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ZAMBIA



2000 - 2025



# A Rapid Assessment on the Status of Implementation of the IMF's Governance Diagnostic Recommendations in Zambia

STUDY REPORT

April 2025

Commissioned by the Chandler Foundation



CHANDLER  
FOUNDATION

# **Study Report: A Rapid Assessment on the Status of Implementation of Zambia's IMF Governance Diagnostic Recommendations.**

**Purpose: Assessing the status of the Implementation of Zambia's IMF Governance Diagnostic Report Recommendations.**

## **Client**

The Chandler Foundation

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## **Acknowledgements**

Transparency International Zambia thanks Mr. Bright Chizonde for leading and conducting this study, and Mr. Tommy Singongi and Ms. Tamika Halwiindi for providing research support. TI-Z also wishes to extend its appreciation to the respondents, including state and non-state actors, and to Mr. Rueben Lifuka and Ms. Leslie Tsai, from the Chandler Foundation, for their insights and comments. We also thank the TI Zambia management team, led by Mr. Maurice K. Nyambe and Mr. Raymond Mutale for provided insightful comments and guidance, and Mr. Daniel Mutale for providing finance and logistical support.

**Date: April 2025**

## EXECUTIVE SUMMARY

As part of a 38-month IMF Supported Program aimed at restoring macroeconomic stability, Zambia committed to sustaining efforts in tackling corruption and strengthening the anti-corruption framework. The country requested for a comprehensive IMF-staff supported Governance Diagnostic Assessment (GDA), and the IMF subsequently undertook the GDA mission from January to May 2022. Following this mission and in collaboration with the Zambian Government, the IMF published a comprehensive Technical Assistance Report on Governance and Corruption in December 2022.

The GDA focused on governance weaknesses and corruption vulnerabilities in critical priority areas and generated 11 priority recommendations, which focused on the first round of reforms in the key state functions. According to the IMF, these priority recommendations will catalyze the transition to stronger governance, and more effective and sustainable anti-corruption reforms.

The Chandler Foundation, whose mission is to build strong and prosperous nations through partnering with national leaders on cultures of integrity programs, commissioned Transparency International Zambia (TI-Z) to conduct a rapid assessment of the status of implementation of the recommendations contained in the IMF GDA Report. The purpose of the assessment was to evaluate the Government of Zambia's progress toward implementing the recommendations in the IMF Governance Diagnostic report. The findings in this report will therefore inform the Chandler Foundation's programs in Zambia and TI Zambia's advocacy efforts by identifying opportunities for civil society to engage with the Government of Zambia and the IMF on governance issues through the framework of the Open Government Partnership.

In terms of approach, this rapid assessment included desk-based research and key informant interviews targeting relevant public institutions and civil society in the governance and anti-corruption space.

TI-Z also conducted a review of electronic documents and websites concerning the Zambian government's actions in responding to the GDA recommendations, and this review provided a context and reference materials that validated the information received from the qualitative interviews. In order to gain deeper insights into the status of implementation of each of the GDA recommendations, the researchers conducted semi-structured interviews with key informants and requested information from relevant state and non-state institutions. Finally, TI-Z employed thematic analysis to summarize the insights on the implementation status of the 11 priority recommendations and highlighted the prospects and challenges in implementing each recommendation.

This rapid assessment has established that Zambia has fully implemented only 1 recommendation, while partially implementing 6 recommendations and has not implemented the remaining 4 priority recommendations. Zambia has fully implemented the recommendation to "adopt a legal framework that guarantees public access to information" following the enactment of the Access to Information Act No. 24 of 2023, as the recommendation related only to the enactment of the law, and not the substantive content, process or operationalization of the Law.

The country has taken action to improve the efficiency, as well as to enhance the professionalism of the Judiciary and prosecution authorities. It has also operationalized the beneficial ownership registers through PACRA and has implemented several time-bound actions to roll out the E-Government Procurement system. There is also evidence that Zambia has increased the frequency and depth of audits in high-risk areas such as VAT refunds, resulting in better oversight and control; and has digitalized the licensing process and thereby enhancing the capacity of the Ministry of Mines and Mineral Development (MMMD) in scrutinizing license and transfer applications.

However, this rapid assessment also reveals that apart from the ongoing review of the Anti-Corruption Act No.3 of 2012, Zambia has not taken any recent action to enhance the existing process of appointing top anti-corruption and AML officials. The country has also not mandated the use of the FMIS system for all transactions that the system is currently able to undertake. Even though the country published its first Tax Expenditure Report (TER) in 2024, it has not mandated the regular preparation and external publication of these TERs in future. Zambia has also not issued the statutory instrument to operationalize the Public Audit Act No. 29 of 2016 and the State Audit Commission Act No. 27 of 2016; and has not reinforced the supervision process of banks and other financial institutions with Government ownership.

In lights of these findings, Zambia should take action to finalize the regulations, rules and guidelines in order to make the Access to Information law effective and enhance non-state actor consultations in the legal reform process, including in the ongoing review of the Anti-Corruption Act and operationalization of the ATI law. The International Monetary Fund (IMF) should also improve the scope of structural benchmarks and GDA recommendations by incorporating best practices and international standards, as the recommendation to enact the Access to Information law lacked specific guidance on the content and process.

Further, considering the limited independence of the judiciary, Zambia should amend its Constitution in order to strengthen the independence of the Judiciary by reducing the powers of the President in the appointment and removal processes.

The ongoing amendment of the Companies Act No. 10 of 2017 should also bring the provisions on beneficial ownership in line with the FATF standard, including the introduction of an administrative sanctions framework for noncompliant companies concerning beneficial ownership disclosures.

