

# Corporate Strategic Plan

2022 - 2024

*Theme: Better Taxpayer Service, Optimized Revenues*

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## MESSAGE FROM THE CHAIRPERSON

Board Chairperson's  
photo

On behalf of the Governing Board and Management of the Zambia Revenue Authority (ZRA), I have the pleasure to present the Corporate Strategic Plan (CSP) for the period 2022 to 2024.

This Plan outlines what the Authority intends to deliver over the next three years. It sets the course for further strengthening of the Authority's pursuit of its vision to be "*a model of excellence in revenue administration and trade facilitation*". Additionally, it sets the groundwork for the development of a modern tax administration and with it, increased capacity to successfully

execute its mission to "*optimise and sustain revenue collection and administration for a prosperous Zambia*".

The guiding principle of the Plan is the integration of the mandate of the Authority as envisaged in the Constitution of the Republic of Zambia and the ZRA ACT for the purpose of contributing to the attainment of the objectives of the National Development Plan and the Vision 2030.

As a Governing Board, we are pleased to note that this Plan is a culmination of engagement with all our key stakeholders; and taxpayers, particularly, must find comfort in the knowledge that the Plan presents potential positive benefits for them in terms of customer experience and for the country at large in terms of revenue collection and trade facilitation.

ZRA, as corporate body, has not been spared from the adverse effects of the COVID-19 pandemic. However, I, on behalf of all members of the Governing Board, would like to commend Management and Staff for their rapid response in managing the situation. The Authority mobilised resources to put adequate measures in place in line with the guidelines provided by the Ministry of Health, which significantly helped to mitigate the impact of the pandemic. Although COVID-19 continues to be a threat to our livelihoods, we have confidence in the resilience of the Authority to face the future.

Among the things I would like to see realised during the life of this Plan is enhanced domestic revenue mobilisation through smart partnerships at the grassroots level, including rural areas. In this regard, partnership contracts with councils is a move in the right direction and must be built upon with other innovative collaborations.

I wish, on behalf of the Governing Board members, to thank everyone who participated in different ways the formulation of this Corporate Strategic Plan. The Governing Board is fully committed to working together with all the Authority's stakeholders to ensure the successful implementation of this Plan.

**BOARD CHAIRPERSON**

## FOREWORD BY THE COMMISSIONER GENERAL

CG's Photo

It is my great pleasure to share with you our Corporate Strategic Plan (CSP) which sets out the key priorities that will guide the Zambia Revenue Authority for the next three years ending in December 2024.

Rooted in our theme “*Better Taxpayer Service, Optimised Revenues*”, this CSP outlines our key strategies to drive us towards our envisioned organisation - “*A model of excellence in revenue administration and trade facilitation*”.

The new CSP is building on significant innovative milestones scored under the CSP 2019-2021 all aimed at easing tax administration and tax compliance, notable of which include: the in-house development of our Tax Administration system for inland taxes; the development of additional electronic platforms - TaxOnPhone, TaxOnApp and Payment via WhatsApp; and opening up of Taxpayer Service Centres at some of the major shopping malls in the country. Currently, we are at an advanced stage of another innovative milestone, the development of our own system for customs.

The development of the new CSP benefited greatly from a consultative approach at different levels, which helped us to identify the Authority’s challenges and opportunities; and enabled us to develop appropriate strategies to address them. The Plan is anchored on the following four Strategic Pillars and their respective Key Results Areas (KRA):

- i. Tax Compliance (KRA - *Enhanced revenue collection*)
- ii. Customer Focus and Collaboration (KRA - *Satisfied and knowledgeable taxpayers*)
- iii. Process Efficiency (KRA - *Simplified, efficient, and reliable business systems*)
- iv. Right People (KRA - *Committed, competent and high performing workforce*)

The top priorities of the new CSP include ensuring that the Authority is sufficiently integrated at system level with key entities locally and within the region. This, when achieved, will greatly enhance our operational efficiency.

With the continued support of all our stakeholders, we are confident that ZRA shall continue to contribute to the economic and social wellbeing of the people of Zambia.

**Dingani Banda**  
**COMMISSIONER GENERAL**

## LIST OF ABBREVIATIONS

BCM	Business Continuity Management
BIDA	Bulk Intelligence Data Analysis
BRN	Business Registration Number
CIT	Company Income Tax
CSP	Corporate Strategic Plan
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
IPL	Insurance Premium Levy
KPI	Key Performance Indicator
NRC	National Registration Card
SMM	Senior Management Members
SWOT	Strengths, Weaknesses, Opportunities, and Threats
TCC	Tax Clearance Certificate
TO2	TaxOnline (II) System
TPIN	Taxpayer Identification Number

## EXECUTIVE SUMMARY

### The Corporate Strategic Plan

This is the Corporate Strategic Plan for the Authority covering the period 2022-2024. Based on the Balanced Scorecard Model, the Plan was developed consultatively around the following Vision, Mission and Core Values:

#### Vision Statement

*A model of excellence in revenue administration and trade facilitation*

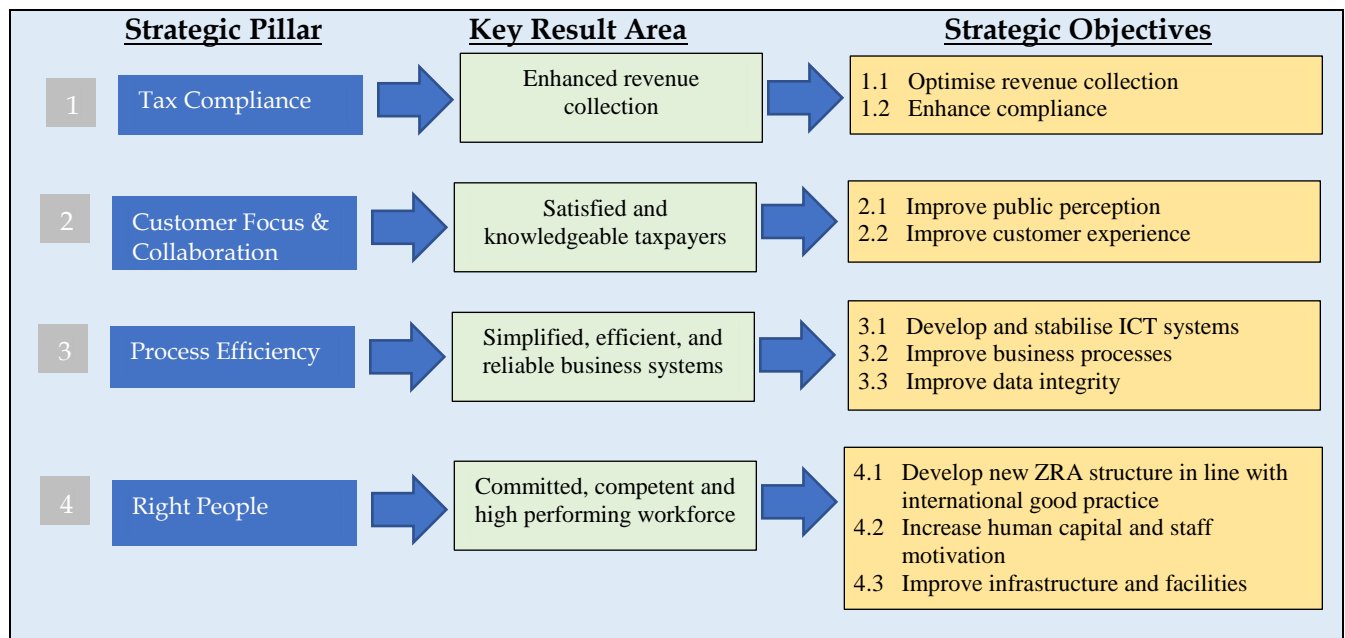
#### Mission Statement

*To optimise and sustain revenue collection and administration for a prosperous Zambia*

#### Core Values

*Taxpayer Focus*  
*Integrity*  
*Professionalism*  
*Innovation*  
*Networking*

Figure 1 presents an overview of the CSP2022-2024 in terms of strategic pillars, key result areas and strategic objectives.



