

Corporate Strategic Plan

2022 - 2024

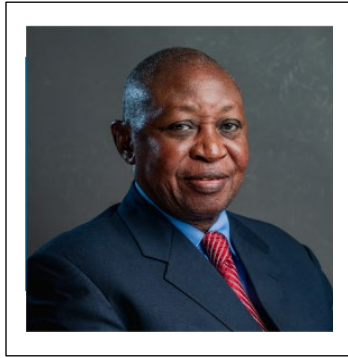
Theme: Better Taxpayer Service, Optimized Revenues

2024 Midyear Revised

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MESSAGE FROM THE CHAIRPERSON



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.

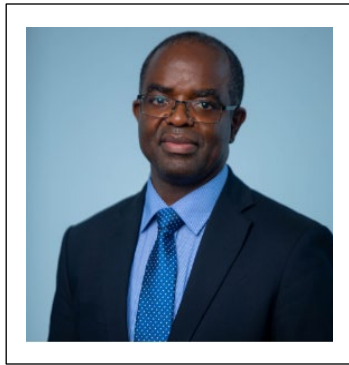
ZRA, as corporate body, has not been spared from the adverse effects of the COVID-19 pandemic. However, I, on behalf of all members of the Governing Board, would like to commend Management and Staff for their rapid response in managing the situation. The Authority mobilised resources to put adequate 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 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



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
BFD	Business Facilitation Division

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.

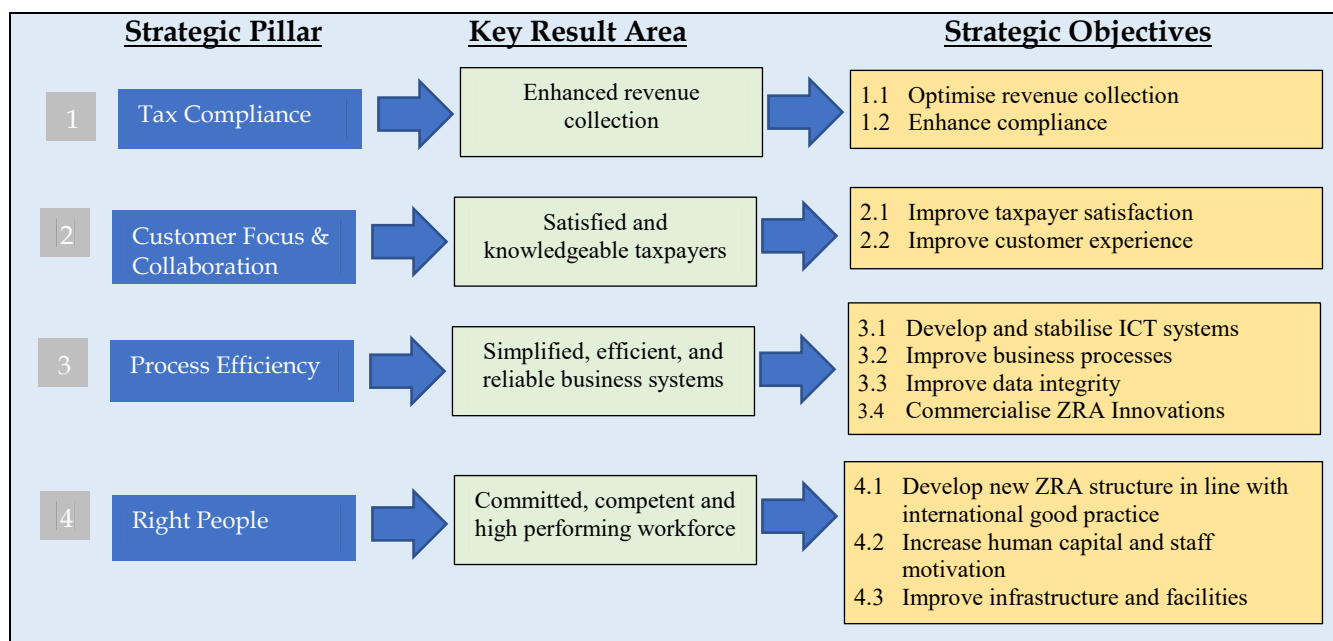


Figure 1: CSP2022-2024 Overview

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 7th 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.

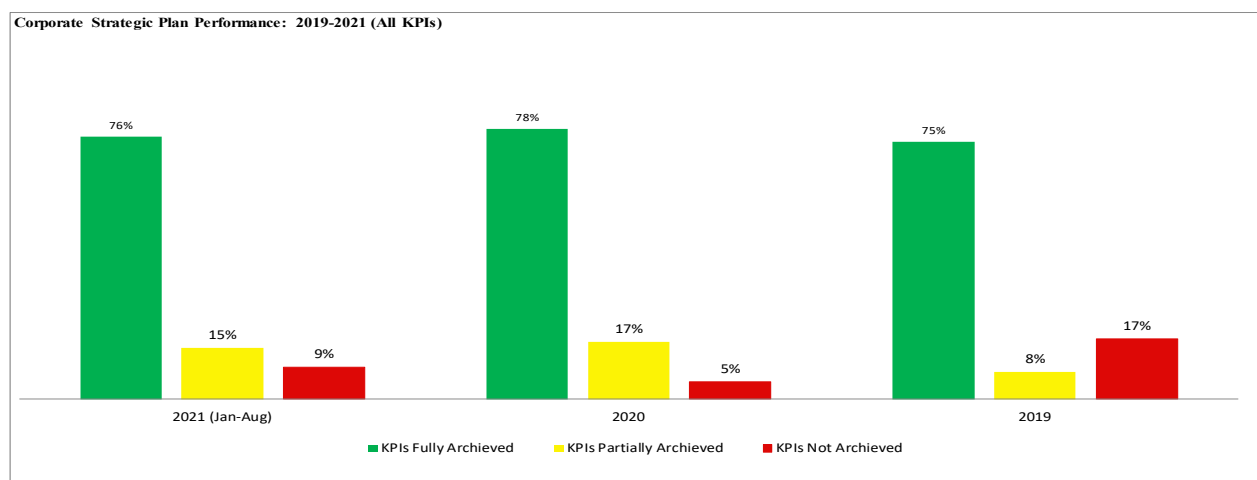


Figure 1.1: CSP2019-2021 Performance (2021 is as August)