There is also need to address the implementation challenges in the rollout of the E-Government Procurement system, including internet connectivity and power outages; and to issue a policy directive to mandate the publication of the Tax Expenditure Reports on measures that result in significant forgone revenues. Following this rapid assessment on the status of implementation of the GDA recommendations in Zambia, TI-Z also calls upon the Zambian government, through the Ministry of Finance and National Planning, to increase funding to the Zambia Revenue Authority in order to increase coverage and enhance the human resource and technical capacity in conducting internal audits.

The government should also urgently take action to control illegal mining to reduce the loss of life and strengthen the capacity of the MMMD to monitor the environmental commitment of legal mining operations. Finally, we also recommend the enhancement of the performance and institutional autonomy of the Office of the Auditor General by issuing a Statutory Instrument to make the Public Audit Act No. 29 of 2016 and the State Audit Act No. 27 of 2016 effective. These reforms are critical if Zambia is to make more progress in implementing the GDA recommendations.

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## LIST OF ABBREVIATIONS

<b>8NDP</b>	Eighth National Development Plan
<b>ACC</b>	Anti-Corruption Commission
<b>AG</b>	Auditor General
<b>AML</b>	Anti-Money Laundering
<b>ATI</b>	Access to Information
<b>BOZ</b>	Bank of Zambia
<b>CSO</b>	Civil Society Organization
<b>DEC</b>	Drug Enforcement Commission
<b>DPP</b>	Director of Public Prosecutions
<b>ECF</b>	Extended Credit Facility
<b>EFC</b>	Economic and Financial Crimes
<b>FATF</b>	Financial Action Task Force
<b>FIC</b>	Financial Intelligence Centre
<b>FMIS</b>	Financial Management Information System
<b>GDA</b>	Governance Diagnostic Assessment
<b>HRC</b>	Human Rights Commission
<b>IMF</b>	International Monetary Fund
<b>IT</b>	Information Technology
<b>KYC</b>	Know-Your-Customer
<b>MMMD</b>	Ministry of Mines and Mineral Development
<b>MoFNP</b>	Ministry of Finance and National Planning
<b>MPSAs</b>	Ministries, Provinces and Spending Agencies
<b>MRC</b>	Minerals Regulation Commission
<b>NPA</b>	National Prosecution Authority
<b>OGP</b>	Open Government Partnership
<b>PACRA</b>	Patents and Companies Registration Agency
<b>TE</b>	Tax Expenditure
<b>TI-Z</b>	Transparency International Zambia
<b>VAT</b>	Value Added Tax
<b>ZICTA</b>	Zambia Information and Communication Technology Authority
<b>ZPPA</b>	Zambia Public Procurement Authority
<b>ZRA</b>	Zambia Revenue Authority

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# 1 - BACKGROUND

## 1.1 THE IMF PROGRAM AND THE GOVERNANCE DIAGNOSTIC ASSESSMENT

In 2022, the International Monetary Fund (IMF) Board approved a SDR 978.2million, about US\$1.3 billion, 38-month Extended Credit Facility (ECF) arrangement for Zambia, to help restore macroeconomic stability and foster economic growth that is higher, more resilient, and more inclusive.<sup>1</sup> The ECF program reflects the goals of the Eighth National Development Plan (8NDP)<sup>2</sup> and is tailored to addressing Zambia's most pressing macroeconomic challenges, including restoring sustainability through fiscal adjustment and debt restructuring, creating fiscal space for social spending to cushion the burden of adjustment and strengthening governance and reducing corruption vulnerabilities.<sup>3</sup>

In order to achieve the strengthening governance objective, Zambia committed to sustaining efforts in tackling corruption and strengthening the anti-corruption framework<sup>3</sup> and as a basis for initiating these efforts, the country requested for a comprehensive IMF-staff supported Governance Diagnostic Assessment (GDA).<sup>3</sup> The IMF subsequently undertook the GDA mission from January to May 2022 and published, with the support of the Zambian Government, a comprehensive Technical Assistance Report on Governance and Corruption<sup>4</sup> in December 2022. The GDA

focused on governance weaknesses and corruption vulnerabilities in critical priority areas. These included anti-corruption and anti-money laundering, fiscal governance, enforcement of contracts and protection of property rights, central bank governance and operations, and financial sector oversight. The fiscal governance priority area covered aspects of public financial management, revenue administration, oversight of state-owned enterprises, natural resource governance and procurement.<sup>4</sup>

The IMF is monitoring the ECF Program performance through semi-annual program reviews based on quarterly and continuous quantitative targets and structural benchmarks.<sup>3</sup> The Structural benchmarks aim to encourage progress towards the key objectives of the program through indicating the specific actions and deadlines that a country is expected to follow. In the case of Zambia, the GDA was the 10<sup>th</sup> Structural benchmarks as the government committed to publishing a comprehensive governance diagnostic report, including specific recommendations and a time-bound action plan for implementing them by the end of December 2022. In the First Review of the ECF Program, the IMF staff report noted that Zambia had met this structural benchmark.<sup>5</sup>

The GDA Report contains 50 recommendations<sup>4</sup> aimed at contributing to the formulation of governance and anti-corruption policies and

[1] International Monetary Fund. (August 31, 2022). IMF Executive Board Approves New Extended Credit Facility (ECF) Arrangement for Zambia. <https://www.imf.org/en/News/Articles/2022/08/31/pr22297-imf-executive-board-approves-new-extended-credit-facility-arrangement-for-zambia>