**Figure 1: CSP2022-2024 Overview**

## 1. INTRODUCTION

This document presents the Corporate Strategic Plan (CSP) for the Zambia Revenue Authority for the period 2022-2024. It was developed in line with the Economic Recovery Plan, the 7<sup>th</sup> National Development Plan and the Vision 2030; and is a product of wide consultation internally and externally.

### 1.1. Background

The Zambia Revenue Authority (ZRA) was formed in 1994 through an Act of Parliament, the ZRA Act, Chapter 321 of the Laws of Zambia with the following mandate:

- To assess, charge, levy and collect all revenue due to the Government under such laws as the Minister may, by statutory instrument, specify;
- To ensure that all revenue collected is, as soon as reasonably practicable, credited to the Treasury;
- To perform such other functions as the Minister may determine.

The Authority has a Governing Board, which is appointed by the Minister of Finance in accordance with the ZRA Act. It is put in place to oversee the operations of the Authority and comprises:

1. a representative of the Secretary to the Treasury;
2. a representative of the Attorney General;
3. the Governor of the Bank of Zambia;
4. a representative of the Law Association of Zambia;
5. a representative of the Zambia Association of Chambers of Commerce and Industry;
6. a representative of the Bankers' Association of Zambia;
7. a representative of the Zambia Institute of Chartered Accountants; and
8. two other members appointed by the Minister of Finance.

The Commissioner General, as Chief Executive Officer, is responsible for the day-to-day administration of the Authority. The organisation structure for Senior Management is in Annex 2.

The Authority formulates a CSP every three years, based on the Balanced Scorecard Model, to communicate its strategic direction and priorities.



## 1.2. ZRA Past Performance

Significant milestones were scored under the CSP2019-2021, which was anchored on the following Strategic Pillars:

1. Tax Compliance – with KRA “*Enhanced revenue collection*”.
2. Customer Focus and Collaboration – with KRA “*Satisfied and Knowledgeable taxpayers*”.
3. Process Efficiency – with KRA “*Efficient, reliable and simplified business processes*”.
4. Right People – with KRA “*Committed, competent and high performing workforce*”.

The performance of the CSP2019-2021, based on all KPIs, is depicted by Figure 1.1.

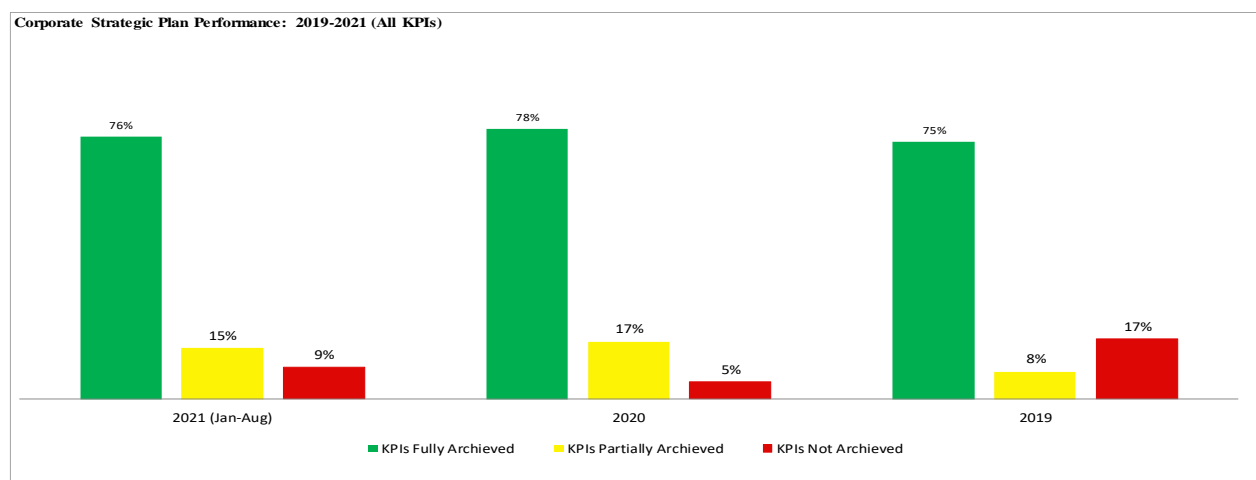


Figure 1.1: CSP2019-2021 Performance (2021 is as August)

Some significant milestones scored under the CSP2019-2021 are highlighted below:

### *Revenue Performance*

Except for the year 2020 when the Authority recorded a deficit in collections due mainly to the COVID-19 pandemic, the Authority exceeded its revenue target in 2019 and in 2021 it had exceeded its annual revenue target by the third quarter. This 2021 performance was historic and demonstrated not only the soundness of the Authority’s revenue collection strategy, but the hard work put in by everyone in the Authority.

### *ICT Innovations*

The Authority successfully developed its TaxOnline system (TO2) inhouse for the administration of domestic taxes. Additionally, the Authority introduced other electronic platforms including TaxOnphone, TaxOnApp and payment via WhatsApp to ease tax administration and tax compliance. The Authority began working on the development of a customs module on TaxOnline system to replace ASYCUDAWorld system with effect from January 2022.

The Authority migrated some core systems to the private cloud and also migrated more than 1300 staff user accounts to the more dynamic Office 365. As part of measures to respond to COVID-19, the Authority successfully provided for remote connection to enable staff to work from home.

Several business processes under Human Resource and Administration Departments were also automated through the SAP and ShareNet in order to enhance the Authority's operational efficiency.

### *Client Experience*

In order to enhance taxpayer convenience, Service Centres were opened at two shopping malls in Lusaka and one shopping mall in Kitwe. The Authority also established its presence on Facebook, Twitter, YouTube and LinkedIn to broaden interaction with its stakeholders.

### *Physical Infrastructure*

The period witnessed the development of critical infrastructure to enhance the business of the Authority. The Nakonde-Tunduma and the Kazungula One Stop Border Posts were completed and officially launched. An office block was constructed at Chinsali while four single quarter staff houses were also constructed at Kipushi and at Kashiba border posts. The Authority also acquired property for its use in different locations across the country.