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

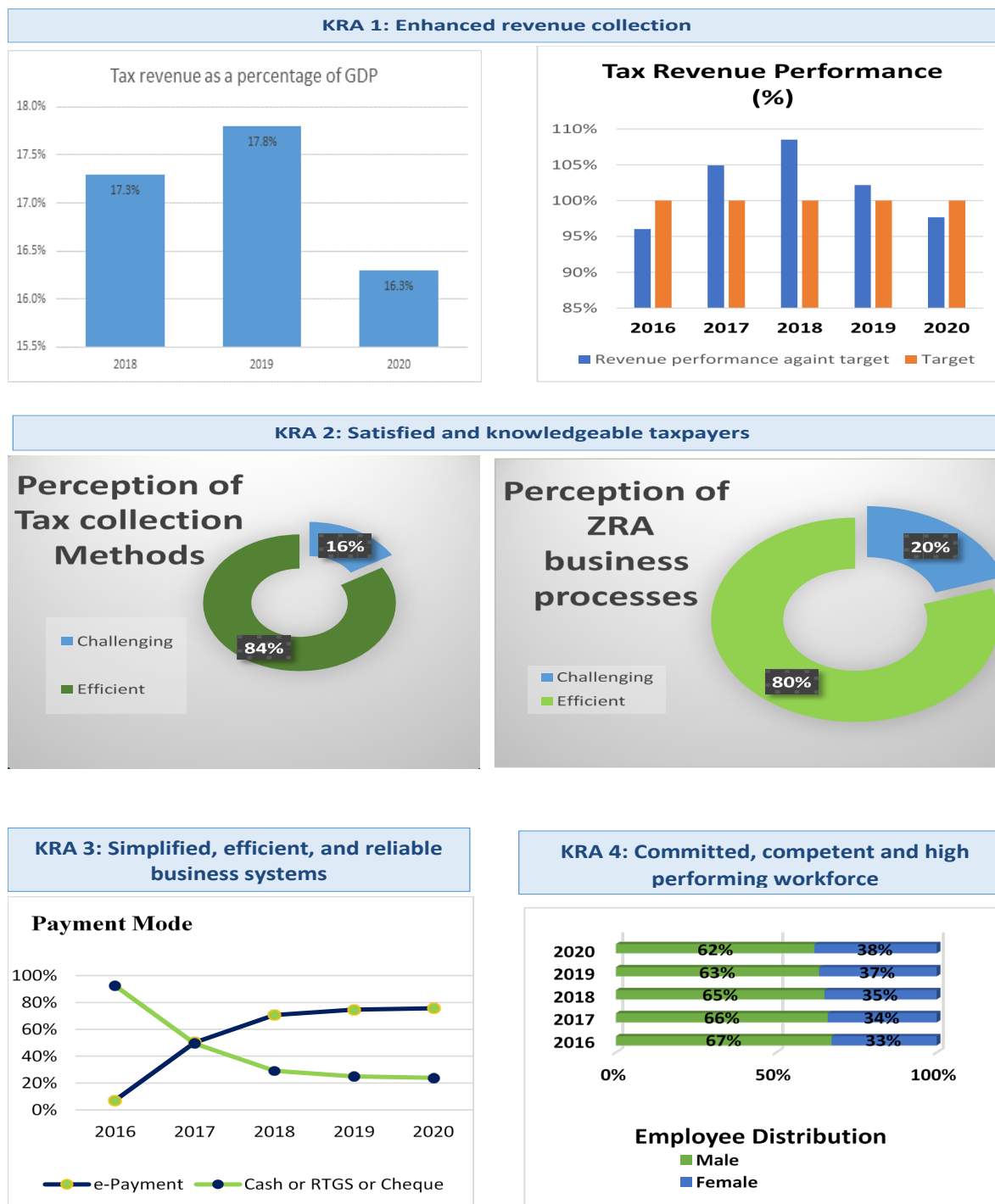
COVID-19 Response

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>
Internal	Strengths <ol style="list-style-type: none"> 1. Enabling legislation 2. Good corporate governance 3. Competent and qualified staff 4. Electronic services 5. Established business processes 6. Home grown ICT solutions 7. Established Innovation hub 8. Existence of Data analytics capability 9. Adaptive organisational culture 10. Teamwork 	Weakness <ol style="list-style-type: none"> 1. Inadequate compliance risk management 2. Inadequate specialized skills 3. Poor data integrity 4. Staff integrity challenges 5. ICT system instability 6. Challenges in Debt collections 7. Inadequate staff 8. Inadequate infrastructure and facilities 9. Limited geographical spread 10. Delays in procurement processes 11. Inadquate taxpayer education
External	Opportunities <ol style="list-style-type: none"> 1. Goodwill of Government and cooperating partners 2. Unexploited taxpayer base 3. Implementation of the national e-governance strategy 4. Institutional collaborations 5. Existence of Trade Protocols and Exchange of Information Agreements 6. Growth of the digital economy 7. Establishment of the mining regulator 8. Availability of tax experts to train taxpayers 9. Alternative energy sources 	Threats <ol style="list-style-type: none"> 1. Duplicated National ID numbers 2. Inadequate interface with external stakeholders. 3. Low compliance culture 4. Inadequate regulatory capacity for the mining sector 5. Economic shocks, wars, pandemics and climate Change 7. Cyber crimes and Terrorism 8. Economic crimes and illicit financial flows 9. Underdeveloped national ICT and other infrastructure 10. Cash economy 11. Inconsistent electrical power supply 12. Intermittent telecommunication connectivity

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	1. Civil Society 2. Cooperating Partners 3. General Public	1. Government vis-à-vis Supervising Ministry
	Low	1. Media Houses 2. Learning Institutions	1. Associations and Sector/Industry Regulators
		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. Escalating debt position	<ul style="list-style-type: none"> i. Remission conditions are too stringent (Law) ii. Limitations in legacy systems to enable effective data migration iii. Debt recovery module not fully functional iv. Lack of implementation of the provisions in the current legislation v. Unreconciled debt position vi. Outstanding refunds against refund payments vii. Lack of formal specialized training in debt management viii. Non-collection of tax assessments (lack of debt management controls)
2. Inadequate capacity to tax e-commerce	<ul style="list-style-type: none"> i. Lack of a framework on digital economy taxation
3. Low tax compliance	<ul style="list-style-type: none"> i. Lack of an effective compliance risk management strategy ii. Limited data matching usage iii. High tax rates iv. Delayed payment of Refunds v. System challenges vi. Ineffective penalty regime vii. Poor tax compliance culture viii. Limited capacity to reach taxpayers