[2] Ministry of Finance and National Planning. (2022). Eighth National Development Plan: 2022-2026. [https://www.parliament.gov.zm/sites/default/files/documents/committee\\_reports/Report%20of%20the%20S-elect%20Commit.pdf](https://www.parliament.gov.zm/sites/default/files/documents/committee_reports/Report%20of%20the%20S-elect%20Commit.pdf)

[3] International Monetary Fund. (2022). Zambia: Request For An Arrangement Under The Extended Credit Facility. <https://www.imf.org/-/media/Files/Publications/CR/2022/English/1ZMBEA2022001.ashx>

[4] International Monetary Fund. (2023). Zambia Technical Assistance Report: Diagnostic Report on Governance and Corruption. <https://www.imf.org/en/Publications/CR/Issues/2023/01/09/Zambia-Technical-Assistance-Report-Diagnostic-Report-on-Governance-and-Corruption-527982>

[5] International Monetary Fund (2023). Zambia: 2023 Article IV Consultation, First Review Under the Extended Credit Facility Arrangement, and Financing Assurances Review-Press Release; Staff Report; and Statement by the Executive Director for Zambia. <https://www.imf.org/-/media/Files/Publications/CR/2023/English/1ZMBEA2023002.ashx>

programs, improving the legal and institutional frameworks, as well as governance and anti-corruption reform measures agreed to in the ECF Arrangement with Zambia. The IMF acknowledges that addressing effectively all the governance weaknesses identified through the GDA will require careful sequencing, continued strong political will, significant resources and prolonged efforts, including support from Zambia’s international partners. To facilitate the

reform planning process, the IMF identified 11 priority recommendations, which focus on the first round of reforms in the key state functions. According to the IMF, these priority recommendations will catalyze the transition to stronger governance and more effective, sustainable anti-corruption reforms.<sup>4</sup> **Table 1** presents the 11 Priority Recommendations from the GDA and highlights the timeline for implementation.

**Table 1: Priority Recommendations from Zambia’s Governance Diagnostic Assessment**

	RECOMMENDATIONS	TIMELINE
1	Adopt a legal framework that guarantees public access to information	Short Term
2	Introduce necessary measures to ensure that top anti-corruption and AML officials such as Director General of ACC, Director General of DEC, Director General of FIC, DPP are selected and appointed through transparent, merit-based and participatory processes	Medium Term
3	Prepare, with participation of civil society, academia and legal profession, a comprehensive reform strategy to strengthen the independence, professionalism and efficiency of the judiciary and prosecution authorities	Medium Term
4	Operationalize PACRA’s beneficial ownership register, including ensuring the availability of accurate, complete and up-to-date beneficial ownership information and imposing effective sanctions on entities for non-compliance.	Immediate
5	Prepare a time-bound action plan and rollout E-Government Procurement	Immediate
6	Mandate the use of the FMIS system for all transactions currently able to be undertaken through the system	Immediate
7	Mandate regular preparation and external publication of tax expenditure reports on measures expected to result in significant foregone revenue	Short Term
8	Increase internal audits in VAT refund process and customs warehouse management, as well as in other processes where IT systems are not fully integrated or are unstable	Short Term
9	Strengthen the MMMD’s capacity to properly scrutinize license and transfer applications, and monitor the associated commitments on safety and environment, work programs, and production	Short Term



RECOMMENDATIONS		TIMELINE
10	Bring the Public Audit Act of 2016 and the State Audit Commission Act of 2016 into force by issuing the statutory instrument by MoFNP	Immediate
11	Develop and reinforce supervisory processes for banks and other financial institutions with Government ownership to address specific risks and challenges associated with these special entities.	Medium Term

**Note:** The recommendations classified as Immediate are for implementation in up to 6 months, those classified as Short Term are for implementation in 6 to 12 months and those classified as Medium Term may require up to 24 months to implement.

## 2 - RESEARCH OBJECTIVES

The Chandler Foundation<sup>6</sup>, whose mission is to build high-trust societies through creating cultures of integrity, contracted Transparency International Zambia to conduct a rapid assessment of the status of implementation of the recommendations contained in the IMF GDA Report<sup>4</sup>. The purpose of the assessment was to evaluate the Government of Zambia's progress toward implementing the 11 priority recommendations in the 2023 IMF Governance Diagnostic report. The findings in this report will therefore inform TI-Z's advocacy strategy for improved good governance and the Chandler Foundation's programs in Zambia, by identifying opportunities for civil society to engage with the Government of Zambia and the IMF on governance issues through the framework of the Open Government Partnership (OGP).<sup>63</sup> The rapid assessment sought to achieve the following specific objectives:

- 1 Assess the extent of implementation progress in response to each of the 11 priority recommendations contained in the 2022 IMF Diagnostic Assessment on Governance and Anti-corruption in Zambia.
- 2 Provide recommendations on the priority and sequencing of specific metrics and milestones that the government will accomplish in relation to the IMF's Governance Diagnostic recommendations over the next 4 years.
- 3 For each of the IMF's Governance Diagnostic recommendations, recommend activities that non-state actors may undertake to help achieve the recommendations. For this piece, the recommendations extend beyond the 11 priority recommendations to all relevant Governance Diagnostic recommendations.
- 4 Assess whether and to what extent Zambia might be able to use the Open Government Partnership framework to facilitate an ongoing and collaborative process.
- 5 Provide an in-depth assessment of the progress and impact of the IMF's Conditionality/Structural Benchmark to pass the Access to Information (ATI) Law, and the recommendation to amend the Anti-Corruption Act in line with the recommendations envisaged in the Governance Diagnostic report.