Chinsali Offices



Cosmopolitan Mall Service Centre



ECL Mall Service Centre

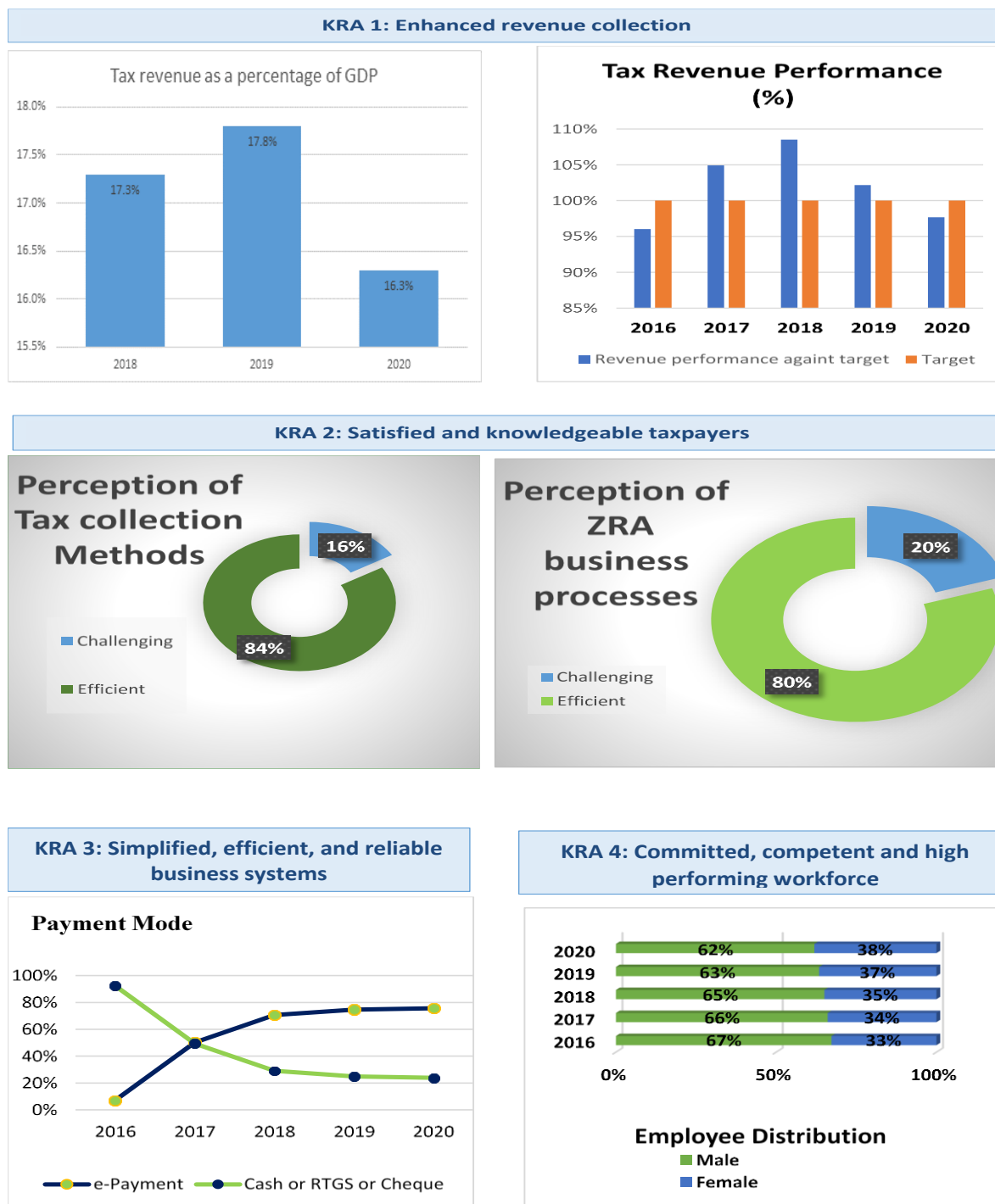
### *COVID-19 Response*

The year 2020 was adversely impacted by COVID-19 resulting in revenue performance being below target mainly as a result of concessions introduced by the Government to cushion the impact of the pandemic.

For its part, the Authority implemented several precautionary measures to mitigate the COVID-19 impact. These included: putting in place an advisory COVID-19 Response Team; configuring ICT capability for remote working; weekly staff rotations; facilitating COVID-19 testing for staff;

provision of hand sanitizers at all ZRA premises; and proper wearing of masks; among others. All these measures helped to enhance the resilience of the Authority against the pandemic.

Below are notable statistics under the four Key Result Areas of the CSP2019-2021.



## 2. UNDERSTANDING THE BUSINESS ENVIRONMENT

### 2.1. SWOT Analysis

The environmental scan culminated in SWOT analysis shown in Table 2.1.

Table 2.1: SWOT Analysis

	<i>Factors likely to lead to positive change and further improvement</i>	<i>Factors which may compromise our performance and service delivery</i>
<b>Internal</b>	<b>Strengths</b> <ol style="list-style-type: none"> <li>1. Enabling legislation</li> <li>2. Good corporate governance</li> <li>3. Competent and qualified staff (for business as usual)</li> <li>4. Electronic services (e-services)</li> <li>5. Established business processes</li> <li>6. Availability of policies and procedures</li> <li>7. Competitive employer</li> <li>8. Home grown ICT solutions</li> <li>9. Innovation's hub</li> <li>10. Existence of BIDA</li> </ol>	<b>Weakness</b> <ol style="list-style-type: none"> <li>1. Ineffective compliance risk management</li> <li>2. Limited specialized skills</li> <li>3. Weak data integrity</li> <li>4. Persistence of staff integrity challenges</li> <li>5. ICT system instability</li> <li>6. Some modules on TO2 are nonfunctional</li> <li>7. Ineffective debt management and processes</li> <li>8. Inadequate staff</li> <li>9. Inadequate infrastructure and facilities</li> <li>10. Limited geographical spread</li> <li>11. Organizational structure not aligned to international best practice</li> </ol>
<b>External</b>	<b>Opportunities</b> <ol style="list-style-type: none"> <li>1. Goodwill of Government and cooperating partners</li> <li>2. Unexploited taxpayer base</li> <li>3. Technology adoption by stakeholders</li> <li>4. Institutional collaborations</li> <li>5. Trade Protocols and Exchange of Information Agreements</li> <li>6. Growth of the digital economy</li> <li>7. Social media and artificial intelligence</li> <li>8. Increased demand for base metals</li> </ol>	<b>Threats</b> <ol style="list-style-type: none"> <li>1. Unfavourable taxation agreements</li> <li>2. Duplicated NRCs and BRNs (interface of ZRA with INRIS)</li> <li>3. Inadequate interface with government agencies, contributing to revenue leakages (interface to Govt bus</li> <li>4. Low compliance</li> <li>5. Inadequate regulatory capacity for the mining sector</li> <li>6. Economic shocks, pandemics and climate change</li> <li>7. cyber crimes</li> <li>8. terrorism</li> <li>9. Economic crimes and illicit financial flows</li> <li>10. Underdeveloped national ICT and other infrastructure</li> <li>11. Cash economy</li> </ol>

The Opportunities and Threats constitute strategic risks that are further analysed and managed through a well-structured risk management framework. The CSP is developed with the assumption that all the identified risks will be well managed to ensure achievement of the set strategic objectives.

### 2.2. Stakeholder Engagement

Both internal and external stakeholders were engaged to ascertain their perception of the Zambia Revenue Authority and provide input for the direction of the next Strategic Plan. The key issues raised were considered in identifying strategic issues addressed in this CSP. Table 2.2 is the Stakeholder Map showing the Authority's stakeholder management strategy.

**Table 2.2: Stakeholder Map**

		Keep satisfied	Keep informed, involved and contributing
Level of Power	High	<ol style="list-style-type: none"> <li>1. Civil Society</li> <li>2. Cooperating Partners</li> <li>3. General Public</li> </ol>	<ol style="list-style-type: none"> <li>1. Government vis-à-vis Supervising Ministry</li> </ol>
	Low	<b>Minimal Effort</b> <ol style="list-style-type: none"> <li>1. Media Houses</li> <li>2. Learning Institutions</li> </ol>	<b>Keep Informed</b> <ol style="list-style-type: none"> <li>1. Associations and Sector/Industry Regulators</li> </ol>
		Low	High
		Level of Interest	

### 2.3. Strategic Issues

Following review of the performance of the Corporate Strategic Plan 2019-2021, assessment of the business environment and feedback from stakeholders, ten (10) strategic issues were identified to be addressed in the development of the CSP2022-2024.

For each of the strategic issues, an analysis was carried out using the 5-WHY model to determine the root cause (see Table 2.3).