	<ul style="list-style-type: none"> ix. Lack of knowledge by taxpayers x. High cost-benefit ratio to reach the huge informal sector xi. Staff integrity issues xii. Lack of institutional interface with external stakeholders xiii. Lack of research in understanding the factors contributing to low tax compliance
4. Stabilisation of new ICT systems	<ul style="list-style-type: none"> i. Failure to continuously upgrade systems to latest versions ii. Inadequate quality assurance, tools and inefficient code in some functions iii. Inadequate staff capacity to implement some projects iv. Increased power outages
5. Inadequate ICT infrastructure (including cyber security, servers, band width)	<ul style="list-style-type: none"> i. Below optimal funding to ZRA ii. Lengthy procurement processes iii. Inadequate National ICT infrastructure iv. Lengthy procurement approval process v. Inadequate internal capacity vi. Ineffective coordinated national approach to cyber security
6. Inadequate BCP	<ul style="list-style-type: none"> i. Lack of third-party technical support ii. Inadequate capacity servers and licenses in the BCP environment.
7. Inadequate physical infrastructure and support facilities	<ul style="list-style-type: none"> i. Lengthy procurement process ii. Poor execution of works by local contractors
8. Uncertainty in the funding model	<ul style="list-style-type: none"> i. Lack of secure - consistent funding mechanism for ZRA operations
9. Taxpayer register with some information gaps (incomplete demographics and data migration from legacy systems)	<ul style="list-style-type: none"> i. Duplication of National ID ii. Duplication of information submitted to national institutions iii. Lack of digital national ID iv. Inadequate post-taxpayer registration verification process to verify Know Your Customer (KYC) data v. Inadequate third-party data validation vi. Inadequate controls on registration document verification on TaxonApp and TaxonPhone vii. Not taking advantage of taxpayer interactions
10. Inadequate staffing levels	<ul style="list-style-type: none"> i. Lack of proper workload analysis at functional level (no effective monitoring at this level) ii. Below optimal funding to ZRA iii. Lack of automation in the recruitment process iv. Increased staff turnover v. Lengthy recruitment process
11. Lack of Cooperative Compliance	<ul style="list-style-type: none"> i. Lack of cooperative compliance strategy
12. Organizational structure not aligned to international best practice	<ul style="list-style-type: none"> i. Failure to adapt the organisational structure to meet changing business needs

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).

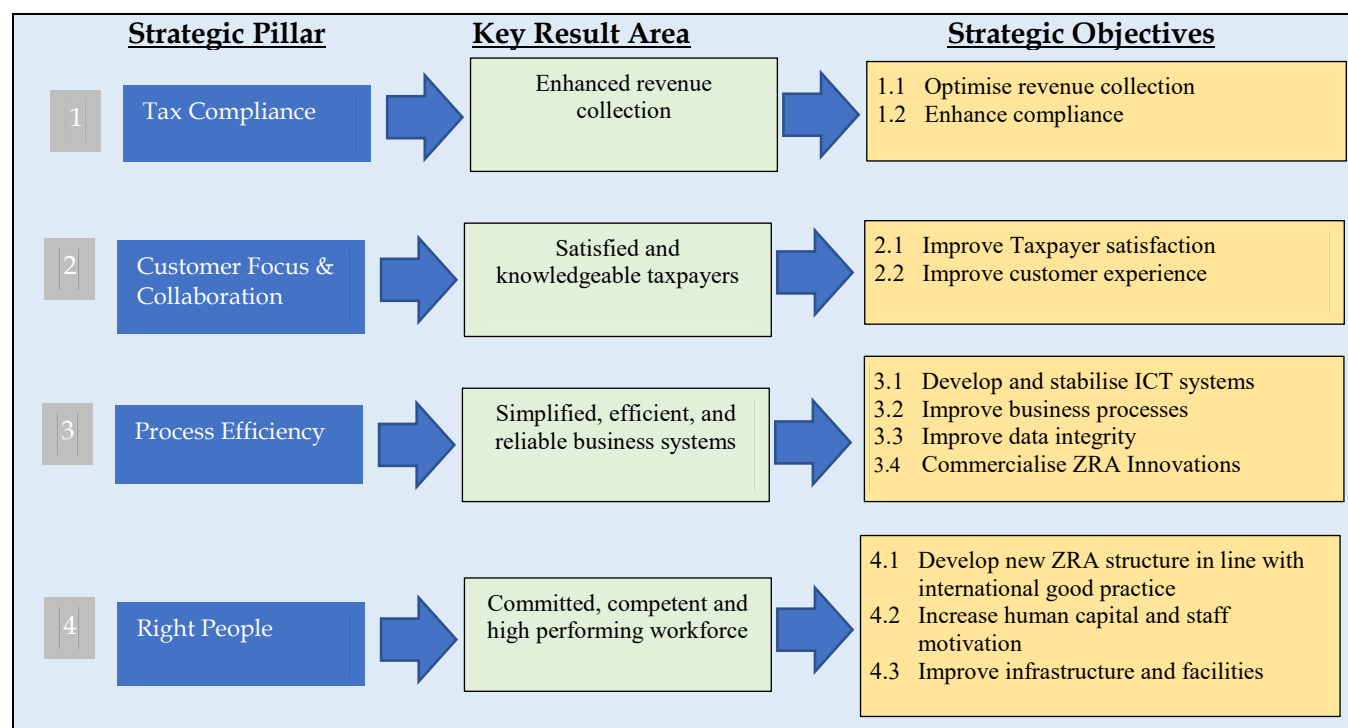


Figure 4.1: Strategic Pillars, Key Result Areas and Strategic Objectives

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
- Secure predictable funding in line with the budget
- Coordinate with the MoFNP to develop and implement Tax expenditure Governance
- Provide input in the development of Medium-Term Revenue Strategy (MTRS) governance, roadmap and principles