[6] The Chandler Foundation (2024). About Us. <https://www.chandlerfoundation.org/about-us>

## 3 - METHODOLOGY

The rapid assessment employed basic qualitative research approaches comprising of desk-based research, and key informant interviews targeting relevant public institutions and CSOs in the governance and anti-corruption space, and the hosting of a CSO validation meeting.

### 3.1 DESK-BASED RESEARCH

The rapid assessment included a review of the relevant literature such as the Zambia Governance Diagnostic Report, IMF Staff Reports/Article IV Consultations media statements, the Open Government Partnership Framework, Media articles, relevant policies and laws, and related electronic documents and websites concerning the government's actions in responding to the GDA recommendations. The desk-based research provided context and reference materials for substantiating the information received from the key informants.

### 3.2 KEY INFORMANT INTERVIEWS

To gain deeper insights into the status of implementation of each of the 11 priority GDA recommendations, TI-Z conducted semi-structured interviews with key informants drawn from relevant state and non-state institutions. The data collection tool, which was a semi-structured interview guide, was pre-tested to ensure reliability, and the interview transcripts were peer-reviewed to eliminate analysis bias. The researchers employed thematic analysis to summarize the insights of stakeholders on the implementation status of the 11 priority recommendations, and highlighted the prospects and challenges in implementing each recommendation. Appendix A provides a list of the 16 stakeholders that participated in this study.

### 3.3. CIVIL SOCIETY PERSPECTIVES AND VALIDATION

In order to integrate the perspectives of civil society into this report, TI-Z held a civil society validation meeting, with 10 relevant civil society actors in Zambia, to consider the first round of results from the interviews conducted with public institutions. During this validation meeting, the researchers integrated perspectives of civil society into the report while maintaining objectivity, and conducted further desk-based research to substantiate the perspectives of civil society. Finally, TI-Z shared the complete draft report with all the public institutions to provide an opportunity to rebuttal some civil society perspectives, and thereafter finalized the report. Appendix B provides the list of the 10 civil society actors that participated in this process.

## 4 - IMPLEMENTATION STATUS OF THE IMF RECOMMENDATIONS

This section presents the findings on the status of implementation of the IMF priority recommendations. In addition to highlighting the progress made or lack thereof, in the implementation of each of the 11 priority recommendations, the section also highlights some prospects and challenges, and concludes with a summary status table, highlighting the overall assessment and recommended priority actions or activities for civil society.

### ▶ Recommendation 1: Access to Information

The IMF recommended for Zambia to “**adopt a legal framework that guarantees public access to information (including proactive transparency requirements for government agencies) in line with Zambia’s international obligations and designate an agency responsible of overseeing the implementation of the law.**”<sup>4</sup> Following this recommendation, Zambia enacted the Access to Information Act No. 24 of 2023<sup>7</sup> on 13<sup>th</sup> December 2023, and the Act was assented to by the Republican president on 22<sup>nd</sup> December 2023.<sup>8</sup> Section 8 of the Act provides for proactive transparency requirements for government agencies or proactive disclosure, while Section 4(1) designates the Human Rights Commission (HRC) as the agency responsible for overseeing the implementation of the law. It is however important to note that the Human Rights Commission is the appellant body. This means that it is not the institution of first instance when information seekers want to get information, but will hear and determine appeals against the decisions made by information holders, who may

choose to deny access to certain information.<sup>9</sup>

The designation of the HRC as an agency responsible for overseeing the implementation of the Access to Information law is an additional mandate to the many additional functions of the Commission as outlined in Section 6 of the Human Rights Commission Act No. 4 of 2024.<sup>10</sup> The HRC therefore ought to enhance its capacity in order to deliver on this added responsibility. In seeking to do so, the HRC has requested the Zambian Government to provide additional capacity in terms of additional staff. Consequently, in the 2025 National Budget, the Ministry of Finance and National Planning (MoFNP) allocated funds for the recruitment of 16 new staff.<sup>9</sup> The HRC has also revised its administrative structure, by splitting the Investigation and Legal Services Department into a separate Investigations Department and a newly formed Compliance and Legal Department. Further, the Commission is in the process of creating an Office of the Registrar, to operate like court marshals in receiving appeals and issuing summons.<sup>9</sup>

Civil society noted several challenges in the development and operationalization of the ATI Law in Zambia. They began by clarifying that the enactment of the Access to Information Law in Zambia was not entirely in response to the Governance Diagnostic Recommendations or indeed to the structural benchmark in the IMF supported program for Zambia.<sup>11</sup> The civil society actors noted that other ongoing processes equally recommended for the enactment of a right to information law in Zambia. These include the Universal Periodic Review (UPR) Mechanism<sup>12</sup>

[7] Access to Information Act No. 24 of 2023. <https://www.parliament.gov.zm/node/11547>

[8] Interview with National Assembly

[9] Interview with the Human Rights Commission

[10] Human Rights Commission Act No. 4 of 2024. <https://www.parliament.gov.zm/node/11875>

[11] CSO Validation Meeting

[12] United Nations (2022). National report submitted pursuant to Human Rights Council resolutions 5/1 and 16/21 Zambia. [https://upr-info.org/sites/default/files/country-document/2023-02/A\\_HRC\\_WG.42\\_UPR42\\_ZM\\_E.pdf](https://upr-info.org/sites/default/files/country-document/2023-02/A_HRC_WG.42_UPR42_ZM_E.pdf)

and the United Nations Convention against Corruption (UNCAC) Implementation Review Mechanism.<sup>13</sup> They also noted the importance of considering the content of the law and not merely the enactment. They noted that the Law contains some unfavorable provisions that take away the right to information. These include section 30 of the ATI Act,<sup>7</sup> which gives the information holders consideration discretion in withholding information.<sup>11</sup>