**Table 2.3: Strategic Issues and Root Causes**

STRATEGIC ISSUE	ROOT CAUSE
1. Debt remission process	<ul style="list-style-type: none"> <li>• Remission conditions are too stringent (LAW)</li> <li>• Limitations in legacy systems to enable effective data migration</li> <li>• Debt recovery module still under development</li> </ul>
2. Inadequate capacity to tax e-commerce	<ul style="list-style-type: none"> <li>• Inadequate skills on how to tax e-commerce</li> <li>• No benchmarking undertaken</li> <li>• Difficulty to provide user requirements for user enhancements of current system</li> </ul>
3. Low tax compliance	<ul style="list-style-type: none"> <li>• Inadequate resources to enhance system with deregistration Kaizen rules</li> <li>• High tax and exchange rates</li> <li>• Limited capacity to reach taxpayers</li> <li>• Lack of knowledge by taxpayers</li> <li>• High cost-benefit ratio to reach the huge informal sector</li> </ul>
4. Stabilisation of new ICT systems	<ul style="list-style-type: none"> <li>• The phased approach adopted in rolling out TO2 modules against the set deadline for the end of support for TO1.</li> <li>• Inadequate quality assurance tools and inefficient code in some functions</li> <li>• Inadequate ICT infrastructure capacity (servers, band width etc.)</li> </ul>

5. Inadequate ICT infrastructure (including cyber security)	<ul style="list-style-type: none"> <li>Below optimal funding to ZRA</li> </ul>
6. Inadequate BCP	<ul style="list-style-type: none"> <li>Below optimal funding for BCP</li> </ul>
7. Inadequate physical infrastructure and support facilities	<ul style="list-style-type: none"> <li>Lack of a structured planning framework post Budget Approval (<i>Wider consultation during reallocation</i>)</li> </ul>
8. Lack of secure - consistent funding mechanism for ZRA operations	<ul style="list-style-type: none"> <li>Current funding model</li> </ul>
9. Taxpayer register with some information gaps (incomplete demographics and data migration from legacy systems)	<ul style="list-style-type: none"> <li>Lack of Know Your Customer (KYC) system for following up on taxpayers</li> </ul>
10. Inadequate staffing levels	<ul style="list-style-type: none"> <li>Lack of proper workload analysis at functional level (no effective monitoring at this level)</li> <li>Below optimal funding to ZRA</li> </ul>
11. Cooperative Compliance	<ul style="list-style-type: none"> <li>Lack of cooperative compliance</li> </ul>
12. Organizational structure not aligned to international best practice	<ul style="list-style-type: none"> <li>Previous organizational changes and restructurings</li> </ul>

### 3. VISION, MISSION AND VALUES

The following are the Authority's Vision, Mission and Core Values statements.

#### Vision Statement

*A model of excellence in revenue administration and trade facilitation*

#### Mission Statement

*To optimise and sustain revenue collection and administration for a prosperous Zambia*

#### Core Values



WE believe in delivering excellent services and value our taxpayers. We provide timely, responsive and proactive service. We take time to understand taxpayers' needs and always strive to surpass their expectations.



WE will do what we say we will do. We will up-hold professional and ethical business practices. The company's interactions with stakeholders will be done transparently for mutual benefits. We will ensure honesty, integrity and respect to all.



WE uphold high quality standards and etiquette in our dealings to enhance professional competence by providing the highest level of service.



WE are creative, bold and believe in continuous learning and improvement. We believe these will sustain total quality consciousness in the organization.



WE collaborate internally and externally to maximise our shared knowledge and bring greater value to one another and most importantly, to our customers. We work together as one ZRA family, in partnership with other organizations and always embrace diversity and inclusiveness.



## 4. STRATEGIC PILLARS, KEY RESULT AREAS STRATEGIC OBJECTIVES

A total of nine (9) Strategic Objectives have been set for the period 2022 – 2024 aligned under four Key Result Areas and Strategic Pillars (See Figure 4.1).

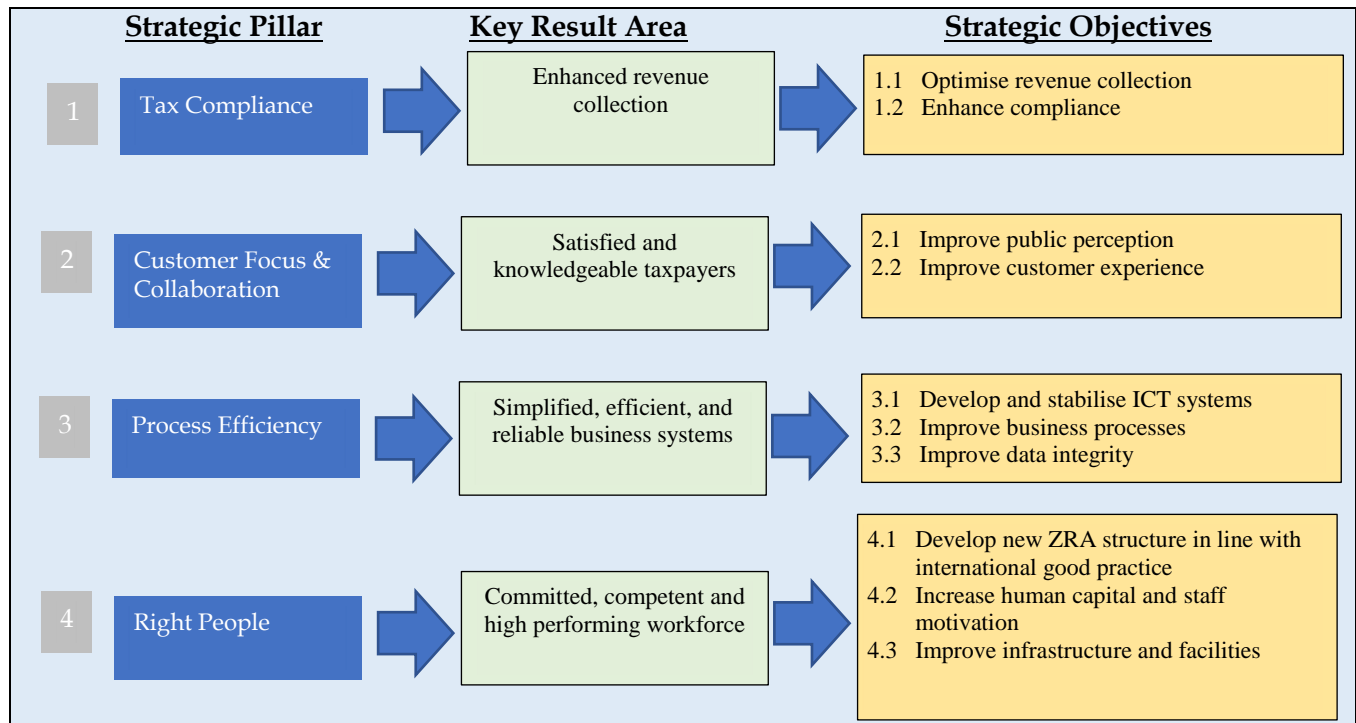


Figure 4.1: Strategic Pillars, Key Result Areas and Strategic Objectives

Each Strategic Objective has a number of strategic initiatives under it, which indicate how the objective is expected to be achieved.