Strategic Objective 1.2: Enhance Compliance

Initiatives:

- a. Develop real-time Interfaces with the following local institutions
- b. Develop real-time Interface with the following countries
- c. Develop internal interfaces
- d. Review the debt management process through KAIZEN with support from USAID (R4G)
- e. Develop and implement a digital solution for tracking of excisable products
- f. Review the Debt Management responsibility allocation between Business Facilitation and Operating divisions
- g. Implement electronic cargo transit monitoring system (ECTS)
- h. Implement smart gates at the borders
- i. Operationalize revised central deregistration rules to remove inactive taxpayers
- j. Implement Cooperative Compliance Strategy
- k. Implement the agency model
- l. Implement a real time online system for acquittal of transits
- m. Develop and implement taxpayer registration strategy
- n. Enhance Management of tax returns
- o. Develop and implement an integrated audit reform strategy
- p. Enhance implementation of BIDA
- q. BIDA Interface with TO2(PAYE), MOSES, ASYCUDAworld, Smart Invoice.
- r. Implement artificial intelligence
- s. Automate Block Management System in 2024
- t. Develop and implement strategy on taxation of digital economy
- u. Explore measures of enhancing compliance of excisable goods
- v. Enhance compliance of artisanal and small-scale mining companies.
- w. Create a Mineral Data Analysis Unit
- x. Setup a unit for high income and prominent individuals (HIPI) - High net-worth individuals
- y. Establishment of a full-fledged Data Science unit
- z. Streamline the management of artisanal and small-scale miners
- aa. Develop a Compliance Risk Management Policy/Statement and publish it on the ZRA website.
- bb. Develop and implement new governance for taxpayer compliance risk management
- cc. Implement MOU with Rwanda Revenue Authority
- dd. Update the layman's Tax Administration draft Bill
- ee. Develop and implement VAT Control Model
- ff. Implement fiscalization

4.1.2. KRA 2: Satisfied and Knowledgeable Taxpayers

Strategic Objective 2.1: Improve Public Perception

Initiatives:

- a. Develop and Implement Taxpayer education Strategy
- b. Develop and implement a branding manual
- c. Conduct quarterly surveys on the performance of the service charter
- d. Create a platform for capturing feedback from stakeholders
- e. Develop and Implement a Cooperative compliance initiative
- f. Conduct regular executive engagements with business associations and strategic stakeholders
- g. Launch and conduct sensitization on the new tax charter
- h. Commercialisation of The ZRA training centre
- i. Extend e-learning to the general public

Strategic Objective 2.2: Improve Customer Experience

Initiatives:

- a. Implement a Customer Relationship Management System
- b. Develop and implement a customer experience plan
- c. Train all employees in customer service
- d. Implement a 'one-zra' approach in all work streams
- e. Conduct quarterly taxpayer service day
- f. Expand the usage of social media platforms for taxpayer education
- g. Develop and implement a plan for geographical expansion of ZRA services
- h. Enhance the ZRA website and make it more interactive
- i. Conduct annual taxpayer appreciation day.
- j. Launch of redeveloped ZAX

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. Upgrade and enhance ICT systems
- c. Develop complete integration for internal systems
- d. Conduct End User System based Surveys
- e. Implement ICT Strategy
- f. Implement a three-year budgeting plan for ICT
- g. Develop and implement new ICT systems
- h. Procure and deploy new servers for applications for the core business systems

- i. Implement new data centers at Head Office and Mpendwa House
- j. Automate taxpayer satisfaction survey
- k. Optimize the use and reduce cost of software licenses.
- l. Implement a Cyber Security Strategy
- m. Enhance third party integration to improve data quality through the implementation of Service Bus
- n. Implement Issue Resolution of TOII phase 2
- o. Improve the functionality of the Bonded warehouse module on ASYCUDAWORLD
- p. Procure heavy duty scanners for the ERMS
- q. Implement a 3-tier power solution at HQ data centre and Mpendwa House

Strategic Objective 3.2: Improve business processes

Initiatives:

- a. Implement the BCM strategy
- b. Introduce inhouse KAIZEN course and annual conference
- c. Divisions to allocate resources for process improvement activities
- d. Review and enforce the project governance framework.
- e. Develop and implement the e-audit process

Strategic Objective 3.3: Improve data integrity

Initiatives:

- a. Develop the data governance framework
- b. Develop the data governance framework
- c. Implement a defined Data Governance Framework
- d. Reconcile and Migrate all legacy transactions on TARPS and TaxOnline 1
- e. Reconcile and acquit outstanding transactions on ASYCUDAWorld
- f. Develop mechanism for updating taxpayer demographics on TO2
- g. Develop and implement Standard Operating Procedures for updating taxpayer demographics.
- h. Review and enhance TO2 audit trail

Strategic Objective 3.4: Commercialise ZRA Innovations

Initiatives:

- a. Feasibility study on commercialization
- b. Develop a concept note for commercialization of ZRA Innovations

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 Operating Model of ZRA
- b. Implement the new operating model project plan

Strategic Objective 4.2: Increase human capital and staff motivation

Initiatives:

- a. Develop and implement a 3-year workforce plan
- b. Implement the Talent Management Plan and Succession Plan
- c. Implement inhouse e-learning
- d. Implement Mentorship programme
- e. Develop and implement women-in-leadership programmes
- f. Develop and implement staff leadership program
- g. Develop Diversity and Inclusion Policy
- h. Develop and implement staff engagement initiatives
- i. Conduct employee survey
- j. Implement corruption prevention plan
- k. Implement personal financial management and entrepreneurship program for staff.
- l. Undertake comprehensive ethics risk assessment
- m. Promote internalization of ZRA core values
- n. Decentralisation of recruitment
- o. Develop user requirements for automation of recruitment process
- p. Develop flexible working hours guidelines concept
- q. Review productivity standards

Strategic Objective 4.3: Improve infrastructure and facilities

Initiative:

- a. Develop and implement a Physical Infrastructure Development Plan
- b. Procurement of vehicles
- c. Decentralise some support activities like vehicle servicing etc.
- d. Conduct a review of occupancy standards which ZRA need to adhere to
- e. Implement occupational health and safety standards.