Another challenge noted by civil society was the ineffective consultation during the enactment process. Though there was consultation of civil society, the process was merely procedural, as the government did not incorporate most of the views and concerns of civil society.<sup>11</sup> In the lead-up to the enactment of the ATI law, civil society, through the Access to Information Coalition, submitted a position paper<sup>14</sup> for consideration, but government did not address most of the concerns during the revision of the final ATI Act.<sup>11</sup> Further, civil society also noted an emerging trend of procedural and ineffective consultations in the enactment of several other laws, including the Non-Government Organisations (Amendment) Act, 2020,<sup>15</sup> and the Cyber Security and Cyber Crimes Act, 2021.<sup>16</sup> Common practices in the consultative processes include the late sharing of confidential bills, such that civil society have limited time to review them before the consultative meetings. Considering that there are limited prospects for influencing the provisions of a bill once it reaches parliament, civil society groups are concerned that their views are not taken on board in several legislative processes, prior to the presentation of such bills to parliament. Further, given the administration's dominance in parliament, it has proceeded to enact laws despite opposition political party and civil society concerns.<sup>17</sup>

### Prospects

- There is high interest among stakeholders in the implementation of the ATI law
- The Human Rights Commission is receiving support to enhance its capacity to fulfil its additional mandate regarding the Access to Information Law
- Cooperating partners are supporting CSOs to sensitize citizens on the ATI law and in monitoring the implementation of the law
- The HRC has joined the African Network of Information Commissions<sup>18</sup> to enhance peer learning on best practices, challenges, and opportunities
- The National Assembly, through the Parliamentary Caucus on Post Legislative Scrutiny, plans to monitor the implementation of the ATI Law

### Challenges

- Despite the enactment and issuance of the Commencement Order,<sup>19</sup> the Access to Information Act No. 24 of 2023<sup>7</sup> is not yet effective. This means, no one has benefited from its enactment.
- The HRC presently lacks the capacity and resources to fulfill its mandate effectively, as is it also not adequately decentralized across the country
- Relevant stakeholders, including the citizens and civil society lack knowledge on the process of implementing the Act
- There is a culture of secrecy in the public sector and the existence of systems, processes and administrative procedures that continue to classify the majority of the information which is supposed to be made public

[13] United Nations Office on Drugs and Crime (2024). Implementation Review Mechanism.

<https://www.unodc.org/corruption/en/uncac/implementation-review-mechanism.html>

[14] Access to Information Coalition (2023). Position Paper on the Draft ATI Bill. <https://tizambia.org.zm/wp-content/uploads/2023/07/ATI-Coalition-Position-Paper-2023.pdf>

[15] The Non-Governmental Organisation (Amendment) Act, 2020. <https://www.parliament.gov.zm/node/8631>

[16] The Cyber Security and Cyber Crimes Bill, 2021. <https://www.parliament.gov.zm/node/8832>

[17] Voice of America (27 November 2024) Zambia's civil society rejects proposed NGO bill.

<https://www.voanews.com/a/zambia-s-civil-society-rejects-proposed-ngo-bill/7879523.html>

[18] African Network of Information Commissions (2024). About us. <https://anicafrica.org/about/>

[19] Access to Information (Commencement Order), 2024. <https://acazambia.org/wp-content/uploads/2024/06/ATI-Commencement-Order-1.pdf>



## CASE STUDY: Why are Zambians Not Benefiting from the ATI Law?

Since the issuance of the Access to Information (Commencement) Order<sup>19</sup> on 25<sup>th</sup> June 2024, a few zealous information seekers wrote to various public institutions requesting for information using letters. These requests were however not honoured because a lack of regulations, guidelines and rules for accessing information under the Act. In order to remedy the situation, the Human Rights Commission, as part of a technical working group or committee, comprising the Ministry of Information, the Judiciary, the Ministry of Justice and other stakeholders, is developing regulations, rules and guidelines for the full operationalization of the ATI Law in Zambia.<sup>9</sup>

As part of the process of developing the regulations, rules and guidelines, the HRC conducted stakeholder consultations with relevant state and non-state actors.<sup>9</sup> However, there were strong sentiments from civil society that the stakeholder consultation leading up to the development of these regulations, rules and guidelines, was only procedural, and did not take on board the views of civil society.<sup>11</sup> Further, there were concerns that the government was slow in putting in place mechanisms to ensure the full operationalization of the law and that there has been inadequate information shared by the HRC on the progress made in the operationalization of the law.<sup>11</sup>

The Access to Information law will therefore only become effective after the finalization of the regulations, rules and guidelines. Further, as provided for in Section 41 of the ATI law, there is a transition period of 2 years from the commencement date, in which information holders will only be required to meet minimum standards for compliance, including proactive disclosure. This is to allow information holders to put in places the necessary mechanisms and capacity to adhere to the requirements of the Act. These include arranging the existing information in accessible and retrievable formats, appointing information holders, and declassification of information, among others.<sup>9</sup> Consequently, although the law provides for administrative penalties, the HRC will be unable to evoke these powers before the end of June 2026. Given the above, there are concerns from civil society that the Act may not be effective, even after the transition period.<sup>11</sup>