### 4.1. Strategic Objectives

#### 4.1.1. KRA 1: Enhanced Revenue Collection

*Strategic Objective 1.1: Optimise Revenue Collection*

*Initiatives:*

- Recommend revision in the financing model for the Authority
- Produce revenue forecasts and expectations
- Monitor revenue collection and produce performance reports

*Strategic Objective 1.2: Enhance Compliance*

*Initiatives:*

- Develop real-time Interfaces with identified local institutions and countries in the region



- b. Review the debt management process through KAIZEN
- c. Use the Tax Policy Review process to review:
  - i. the debt remission process; and
  - ii. the penalty regime for late filing of VAT returns
- d. Develop debt remission function on TO2
- e. Implement transit monitoring system
- f. Operationalize revised deregistration rules to remove inactive taxpayers
- g. Recommend standard duty rate for selected goods
- h. Implement Cooperative Compliance Strategy
- i. Operationalize MoUs with councils
- j. Enhance collaborations with other key agencies
- k. Implement a real time online system for acquittal of transits
- l. Implement prefilled tax returns (VAT, IPL and CIT)
- m. Increase audit coverage and selectivity using BIDA
- n. Explore use of artificial intelligence to detect suspicious transactions
- o. Automate Block Management System
- p. Conduct a study to estimate the volume and value of the digital economy in Zambia
- q. Develop and implement strategy on taxation of digital economy
- r. Build capacity for taxing the digital economy and other specialised areas
- s. Benchmark with other jurisdictions
- t. Amend the Income Tax Act to provide for taxation of e-Commerce
- u. Introduce digital stamps for selected excisable goods
- v. Create a Mineral Data Analysis Unit under the Large and Specialised Taxpayer Office

#### **4.1.2. KRA 2: Satisfied and Knowledgeable Taxpayers**

##### *Strategic Objective 2.1: Improve Public Perception*

###### *Initiatives:*

- a. Develop and implement a plan to improve branding and ambience
- b. Conduct quarterly surveys on performance of the service charter
- c. Create a platform for capturing feedback from stakeholder engagements
- d. Create an International Liaison Office
- e. Improve stakeholder management

##### *Strategic Objective 2.2: Improve Customer Experience*

###### *Initiatives:*

- a. Implement a Customer Relationship Management System
- b. Train all employees in customer service
- c. Implement internal service desk in all departments
- d. Expand the usage of social media platforms for taxpayer education
- e. Develop and implement a plan for geographical expansion of ZRA presence.

- f. Establish customer experience presence in all provinces
- g. Expand self service delivery channels such as self-service kiosks.
- h. Introduce interactive toll-free telephone answering system

#### **4.1.3. KRA 3: Simplified, efficient, and reliable business systems**

##### ***Strategic Objective 3.1: Develop and stabilise ICT systems***

###### *Initiatives:*

- a. Upgrade and enhance ICT systems
- b. Develop complete integration between TO2 and the customs module
- c. Conduct End User System based Surveys
- d. Develop and implement ICT Strategy
- e. Devise a three-year budgeting plan for ICT
- f. Develop new ICT systems
- g. Deploy new servers for applications for the core business systems
- h. Implement new Data Centres at Head Office and Mpendwa House
- i. Optimize the use and reduce cost of software licenses.
- j. Implement Enterprise Service Bus
- k. Develop and implement a Cyber Security Strategy
- l. Implement a compulsory requirement to update taxpayer details when applying for TCC
- m. Implement a configurable pop up solution for taxpayers to update demographics on TO2 and the customs module
- n. Enhance third party integration to improve data quality

##### ***Strategic Objective 3.2: Improve business processes***

###### *Initiatives:*

- a. Implement the BCM strategy
- b. Enhance the M&E process for the CSP (automation)
- c. Introduce inhouse KAIZEN course and annual conference
- d. Introduce a KAIZEN Committee at SMM
- e. Review the planning and operational budgeting process

##### ***Strategic Objective 3.3: Improve data integrity***

###### *Initiatives:*

- a. Develop the data governance framework
- b. Reconcile and Migrate all legacy transactions on TARPS and TO 1
- c. Reconcile and acquit outstanding transactions on ASYCUDAWorld
- d. Develop mechanism for documenting and updating taxpayer demographics

#### **4.1.4. KRA 4: Committed, competent and high performing workforce**

*Strategic Objective 4.1: Develop new ZRA structure in line with international good practice*

*Initiatives:*

- a. Review the organisational structure of ZRA
- b. Develop a plan to resource the new structure.
- c. Re-organize the customs structure
- d. Implement a centralized Large Taxpayer Office (LTO).
- e. Ensure (divisional) Risk Management Team (RMT) staff are allocated on a full-time basis and ERM unit is expanded
- f. Develop a concept note for restructuring of Data Quality Office (DQO)
- g. Conduct organisation review and job evaluation
- h. Conduct a workload analysis

*Strategic Objective 4.2: Increase human capital and staff motivation*

*Initiatives:*

- i. Conduct organisation review and job evaluation
- j. Development and implement a 3-year workforce plan
- k. Implement the Talent Management Plan and Succession Plan
- l. Realign the current HR operating model to an HR business partnering model
- m. Implement inhouse e-learning
- n. Implement Mentorship programme
- o. Develop and implement women-in-leadership programmes
- p. Develop Diversity and Inclusion Policy
- q. Develop and implement staff engagement initiatives
- r. Implement corruption prevention plan
- s. Undertake comprehensive ethics risk assessment
- t. Promote internalization of ZRA core values

*Strategic Objective 4.3: Improve infrastructure and facilities*

*Initiative:*

- a. Develop and implement a Physical Infrastructure Development Plan

## **4.2. Strategy Map**

The objectives are linked across the Key Result Areas in a cause-effect relationship as demonstrated in Figure 4.2.

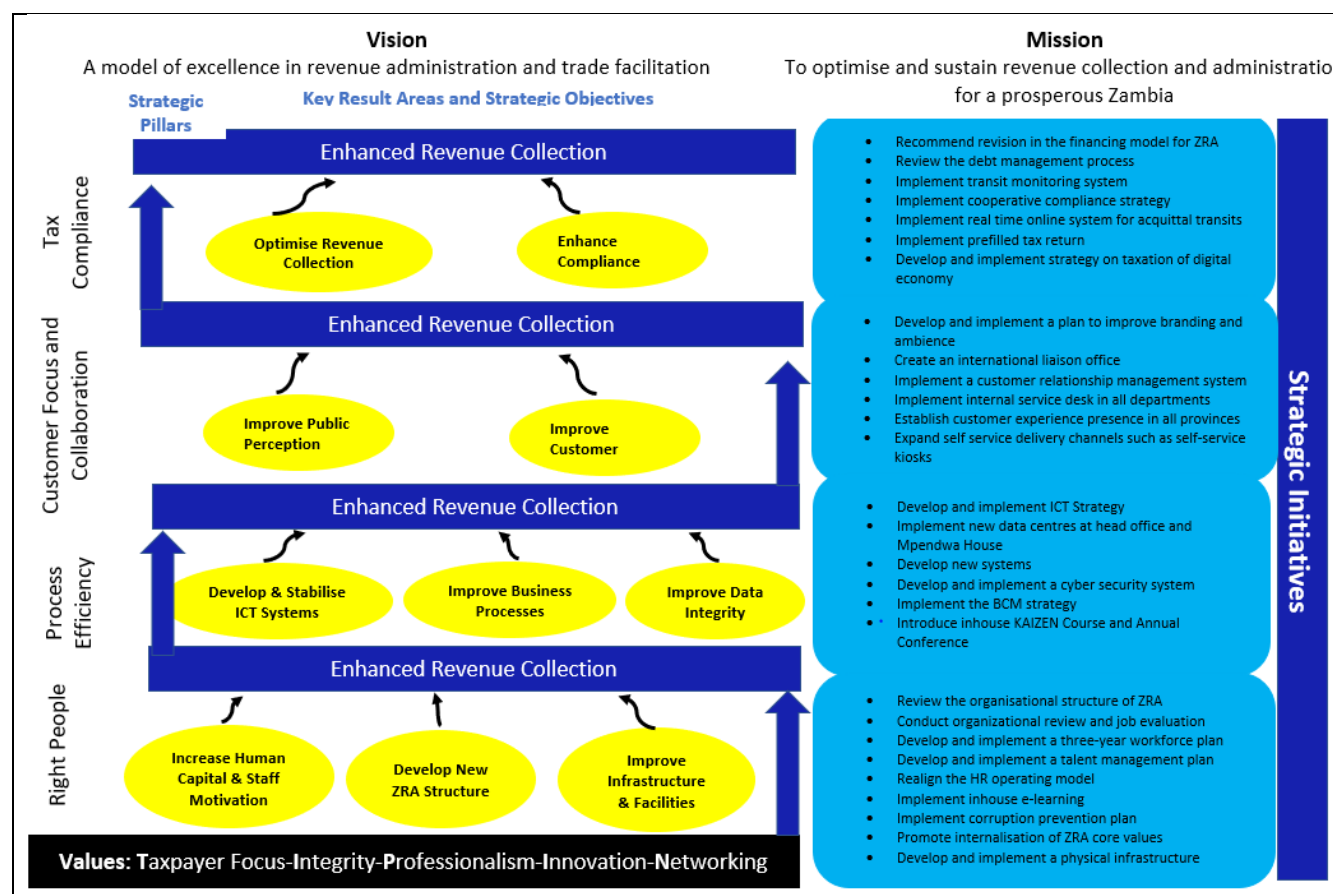


Figure 4.2: ZRA Strategy Map

## 5. RESOURCE ALLOCATION AND PERFORMANCE REPORTING

### 5.1. Resource Allocation

For ZRA to achieve its goals and attain the projected performance levels, a sum of circa ZMW 6.18 billion is projected as the required investment in the organisation over the three-year period of the CSP. These operational funds will be mainly realised from Government annual grants in line with the fiscal year of the Republic of Zambia. In addition, assistance will be sought from cooperating partners and other financing options like Public Private Partnerships (PPP).