4.2. Strategy Map

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

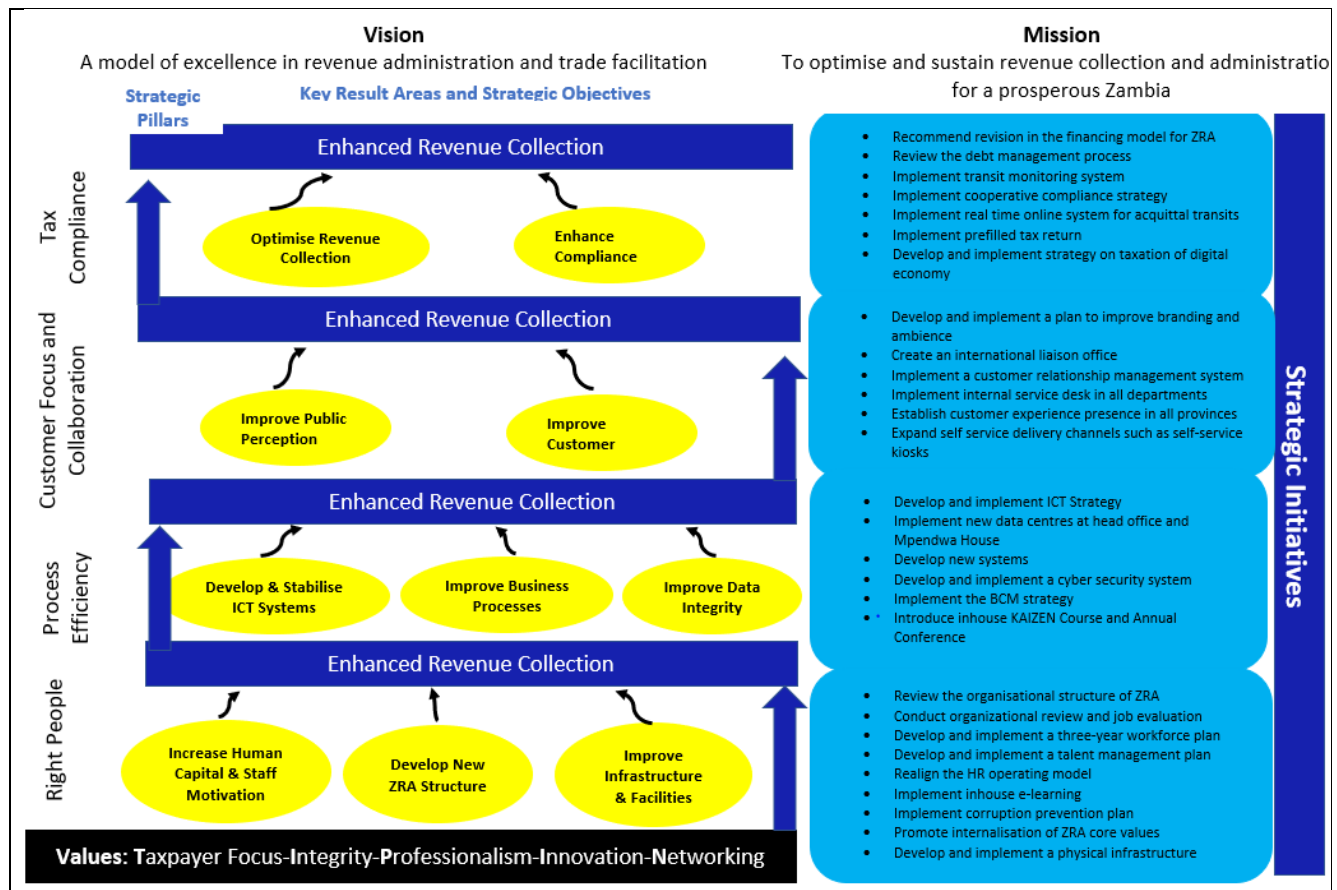


Figure 4.2: ZRA Strategy Map

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 2022-2024¹

	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).

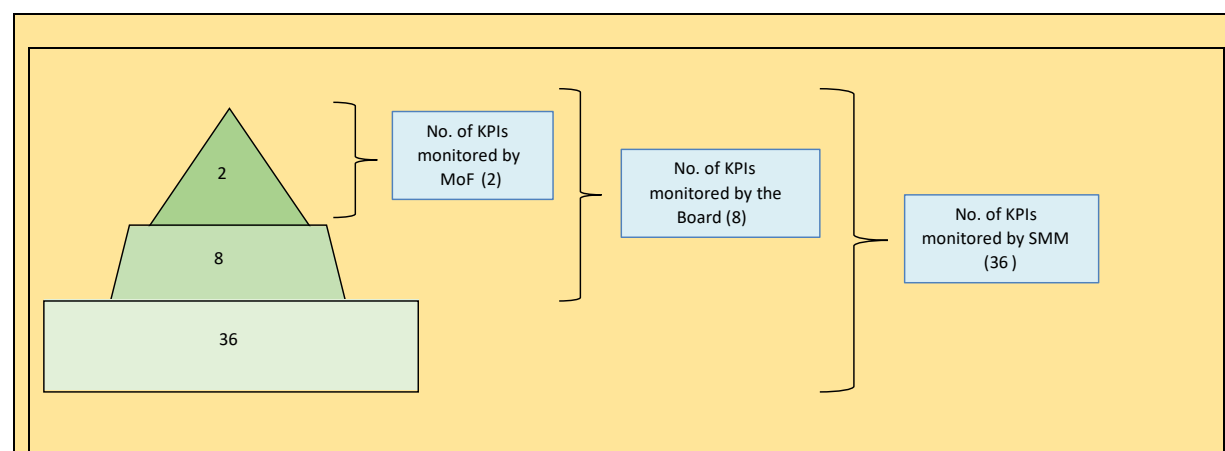


Figure 5.1: No. of KPIs to be monitored at different levels

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.