### ▶ Recommendation 2: Merit-Based Appointments

The IMF recommended for Zambia to **“introduce necessary measures to ensure that top anti-corruption and AML officials such as Director General of ACC, Director General of DEC, Director General of FIC, DPP are selected and appointed through transparent, merit-based and participatory processes.”**<sup>4</sup> Apart from the ongoing review of the Anti-Corruption Act No. 3 of 2012, which may consider this recommendation, there is limited evidence that Zambia has introduced any recent measures to

ensure that top anti-corruption and AML officials are selected and appointed through a transparent, merit-based and participatory process. The status quo is that the President has the powers to appoint the Director General of the Anti-Corruption Commission, the Directors General of the Drug Enforcement Commission and the Director of Public Prosecutions, subject to ratification by Parliament.<sup>8</sup> The President draws these powers from section 9(2) of the Anti-Corruption Act No. 3 of 2012,<sup>20</sup> section 7(1) of the Narcotic Drugs and Psychotropic Substances Act No. 35 of 2021,<sup>21</sup> and Article 180(1) of the Constitution (Amendment) Act No.

[20] Anti-Corruption Act No. 3 of 2012. <https://www.parliament.gov.zm/node/831>

[21] Narcotic Drugs and Psychotropic Substances Act No. 35 of 2021. [https://www.zambialaws.com/Zambia\\_Acts\\_yearPdf/Zambia2021Pdf/ACT-2021-35.pdf](https://www.zambialaws.com/Zambia_Acts_yearPdf/Zambia2021Pdf/ACT-2021-35.pdf)

2 of 2016,<sup>22</sup> respectively.

The public process of ratification involves members of parliament scrutinizing the persons appointed by the President, through an Ad hoc select committee constituted by the Speaker of the National Assembly to scrutinize the appointments.<sup>8</sup> It is at this stage that relevant stakeholders, including civil society and the Zambia Qualifications Authority, are involved in the process, and prior to this, relevant Law Enforcement Agencies conduct an internal vetting process.<sup>23</sup> There is need for parliament to play a greater role in the appointment process as this would enhance transparency. In addition to increased sensitization of the public on the right to challenge presidential appointments through parliament, parliament should take action to drop some appointments once it receives evidence that the candidates are either unqualified or that the process was not merit-based.<sup>11</sup> Civil society noted that parliament has failed to act in the past, due to the influence of the executive, despite civil society actors like Transparency International Zambia, submitting credible concerns on some presidential appointments.<sup>24</sup>

The resignation of the Director General of the ACC and dissolution of the Board in July 2024, following allegations of compromise,<sup>25</sup> indicate that there is need for a more transparent appointment process, which has some aspects of the process followed in the appointment of the Director General of the Financial Intelligence Centre. Section 7(3) of the Financial Intelligence

Centre Act No. 46 of 2010<sup>26</sup> provides for the powers of the President to appoint the Board of the FIC and, section 9(1) provides for the powers of the Board to appoint the Director General. The Board appoints the Director General of the FIC following an extensive recruitment process and approval by the Minister of Finance and National Planning.<sup>27</sup> Civil society consider the FIC as one of the most effective public institutions in Zambia, with regards carrying out its mandate, and postulate that the appointing procedure may be one of the contributing factors to this positive outturn.<sup>11</sup>

### Prospects

- The Board of the FIC appoints the Director General following an extensive recruitment process.
- The ongoing review of the Anti-Corruption Act No. 3 of 2012 may enhance the appointment process for the Director General of the ACC

### Challenges

- In 2024, there were frequent changes in leadership at the Anti-Corruption Commission which have potentially affected its operations
- There is limited awareness on the right of citizens and civil society to challenge the appointment of officials through Parliament
- The Parliamentary ratification process for presidential appointment has become a formality, due to the influence of the executive in the house

[22] Constitution (Amendment) Act No. 2 of 2016. <https://www.parliament.gov.zm/node/4834>

[23] Interview with the Anti-Corruption Commission

[24] National Assembly of Zambia (2020). Report of the Select Committee on the BoZ Governor Appointment.

<https://www.parliament.gov.zm/node/8735>

[25] News Diggers (18 July 2024.) HH Dissolves ACC Board. <https://diggers.news/local/2024/07/18/hh-dissolves-acc-board-2/>

[26] Financial Intelligence Centre Act No. 46 of 2010.

<https://www.parliament.gov.zm/sites/default/files/documents/acts/The%20Financial%20Intelligence%20Centre%20Act%202010A.PDF>

[27] News Diggers (28 October 2023). FIC Appoints Clement Kapalu as new DG.

[https://diggers.news/local/2023/10/28/fic-appoints-clement-kapalu-as-new-dg/#:~:text=THE%20Financial%20Intelligence%20Centre%20\(FIC,Director%20General%20with%20immediate%20effect.](https://diggers.news/local/2023/10/28/fic-appoints-clement-kapalu-as-new-dg/#:~:text=THE%20Financial%20Intelligence%20Centre%20(FIC,Director%20General%20with%20immediate%20effect.)