Therefore, ZRA will adopt a proactive approach to engage various stakeholders for resource support in order to fully operationalise this Plan.

With respect to revenue, ZRA is expected to realise a total Tax Revenue yield of ZMK 314.1 billion over the period of this CSP broken down as indicated in Table 5.1

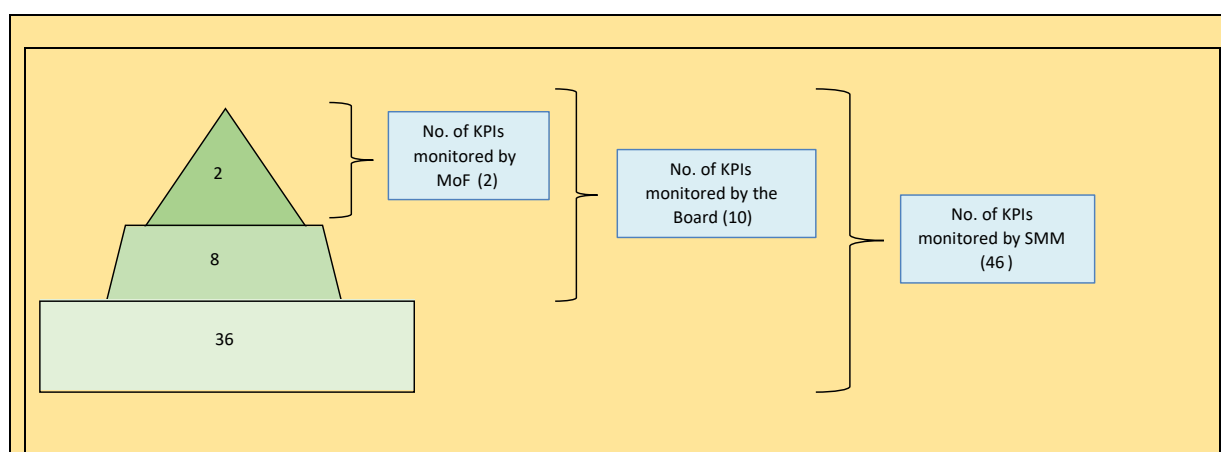
**Table 5.1: Revenue Projections for the Period 2022-2024<sup>1</sup>**

	2022 Projection		2023 Projection		2024 Projection	
	K' Thousand	%	K' Thousand	%	K' Thousand	%
Gross Domestic Product	483,459,400	100	543,913,900	100	622,249,100	100
Total Revenue	89,673,056	18.5%	104,093,476	19.0%	120,400,436	19.3%
Total Tax Revenue	77,100,827	15.9%	89,846,967	16.4%	104,708,839	16.8%
Cost of Collection is envisaged to be between 2% and 3% to ensure operational efficiency						

## 5.2. Performance Management and Reporting

To ensure strategic alignment, the Research & Corporate Strategy (RCS) Department will be charged with the responsibility of coordinating the cascading of the CSP to Annual Output Plans (ADOPs) of all divisions, departments and units.

Monitoring, evaluation and reporting of performance of the CSP will be based on Key Performance Indicators (KPIs). The CSP has a total of 46 KPIs, which will be tracked at different levels as follows: 2 at National level and 10 at Governing Board level. Senior Management will track all the KPIs in the CSP (see Figure 5.1).



**Figure 5.1: No. of KPIs to be monitored at different levels**

<sup>1</sup> These are preliminary numbers as at September, 2021

With the rollout of the GIZ supported Bulk Intelligence Data Analysis (BIDA) Project, it is envisaged that the Monitoring, Evaluation and Reporting System will be enhanced and automated.

## Annex 1: The Strategic Implementation Plan

### KRA 1: ENHANCED REVENUE COLLECTION

Strategic Objective	Initiatives	Key Performance Indicator	Service Delivery Target			
			Baseline	2022	2023	2024
1.1 Optimise Revenue Collection	1.1.1 Recommend revision in the financing model for the Authority	Parliament approved annual revenue target met	128%	100%	100%	100%
	1.1.2 Produce revenue forecasts and expectations	Percentage of tax types that met set targets	65%	70%	75%	80%
	1.1.3 Monitor revenue collection and produce performance reports	Tax Revenue to GDP ratio	16.7%	18.5%	19.0%	19.3%
	1.1.4 Secure predictable funding in line with the budget	Cost of Collection (CoC) [Government funding to revenue ratio] to be maintained between 2% and 3%	1.4%	2%	2%	2%
1.2 Enhance Compliance	1.2.1 Develop real-time Interfaces with the following local institutions:	Number of institutions newly interfaced with	2	7	6	7
	I. In 2022:					
	a) Government Service Bus					
	b) RTSA	Number of countries newly interfaced with	2	3	2	
	c) PACRA (enhancement)					
	II. In 2023:					
	a) National Registration Office (INRIS)	Percentage (minimum) of debt stock within 90 days	1%	10%	15%	20%
	b) Ministry of Finance (IFMIS) (enhancement)					
	c) Ministry of Lands	Percentage of return liabilities turning into new debt	23.1%	20%	19%	18%
	d) RTSA (enhancements)					
	e) PACRA (enhancement)					
	f) BOZ					
	III. In 2024:					
	a) ZICTA	Debt/Tax Revenue Ratio	67.6 <sup>2</sup> %	57.6%	47.6%	30%
	b) ZESCO					
	c) RDA					

<sup>2</sup> Total corporate debt as at 31st August 2021 stood at K40.5 billion while total revenue outturn was K59.35 billion. Over the next three years an assumption was made that the ratio would decrease by 5 percentage points each year.