¹ These are preliminary numbers as at September, 2021

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. Recommend revision in the financing model for the Authority 2. Produce revenue forecasts and expectations 3. Monitor revenue collection and produce performance reports 4. Secure predictable funding in line with the budget 5. Coordinate with the MoFNP to develop and implement Tax expenditure Governance 6. Provide input in the development of Medium-Term Revenue Strategy (MTRS) governance, roadmap and principles	Parliament approved annual revenue target met	128%	100%	100%	100%
		Percentage of tax types that met set targets	65%	70%	75%	80%
		Tax Revenue to GDP ratio	16.7%	18.5%	19.0%	19.3%
		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. Develop user requirements for <u>real-time</u> Interfaces with the following local institutions: 1.1. In 2022: 1.1.1. Government Service Bus 1.1.2. RTSA 1.1.3. PACRA (enhancement) 1.2. In 2023: 1.2.1. Ministry of Lands (ZILAS) 1.3. In 2024: 1.3.1. ZICTA/Mobile Network Operators 1.3.2. ZESCO 1.3.3. ZPPA (e-GP system) 1.3.4. Immigration Department 1.3.5. NAPSA 1.3.6. NFS/Commercial Banks	Number of institutions newly interfaced with	2	7	3	8
		Number of countries newly interfaced with	2	3	2	2
		Percentage (minimum) of debt stock within 90 days	10%	10%	15%	20%
		Percentage of return liabilities turning into new debt	23.1%	20%	19%	18%

Strategic Objective	Initiatives	Key Performance Indicator	Service Delivery Target			
			Baseline	2022	2023	2024
	1.3.7. RTSA	Debt/Tax Revenue Ratio	67.6%	57.6%	47.6%	30%
	1.3.8. PACRA					
	1.3.9. Ministry of Finance (IFMIS) (enhancement)	Debt arising from transits kept below 1%.	1%	0.8%	0.6%	0.4%
	1.3.10. BOZ (Services)					
	2. Develop real-time Interface with the following countries	Percentage of tax types that meet set return filing compliance	50%	60%	70%	80%
	2.1. 2022:					
	2.1.1. DRC	Taxpayer registration strategy developed and implemented.	New			100%
	2.1.2. Zimbabwe (Data Exchange)					
	2.1.3. Tanzania (Data Exchange)	Income tax returns reviewed and simplified.	New			100%
	2.2. 2023:					
	2.2.1. Zimbabwe	Percentage of transits acquitted out of total transits	91%	93%	94%	95%
	2.2.2. Malawi					
	2.3. 2024	Number of contracts signed with individual local Authorities	33	33	33	43
	2.3.1. Mozambique					
	2.3.2. Tanzania	Number of internal interfaces completed	New	2	2	3
	2.3.3. Botswana					
	2.3.4. Namibia	Percentage of taxpayers audited	4%	5%	6%	8%
	3. Develop internal interfaces					
	2.4. TaxOnline II and SAP	Percentage of taxpayers audited	4%	5%	6%	8%
	2.5. TaxOnline II and Electronic Invoicing System (EIS)					
	2.6. ASYCUDAWorld and TOII (Exports validation).	Percentage of taxpayers audited	4%	5%	6%	8%
	2.7. ASYCUDAWorld and SAP					
	3. Review the debt management process through KAIZEN with support from USAID (R4G)	Percentage of taxpayers audited	4%	5%	6%	8%

Strategic Objective	Initiatives	Key Performance Indicator	Service Delivery Target			
			Baseline	2022	2023	2024
	4. Develop and implement a digital solution for tracking of excisable products 5. Review the Debt Management responsibility allocation between Business Facilitation and Operating divisions 5.1. Operationalise Debt Recovery unit in Operating divisions. 5.2. Set up a dedicated team to handle government debt and compliance 5.3. Engage Ministry of Finance on Debt swaps 5.4. Use the Tax Policy process to review; the debt remission process; and the penalty regime for late filing of VAT returns. 5.5. Submit policy recommendation to Introduce Debt capping 5.6. Develop debt remission function on TaxOnline II 6. Implement electronic cargo transit monitoring system (ECTS) 7. Implement smart gates at the borders 8. Operationalize revised central deregistration rules to remove inactive taxpayers 9. Implement Cooperative Compliance Strategy 10. Implement the agency model: 10.1. Develop agency module on TO2 10.2. Sign additional contracts with local authorities 11. Implement a real time online system for acquittal of transits: 11.1. Customs Validation System (CVS) 11.2. Implement WIFI at borders to support CVS 12. Develop and implement taxpayer registration strategy. 12.1. Set up a dedicated team to develop the strategy	% of E-commerce strategy implemented	New			100%

Strategic Objective	Initiatives	Key Performance Indicator	Service Delivery Target			
			Baseline	2022	2023	2024
	<p>12.2. Undertake benchmarking visit</p> <p>13. Enhance Management of tax returns - Review of tax return forms -Implement prefilled tax returns for VAT</p> <p>14. Develop and implement an integrated audit reform strategy</p> <p>15. Enhance implementation of BIDA: 15.1. To enhance audit coverage and selectivity 15.2. Training 15.3. Implement Data Governance framework</p> <p>16. BIDA Interface with TO2(PAYE), MOSES, ASYCUDAworld, Smart Invoice.</p> <p>17. Implement artificial intelligence: 17.1. Detect suspicious transactions 17.2. Send reminders on unaccompanied returns, consistent nil filers and non-filers 17.3. Setup a dedicated AI Unit 17.4. Employee notifications on PAYE</p> <p>18. Automate Block Management System in 2024</p> <p>19. Develop and implement strategy on taxation of digital economy: 19.1. Conduct a study to estimate the impact of the Digital economy in Zambia 19.2. Build capacity for taxing the digital economy and other specialised areas 19.3. Benchmark with other jurisdictions (Zimbabwe) 19.4. Implement Cross Border Electronic Services (CBES) Taxation Project.</p>					