## CASE STUDY: Towards Amending the Anti-Corruption Act

The major challenges in the fight against corruption in Zambia is the unfavourable legal framework.<sup>23</sup> The Anti-Corruption Act No. 3 of 2012<sup>20</sup> has more than 50 instances where it refers to a “public officer” and most of its offenses relate to public officers. However, the Zambian Constitution (Amendment) Act No. 2 of 2016<sup>22</sup> redefined a public officer and removed some of the officials that Law Enforcement had ordinarily referred to as public officers. This is because whenever there is a provision in another law that contradicts the provision in the Constitution, then that provision in the other law is void to the extent of its inconsistency with the Constitution.<sup>23</sup> Consequently, Law Enforcement Agencies find it challenging to charge and/or prosecute politically influential persons excluded from this definition, with offences such as abuse of authority of office. The excluded officials include state officers (i.e. the President, Vice-President, Speaker, Deputy Speaker, Member of Parliament, Minister and Provincial Minister), councilors, constitutional office holders (i.e. the Secretary to Cabinet, Attorney-General, Solicitor-General, Director of Public Prosecutions, Secretary to Treasury, and permanent secretaries), judges and judicial officers.<sup>4</sup>

In the Governance Diagnostic Report, the IMF noted that the main corruption offences apply to public officers, and in order to avoid legal challenges for not meeting the elements of a corruption related crime, the ACC has resorted to bringing charges under other offenses, such as theft of public property, illegal expenditures or failure to comply with regulations.<sup>4</sup> In order to remedy this situation, the IMF has been providing technical support for government to review the Anti-Corruption Act No. 3 of 2012,<sup>20</sup> as part of the ongoing governance and structural reforms. The review of the Act is currently underway and there is evidence that government is taking action to address the legal gap as a priority recommendation from the IMF Diagnostic Assessment. However, the state initially closed off the review process, as the government only incorporated relevant stakeholders, including civil society and international actors, following public outcry after finalization of the initial draft.<sup>11</sup> Transparency International Zambia issued a statement calling for a more transparent and inclusive process in the review of the Anti-Corruption Act,<sup>28</sup> leading to a positive response as the government and the Anti-Corruption Commission developed new plans to consult non-state actors before presenting the revised bill to Cabinet. Following the largely progressive stakeholder validation meeting held in March 2025, the Ministry of Justice is incorporating stakeholder views before submitting the bill to parliament for enactment.

### ▶ Recommendation 3: Independence, professionalism and efficiency of the Judiciary

The IMF recommended for Zambia to **“prepare, with participation of civil society, academia and legal profession, a comprehensive reform strategy to strengthen the independence, professionalism and efficiency of the judiciary**

**and prosecution authorities.”**<sup>4</sup> Following this recommendation, the Zambian Government has taken several actions to ensure the efficiency of the National Prosecution Authority (NPA) and Judiciary.<sup>29</sup> The National Prosecution Authority has developed a service charter, which guides the timelines for handling cases.<sup>29</sup> In conjunction with the NPA and with technical support from the IMF, the Judiciary has also developed rules

[28] Transparency International Zambia (14 November 2024). TI-Z Calls for a Transparent and Inclusive Process in the Review of the Anti-Corruption Act. <https://tizambia.org.zm/2024/11/ti-z-calls-for-a-transparent-and-inclusive-process-in-the-review-of-the-anti-corruption-act/>

[29] Interview with National Prosecution Authority

for the Economic and Financial Crimes (EFC) Court.<sup>30</sup> Among these rules is the hearing and determining of matters before the Court within five months from the date of plea or filing of appeal. Further, the rules<sup>29</sup> also stipulate that the EFC should grant applications for an adjournment only in compelling and exceptional circumstances. Consequently, the EFC Court has finalized several high profile cases.<sup>31</sup>

There is also some evidence that Zambia has taken action to enhance the professionalism of the Judiciary. The Chief Justice recently announced that the Judiciary Policy Committee approved a new policy aimed at broadcasting selected public interest cases on television in order to enhance transparency and public scrutiny.<sup>32</sup> Further, the top leadership of the Judiciary has also embraced zero-tolerance for corruption and has been encouraging stakeholders to report cases of corruption to the ACC or the Judiciary Integrity Committee.<sup>33</sup> The Judicial Code of Conduct Act No. 13 of 1999<sup>34</sup> prescribes the conduct expected of an adjudicator, including recusals from cases where there might be perceived bias or conflict of interest, and the Judicial Complaint Commission has the powers to discipline adjudicators who fail to comply with this Act.<sup>33</sup>

Despite the recent advertisement of some positions for judges in the media,<sup>35</sup> civil society expressed scepticism on the independence of the Judiciary.<sup>11</sup> Article 140 of the Constitution of Zambia (Amendment) Act No. 2 of 2016<sup>22</sup> provides for the powers of the President to appoint the Chief Justice, Deputy Chief Justice,

President of the Constitutional Court, Deputy President of the Constitutional Court, and other judges, subject to ratification by the National Assembly. Further, Article 144 provides for the procedure for removal of judges from office, following recommendation from the Judicial Complaints Commission. Civil society believe that the exercise of these powers by the President compromises the independence of the Judiciary, as the President is able to remove judges that deliver judgements that are seemingly unfavourable to the executive.<sup>36</sup> There is limited evidence that the government has taken recent measures to strengthen the independence of the Judiciary, as this would require constitutional amendments.

### Prospects

- Civil society, academia and the legal profession were involved in the development of the Economic and Financial Crimes Rules through an Ad hoc Committee and consultations<sup>33</sup>
- The National Prosecutions Authority has also developed guidelines for the prosecution of economic and financial crimes<sup>29</sup>
- The setting up of the Inter-agency Framework, comprising of Law Enforcement Agencies and the Ministry of Justice has improved coordination and collaboration<sup>28</sup>

### Challenges

- The NPA has been operating without a Board and is consequently unable to approve the developed guidelines<sup>29</sup>
- There has been no progress on the Judicial Reform Strategy, identified by the Judiciary

[30] Statutory Instrument No. 10 of 2024. <https://zambialii.org/akn/zm/act/si/2024/10/eng@2024-01-26/source.pdf>