Strategic Objective	Initiatives	Key Performance Indicator	Service Delivery Target			
			Baseline	2022	2023	2024
	d) ZEMA e) ZPPA (e-GP system) f) Immigration Department g) NAPSA	Debt arising from transits kept below 1%.	1%	0.8%	0.6%	0.4%
	1.2.2 Develop real-time Interface with the following countries	Percentage of tax types that meet set return filing compliance	50%	60%	70%	80%
	IV. 2022: a) DRC b) Botswana c) Zimbabwe (Data Exchange) d) Tanzania (Data Exchange)	Percentage of transits acquitted out of total transits	91%	93%	94%	95%
	V. 2023: a) Zimbabwe b) Malawi c) Tanzania	Number of contracts signed with individual local Authorities	33	43	60	80
	VI. 2024 a) South Africa d) Mozambique	Number of internal interfaces completed			2	
	1.2.3 Develop internal interfaces	Percentage of taxpayers audited	4%	5%	6%	8%
	a) TaxOnline II and SAP b) TaxOnline II and Electronic Invoicing System (EIS)	Percentage of identified digital/e-commerce businesses registered	New	60%	70%	90%
	1.2.4 Review the debt management process through KAIZEN					
	1.2.5 Review the Debt Management responsibility allocation between Finance and operating division	Percentage of registered digital/e-commerce businesses filing returns	New	50%	60%	80%
	1.2.6 Set up a dedicated team to handle government debt and compliance	Percentage of registered digital/e-commerce businesses making payments (payment compliance)	New	40%	50%	70%
	1.2.7 Conduct Debt swaps					
	1.2.8 Use the Tax Policy process to review: a) the debt remission process; and	Digital stamps implemented	New	50%	100%	



Strategic Objective	Initiatives	Key Performance Indicator	Service Delivery Target			
			Baseline	2022	2023	2024
	<div><div>b) the penalty regime for late filing of VAT returns</div><div>c) Submit policy recommendation to Introduce Debt capping</div></div> <div>1.2.9 Develop debt remission function on TaxOnline II</div> <div>1.2.10 Implement electronic cargo transit monitoring system (ECTS)</div> <div>1.2.11 Implement smart gates at the borders</div> <div>1.2.12 Operationalize revised central deregistration rules to remove inactive taxpayers</div> <div>1.2.13 Implement Cooperative Compliance Strategy</div> <div>1.2.14 Implement the agency model:<div><div>a. Develop agency module on TO2</div><div>b. Sign additional contracts with local authorities</div><div>c. Conduct feasibility study for implementation of Kiosks</div><div>d. Develop an implementation plan for Kiosks</div></div></div> <div>1.2.15 Implement a real time online system for acquittal of transits:<div><div>a) Customs Validation System (CVS)</div><div>b) Implement WIFI at borders to support CVS</div></div></div> <div>1.2.16 Implement prefilled tax returns by<div><div>undertaking feasibility study on prefilled return (VAT, IPL, CIT) 2024</div></div></div> <div>1.2.17 Enhanced implementation of BIDA:<div><div>a) Audit coverage and selectivity</div><div>b) Training</div><div>c) BIDA Interface with TO2(PAYE), MOSES, ASYCUDAworld</div></div></div>					

Strategic Objective	Initiatives	Key Performance Indicator	Service Delivery Target			
			Baseline	2022	2023	2024
	<p>d) Implement data Governance framework</p> <p>1.2.18 Implement artificial intelligence:</p> <p>a) Detect suspicious transactions</p> <p>b) Send reminders on unaccompanied returns, consistent nil filers and non-filers</p> <p>c) Setup a dedicated AI Unit</p> <p>d) Facilitate AI development in ZRA systems</p> <p>e) Employee notifications on PAYE</p> <p>1.2.19 Automate Block Management System in 2024</p> <p>1.2.20 Develop and implement strategy on taxation of digital economy:</p> <p>a) Conduct a study to estimate the impact of the Digital economy in Zambia</p> <p>b) Build capacity for taxing the digital economy and other specialised areas</p> <p>c) Benchmark with other jurisdictions</p> <p>d) Conduct an impact analysis for unilateral vs multilateral approaches on digital economy</p> <p>e) Draft a strategy on e-commerce taxation</p> <p>1.2.21 Implement digital stamps for selected excisable goods</p> <p>1.2.22 Enhance compliance of artisanal and small scale mining companies:</p> <p>1.2.23 Create a Mineral Data Analysis Unit under the Large and Specialized Taxpayer Office:</p> <p>a) Streamline the management of artisanal and small-scale miners</p> <p>1.2.24 Develop a Compliance Risk Management Policy/Statement and publish it on the ZRA website.</p>					

Strategic Objective	Initiatives	Key Performance Indicator	Service Delivery Target			
			Baseline	2022	2023	2024
	1.2.25 Implement MOU with Rwanda Revenue Authority					
	1.2.26 Implement fiscalization: a) Electronic Invoicing System (EIS)					

## KRA 2: SATISFIED AND KNOWLEDGEABLE TAXPAYERS

Strategic Objective	Initiatives	Key Performance Indicator	Service Delivery Target			
			Baseline	2022	2023	2024
2.1 Improve Public Perception	2.1.1 Develop and implement a plan to improve branding and ambience	Percentage of stakeholders with favourable perception of ZRA	88%	88%	89%	90%
	2.1.2 Conduct quarterly surveys on performance of the service charter					
	2.1.3 Create a platform for capturing feedback from stakeholder engagements					
	2.1.4 Create an International Liaison Office	Percentage of service charter standards met	66%	68%	70%	75%
	2.1.5 Improve stakeholder management					
2.2 Improve Customer Experience	2.2.1 Implement a Customer Relationship Management System	Percentage of satisfied taxpayers	86%	88%	89%	90%
	2.2.2 Develop a taxpayer awareness and education plan					
	2.2.3 Decentralize taxpayer education to stations					
	2.2.4 Evaluate taxpayer education programs					

Strategic Objective	Initiatives	Key Performance Indicator	Service Delivery Target			
			Baseline	2022	2023	2024
	2.2.5 Train all employees in customer service 2.2.6 Implement internal service desk in all departments 2.2.7 Expand the usage of social media platforms for taxpayer education 2.2.8 Develop and implement a plan for geographical expansion of ZRA presence. 2.2.9 Establish customer service centres in districts with no ZRA presence all provinces 2.2.10 Expand self service delivery channels such as self-service kiosks. 2.2.11 Introduce interactive toll-free telephone answering system					

### KRA 3: SIMPLIFIED, EFFICIENT AND RELIABLE BUSINESS SYSTEMS

Strategic Objective	Initiatives	Key Performance Indicator	Service Delivery Target			
			Baseline	2022	2023	2024
3.1 Develop and stabilise ICT systems	3.1.1 Upgrade and enhance ICT systems 3.1.2 Develop complete integration between TO2 and the customs module 3.1.3 Conduct End User System based Surveys	Percentage of satisfied end users of ZRA ICT systems	84%	86%	88%	90%
	3.1.4 Develop and implement ICT Strategy 3.1.5 Devise a three-year budgeting plan for ICT 3.1.6 Develop new ICT systems	Percentage up time of ICT system	99.5%	99.9%	99.9%	99.9%

Strategic Objective	Initiatives	Key Performance Indicator	Service Delivery Target			
			Baseline	2022	2023	2024
	3.1.7 Deploy new servers for applications for the core business systems	Percentage of ICT infrastructure in use that is within warranty	31%	50%	60%	70%
	3.1.8 Implement new data centers at Head Office and Mpendwa House					
	3.1.9 Optimize the use and reduce cost of software licenses.	Percentage of software upgraded to the latest tried and tested version	100%	100%	100%	100%
	3.1.10 Implement Enterprise Service Bus					
	3.1.11 Develop and implement a Cyber Security Strategy	Percentage of identified cyber security vulnerabilities treated	New	100%	100%	100%
	3.1.12 Implement a compulsory requirement to update taxpayer details when applying for TCC					
	3.1.13 Implement a configurable pop up solution for taxpayers to update demographics on TO2 and the customs module	Percentage of taxpayers with complete data	New	50%	65%	75%
	3.1.14 Enhance third party integration to improve data quality					
3.2 Improve business processes	3.1.15 Implement Issue Resolution TOII phase 2	Percentage of taxpayers that have updated or confirmed their data	New	60%	70%	80%
	3.1.16 Improve the functionality of the Bonded warehouse module on ASYCUDAWORLD					
	3.1.17 Procurement of Exadata servers					
	3.1.18 Procure heavy duty scanners for the ERMS					
	3.2.1 Implement the BCM strategy	Percentage of successful DR switch overs	60%	80%	90%	100%
	3.2.2 Enhance the M&E process for the CSP (automation)					
	3.2.3 Introduce inhouse KAIZEN course and annual conference	Percentage of KAIZEN projects completed out of all due for completion in the year	17%	100%	100%	100%
	3.2.4 Introduce KAIZEN committee at SMM					
	3.2.5 Review the planning and operational budgeting process	Percentage of projects completed out of approved project portfolio for the year	New	100%	100%	100%
	3.2.6 Create corporate committees and terms of reference and ensure that they meet regularly					
	3.3.1 Develop the data governance framework	Data governance framework developed and implemented	New	100%	100%	