Strategic Objective	Initiatives	Key Performance Indicator	Service Delivery Target			
			Baseline	2022	2023	2024
	<p>19.5. Facilitate the ratification of the Exchange of information instruments for international Tax.</p> <p>20. Explore measures of enhancing compliance of excisable goods</p> <p>21. Enhance compliance of artisanal and small-scale mining companies.</p> <p>22. Create a Mineral Data Analysis Unit</p> <p>23. Setup a unit for high income and prominent individuals (HIPI) - High net-worth individuals</p> <p>24. Establishment of a full-fledged Data Science unit</p> <p>25. Streamline the management of artisanal and small-scale miners</p> <p>26. Develop a Compliance Risk Management Policy/Statement and publish it on the ZRA website.</p> <p>27. Develop and implement new governance for taxpayer compliance risk management</p> <p>30.1 Develop compliance risk management engine</p> <p>30.2 Develop a dashboard on TO2 for taxpayers</p> <p>28. Implement MOU with Rwanda Revenue Authority</p> <p>29. Update the layman's Tax Administration draft Bill</p> <p>30. Develop and implement VAT Control Model</p> <p>31. Implement fiscalization:</p> <p>31.1. Smart Invoice System</p> <p>32. Establish Compliance Risk Management Council (CRMC) and Compliance Risk Management Group (CRMG).</p>					

KRA 2: SATISFIED AND KNOWLEDGEABLE TAXPAYERS

Strategic Objective	Initiatives	Key Performance Indicator	Service Delivery Target			
			Baseline	2022	2023	2024
2.1 Improve Taxpayer Satisfaction	<ol style="list-style-type: none"> 1. Develop and Implement Taxpayer education Strategy 2. Develop and implement a branding manual 3. Conduct quarterly surveys on the performance of the service charter 4. Create a platform for capturing feedback from stakeholders 5. Develop and Implement a Cooperative compliance initiative 6. Conduct regular executive engagements with business associations and strategic stakeholders 7. Launch and conduct sensitization on the new tax charter 8. Commercialisation of The ZRA training centre 9. Extend e-learning to the general public 	Percentage of stakeholders with favourable perception of ZRA	88%	88%	89%	90%
		Percentage of service charter standards met	66%	68%	70%	75%
2.2 Improve Customer Experience	<ol style="list-style-type: none"> 1. Implement a Customer Relationship Management System 2. Develop and implement a customer experience plan 3. Train all employees in customer service 4. Implement a 'one-zra' approach in all work streams 5. Conduct biannual taxpayer open day 6. Expand the usage of social media platforms for taxpayer education 	Percentage of satisfied taxpayers	86%	88%	89%	90%

Strategic Objective	Initiatives	Key Performance Indicator	Service Delivery Target			
			Baseline	2022	2023	2024
	<p>7. Develop and implement a plan for geographical expansion of ZRA services:</p> <ul style="list-style-type: none"> a. Train Council Staff b. Conduct a feasibility study of self-service delivery channels such as self-service kiosks. c. Accredited Business centres as ZRA agents d. Introduce interactive toll-free telephone answering system <p>8. Enhance the ZRA website and make it more interactive</p> <p>9. Conduct annual taxpayer appreciation day</p> <p>10. Launch of redeveloped ZAX</p>					

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	<ol style="list-style-type: none"> 1. Upgrade and enhance ICT systems 2. Develop complete integration for internal systems 3. Conduct End User System based Surveys 4. Implement ICT Strategy 5. Implement a three-year budgeting plan for ICT 6. Develop and implement new ICT systems 7. Procure and deploy new servers for applications for the core business systems 8. Implement new data centers at Head Office and Mpendwa House 9. Automate taxpayer satisfaction survey 10. Optimize the use and reduce cost of software licenses. 11. Implement a Cyber Security Strategy 12. Enhance third party integration to improve data quality through the implementation of Service Bus 13. Implement Issue Resolution of TOII phase 2 14. Improve the functionality of the Bonded warehouse module on ASYCUDA WORLD 15. Procure heavy duty scanners for the ERMS 16. Implement a 3-tier power solution at HQ data centre and Mpendwa House 	Percentage of satisfied end users of ZRA ICT systems	84%	86%	88%	90%
		Percentage up time of ICT system	99.5%	99.9%	99.9%	99.9%
		Percentage of ICT infrastructure in use that is within warranty	31%	50%	60%	70%
		Percentage of software upgraded to the latest tried and tested version	100%	100%	100%	100%
		Percentage of identified cyber security vulnerabilities treated	New	100%	100%	100%
3.2 Improve business processes	<ol style="list-style-type: none"> 1. Implement the BCM strategy 2. Introduce inhouse KAIZEN course and annual conference 3. Divisions to allocate resources for process improvement activities 	Percentage of successful DR switch overs	60%	80%	90%	100%
		Percentage of KAIZEN projects completed out of all due for completion in the year	17%	100%	100%	100%

