Corporation

Zambia Threshold Program Final Status Report

December 2010

MILLENNIUM
CHALLENGE CORPORATION
UNITED STATES OF AMERICA

Program Summary:

Zambia's threshold program focused on reducing opportunities for corruption in three government entities, reducing administrative barriers to business and investment, and improving border management of trade. The Zambia threshold program agreement was signed in May 2006 and concluded in February 2009. As the program administrator, USAID managed day-to-day program operations and oversaw Chemonics, the primary implementer. The threshold program partnered with nine government entities and two non-governmental organizations.

Three months after program completion, USAID provided MCC with a final report that summarizes program accomplishments. This report is primarily based on information provided by implementers and USAID program managers. An overview of the highlighted results is included below[1].

Objective #1: Reduce opportunities for corruption in three government entities

★ Threshold program reforms at the Immigration Department contributed to faster processing times for applicants who are making fewer visits to receive their permits. This, in turn, has helped to improve customer satisfaction.

★ To help disseminate information on corruption prevention activities and best practices, the Threshold Program developed a Corruption Prevention Toolkit for the Anti-Corruption Commission which continues to be in use a year after program end.

Objective #2: Reducing administrative barriers to business and investment

★ By streamlining value-added tax (VAT) registration, changing the physical layout to increase transparency (i.e. removing walls and adding in glass dividers), and providing customer service training, the customer service center at the Zambia Revenue Authority (ZRA) has produced faster processing times and improved customer satisfaction. In the 2006 World Bank's Doing Business Report, the number of days required to register for a VAT number was 22. In 2010, it was 10 days[2].

★ Zambia's Patent and Company Registration Office (PACRO) is responsible for providing business registration for all firms operating in Zambia. The threshold program significantly reduced processing time for business name registration and helped expand access to business registration services by establishing two regional PACRO offices.

---

1   Since MCC often supports ongoing reforms or supports interventions that build on existing endeavors, program results can be difficult to attribute to the Threshold Program in their entirety.

2   While the Threshold Program supported the majority of reforms that decreased processing times, not all reductions can be attributed to the Threshold Program interventions.

★ With support from the program, PACRO also publicized its newly streamlined processes and made services more accessible; registrations rose and PACRO customers noted an improvement in customer service.

Objective #3: Improving border management of trade

★ The threshold program supported the centralized use of ASYCUDA, a customs system that holds key financial and export-import data; this contributed to faster reimbursement of customs bonds and increased coordination between the border stations and the central office.

★ Due to delays in implementation and other external factors, the piloted integrated border management system was not made operational at any of the intended border locations.

★ The threshold program introduced a risk-based Accredited Customs Client Program that reduces processing times at the border for high-volume importers who conform to international best practices. This program is one of the first African Authorized Economic Operator Programs to meet World Customs Organization standards.