Strategic Objective	Initiatives	Key Performance Indicator	Service Delivery Target			
			Baseline	2022	2023	2024
3.3 Improve data integrity	3.3.2 Reconcile and Migrate all legacy transactions on TARPS and TaxOnline 1	Percentage of legacy cases reconciled (TARPS & TO1)	3%	10%	20%	30%
	3.3.3 Reconcile and acquit outstanding transactions on ASYCUDAWorld	Percentage of legacy customs transactions reconciled	40%	60%	80%	100%
	3.3.4 Develop mechanism for documenting and updating taxpayer demographics	Percentage of identified demographics issues resolved	New	80%	95%	100%

#### KRA 4: COMMITTED, COMPETENT AND HIGH PERFORMING WORKFORCE

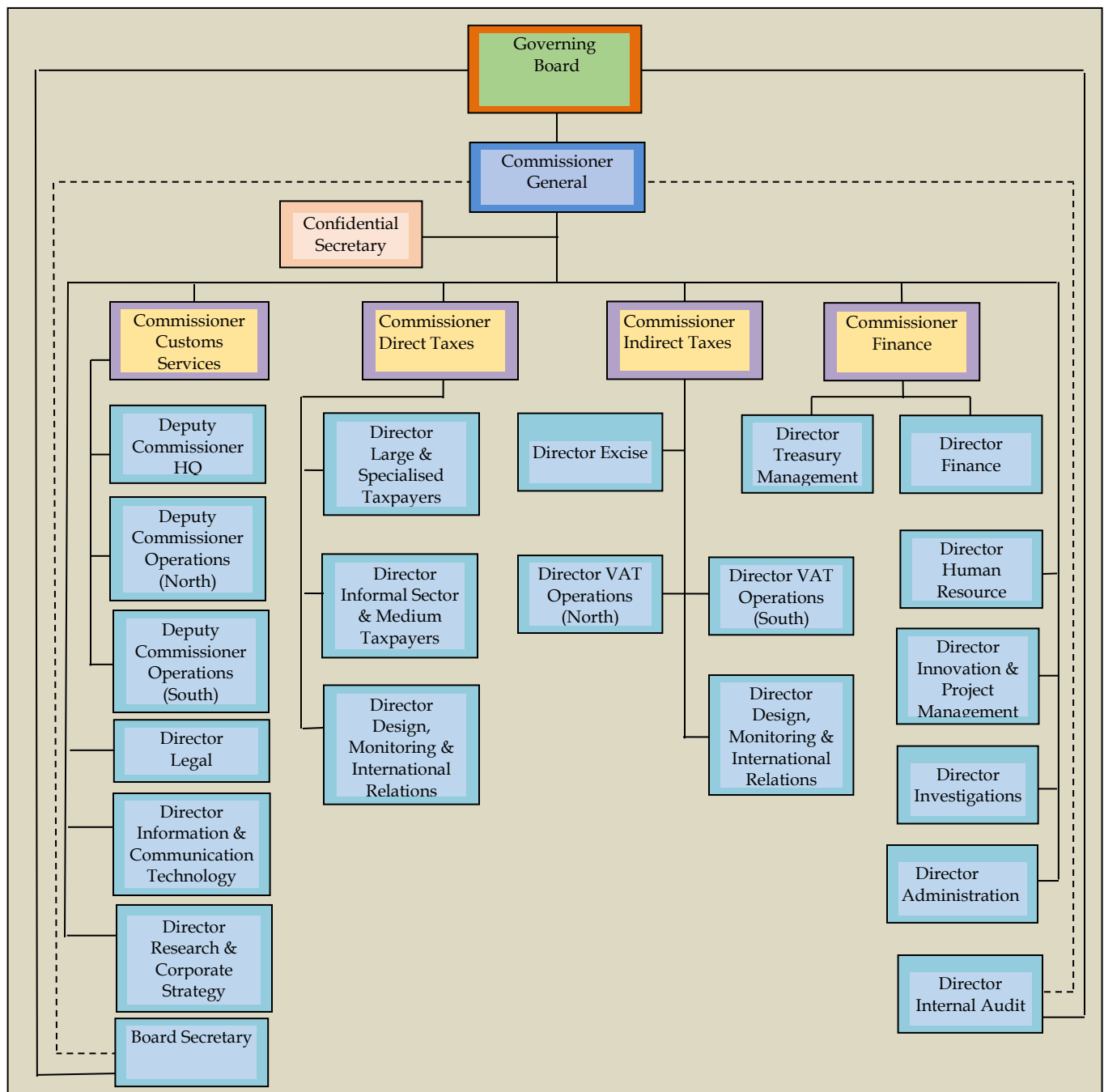
Strategic Objective	Initiatives	Key Performance Indicator	Service Delivery Target			
			Baseline	2022	2023	2024
4.1 Develop new ZRA structure in line with international good practice	4.1.1 Review the organisational structure of ZRA	Percentage implementation of the new ZRA Structure	New		100%	
	4.1.2 Develop a plan to resource the new structure.					
	4.1.3 Re-organize the customs structure					
	4.1.4 Implement a centralized Large Taxpayer Office (LTO).					

Strategic Objective	Initiatives	Key Performance Indicator	Service Delivery Target			
			Baseline	2022	2023	2024
	4.1.5 Ensure (divisional) Risk Management Team (RMT) staff are allocated on a full-time basis and ERM unit is expanded 4.1.6 Develop a concept note for restructuring of Data Quality Office (DQO) 4.1.7 Conduct organisation review and job evaluation 4.1.8 Conduct a workload analysis					
4.2 Increase human capital and staff motivation	4.2.1 Development and implement a 3-year workforce plan	Approved staff complement	2450	2750	3050	3350
	4.2.2 Implement the Talent Management Plan and Succession Plan					
	4.2.3 Realign the current HR operating model to an HR business partnering model	Percentage of staff who met their performance objectives	99%	95%	95%	95%
	4.2.4 Implement inhouse e-learning					
	4.2.5 Implement Mentorship programme	Percentage of employee engagement	74%	76%	76%	78%
	4.2.6 Develop and implement women-in-leadership programmes					
	4.2.7 Develop Diversity and Inclusion Policy	Percentage of inhouse courses converted to e-learning	0	50%	60%	80%
	4.2.8 Develop and implement staff engagement initiatives					
	4.2.9 Implement corruption prevention plan	Percentage of employees dismissed for unethical conduct	0.38%	1%	1%	1%
	4.2.10 Undertake comprehensive ethics risk assessment					
	4.2.11 Promote internalization of ZRA core values	Number of ZRA staff houses constructed	8	20	10	10
	4.2.12 Recruitment of Auditors					
	4.2.13 Decentralisation of recruitment					
4.3 Improve infrastructure and facilities	4.2.14 Automation of pre-interview processes	Percentage of rented office space	15%	12%	10%	5%
	4.2.15 Explore flexible working hours concept					
	4.3.1 Develop and implement a Physical Infrastructure Development Plan:					
	a) Build extra physical inspection facilities for customs					
	b) Expansion of office space					
	c) Building of more staff houses					

Strategic Objective	Initiatives	Key Performance Indicator	Service Delivery Target			
			Baseline	2022	2023	2024
	d) Renovation of staff houses and offices e) Rent office accommodation for staff f) Build regional offices 4.3.2 Procurement of vehicles 4.3.3 Decentralise some support activities like stores, vehicle servicing etc.	Percentage of Occupancy Standards adhered to	40%	50%	60%	70%



## Annex 2: ZRA Organisation Structure for Senior Management



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