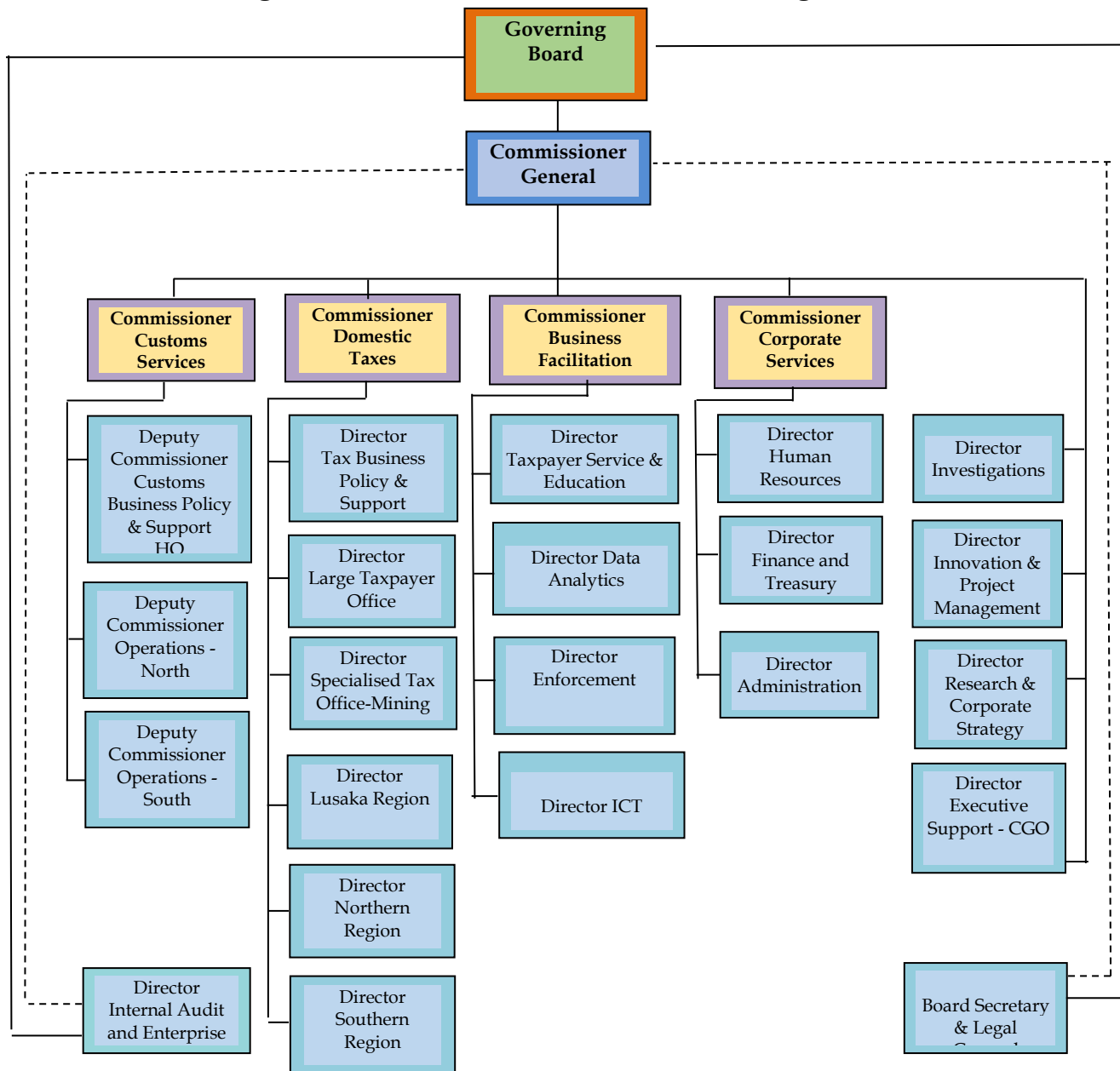
Strategic Objective	Initiatives	Key Performance Indicator	Service Delivery Target			
			Baseline	2022	2023	2024
	4. Review and enforce the project governance framework.	Percentage of projects completed out of approved project portfolio for the year	New	100%	100%	100%
	5. Develop and implement the e-audit process 6. Develop and implement the ZRA's harmonization plan for capacity development providers projects. 7. Develop Compliance Improvement Plans (CIP) for key risks – income tax, filing, and VAT fraud.	Percentage of projects yielding expected benefits	New	100%	100%	100%
3.3 Improve data integrity	1 Develop the data governance framework	Data governance framework developed	New	100%	100%	100%
	2 Implement a Data Governance Framework 2.1 Develop a roadmap to ISO27001 implementation	Percentage of Data Governance Framework implemented	New	100%	100%	100%
	3 Reconcile and Migrate all legacy transactions on TARPS and TaxOnline 1	Percentage of legacy cases reconciled (TARPS & TO1)	3%	10%	20%	30%
	4 Reconcile and acquit outstanding transactions on ASYCUDAWorld	Percentage of legacy customs transactions reconciled	40%	60%	80%	100%
	5 Develop mechanism for updating taxpayer demographics on TO2	Percentage of taxpayers with complete data	New	50%	65%	75%
	6 Develop and implement Standard Operating Procedures for updating taxpayer demographics. 7 Review and enhance TO2 audit trail					
3.4. Commercialise ZRA Innovations	1. Feasibility study on commercialization	Feasibility study conducted	New			100%
	2. Develop a concept note for commercialization of ZRA Innovations	Concept note for commercialisation of ZRA Innovations developed	New			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	1. Review the organisational Operating Model of ZRA 2. Implement the new operating model project plan: 2.1. Design new operating model for Structures below Senior Management 2.2. Conduct job evaluation 2.3. Conduct change management 2.4. Develop a plan to resource the new structure. 2.5. Monitor and evaluate the operationalisation of the New Operating Model.	Percentage implementation of the new Operating Model	New		100%	100%
4.2. Increase human capital and staff motivation	1. Develop and implement a 3-year workforce plan 2. Implement the Talent Management Plan and Succession Plan 3. Implement inhouse e-learning 4. Implement Mentorship programme 5. Develop and implement women-in-leadership programmes 6. Develop and implement staff leadership program 7. Develop Diversity and Inclusion Policy 8. Develop and implement staff engagement initiatives 9. Conduct employee survey 10. Implement corruption prevention plan 11. Implement personal financial management and entrepreneurship program for staff. 12. Undertake comprehensive ethics risk assessment	Approved staff complement	2450	2750	2583	2782
		Percentage of staff who met their performance objectives	99%	95%	95%	95%
		Employee engagement survey score	74%	76%	76%	78%

Strategic Objective	Initiatives	Key Performance Indicator	Service Delivery Target			
			Baseline	2022	2023	2024
	13. Promote internalization of ZRA core values 14. Decentralisation of recruitment 15. Develop user requirements for automation of recruitment process 16. Develop flexible working hours guidelines concept 17. Review productivity standards	Percentage of inhouse courses converted to e-learning	0	50%	60%	80%
		Percentage of employees dismissed for unethical conduct	0.38%	1%	1%	1%
4.3.Improve infrastructure and facilities	1. Develop and implement a Physical Infrastructure Development Plan: 1.1. Build extra physical inspection facilities for customs 1.2. Building of more staff houses 1.3. Renovation of staff houses and offices 1.4. Rent office accommodation for staff 1.5. Build regional offices 1.6. Assess the occupancy rate of ZRA owned infrastructure 2. Procurement of vehicles 3. Decentralise some support activities like vehicle servicing. 4. Conduct a review of occupancy standards which ZRA need to adhere to 5. Implement occupational health and safety standards.	Number of staff houses constructed	New			TBA
		Number of physical infrastructures refurbished	New			TBA
		Number of offices constructed	New			TBA
		Number of Commercial infrastructures developed	New			TBA
		Percentage of rented office space	15%	12%	10%	5%
		Percentage of Occupancy Standards adhered to	40%	50%	60%	70%

Annex 1: ZRA Organisation Structure for Senior Management



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