[31] National Prosecutions Authority (27 September 2024). Court Orders Forfeiture of Former First Lady's 15 Luxury Properties. <https://www.npa.gov.zm/index.php/2024/09/28/court-orders-forfeiture-of-former-first-ladys-15-luxury-properties/>

[32] News Diggers (20 November 2024). Decision to broadcast court proceedings by Zambia's Judiciary welcome. <https://diggers.news/guest-diggers/2024/11/20/decision-to-broadcast-court-proceedings-by-zambias-judiciary-welcome/>

[33] Interview with the Judiciary of Zambia

[34] Judicial Code of Conduct Act No. 13 of 1999 <https://zambialii.org/akn/zm/act/1999/13/eng@1999-12-24>

[35] News Diggers (27 March 2025). Bravo HH, Judiciary for advertising judges positions; it's a win for Justice. <https://diggers.news/opinion/2025/03/27/bravo-hh-judiciary-for-advertising-judges-positions-its-a-win-for-justice/>

[36] News Diggers (21 October 2024). HH fires 3 ConCourt judges. <https://diggers.news/local/2024/10/21/hh-fires-3-concourt-judges/>



as a pre-condition for strengthening the rule of law and anti-corruption<sup>37</sup>

## **Recommendation 4: Beneficial Ownership Register**

The IMF recommended for Zambia to **“operationalize PACRA’s beneficial ownership register, including ensuring the availability of accurate, complete and up-to-date beneficial ownership information and imposing effective sanctions on entities for non-compliance.”**<sup>4</sup>

Following this recommendation, Zambia is continuing to operationalize its beneficial ownership register in line with Section 30 of the Companies Act No 10 of 2017,<sup>38</sup> which requires that the Patents and Companies Registration Authority (PACRA) maintain a register of beneficial owners.<sup>39</sup> In 2020, government amended this principal Act, through the Companies (Amendment) Act No. 12 of 2020,<sup>40</sup> to enhance the definition of a “beneficial owner” and in August 2024, the Treasury issued Circular No. 15 on the need to enhance the disclosure of beneficial ownership information and the application of this information in public procurement. This has increased the number of requests received by PACRA from public institutions seeking to verify beneficial ownership information for the companies they are dealing with in the public procurement process.<sup>39</sup>

During the ongoing operationalization of the beneficial ownership register, there have been challenges in ensuring the accuracy and completeness of the information received and published. This is because PACRA is yet to set up a verification mechanism to check whether the information it receives is accurate and up-to-date.<sup>39</sup> In most cases, PACRA takes the information provided by the corporate vehicles as given, and thus makes no effort to follow-up or verify the accuracy of the information. Further,

some companies have expressed concern that the forms used to collect beneficial ownership information are complicated and difficult to fill out.<sup>39</sup> PARCA has therefore embarked on a process of streamlining the forms to ensure that they are easy to use in different scenarios related to the beneficial ownership structure of corporate vehicles.<sup>39</sup> With technical support from the IMF, PACRA currently reviewing the Companies Act No. 10 of 2017<sup>38</sup> in order to strengthen the provisions on beneficial ownership, in line with international best practices, and to enhance overall compliance with the Act by business entities.

### **Prospects**

- PACRA is receiving technical support from the IMF to address some of challenges in the beneficial ownership framework, including amending the legal framework and beneficial ownership declaration forms, as well as multi-stakeholder awareness-raising plans to set up a dedicated unit for enforcement on noncompliance<sup>39</sup>
- PACRA has obtained Cabinet approval in principle to amend the Companies Act No 10 of 2017 in order to bring the law in line with recommendation 24 and 25 of the Financial Action Task Force (FATF)<sup>41</sup>
- PACRA is actively engaging with commercial banks as part of their Know-Your-Customers (KYCs) requirements through providing beneficial ownership information

### **Challenges**

- There is limited understanding and awareness on the concept and importance of beneficial ownership among the policy makers and companies
- Though PACRA has the legal mandate to prosecute companies for failure to declare beneficial ownership information, there are no administrative sanctions applied yet.
- PACRA has not been using its mandate to prosecute non-compliant companies due to cost implications of taking legal actions

[37] Interview with the International Monetary Fund

[38] Companies Act No 10 of 2017. <https://zambialii.org/akn/zm/act/2017/10/eng@2017-11-20>

[39] Interview with the Patents and Companies Registration Authority

[40] Companies (Amendment) Act No. 12 of 2020. <https://www.parliament.gov.zm/node/8635>

[41] The Financial Action Task Force (2024). Our Topics. <https://www.fatf-gafi.org/en/home.html>

- There is no proper framework for collaboration among relevant stakeholders, such as Law Enforcement Agencies, that are making use of the beneficial ownership information

## Recommendation 5: Rollout E-Government Procurement System

The IMF recommended for Zambia to “**prepare a time-bound action plan and rollout E-Government Procurement.**”<sup>42</sup> Though Government has not developed a written action plan to rollout the E-Government Procurement system, it has taken several actions as part of the implementation of the Public Procurement Act No. 8 of 2020.<sup>42</sup> While Section 16 of the Act made the use of the E-Government System mandatory, section 113, subsection 7 of the Act gave procuring entities, which were unable to use the E-Government Procurement system, a grace period of 3 years from the commencement date of 13<sup>th</sup> April 2021<sup>43</sup> to begin using the system.

The Zambia Public Procurement Authority (ZPPA) has therefore been using this deadline to encourage more procuring entities to begin conducting procurement using the system. Since the expiration of the deadline on 14<sup>th</sup> April 2024, the number of registered procuring entities increased from 635 to 703 while the number of suppliers and contractors on the system increased from around 73,000 to over 81,000.<sup>44</sup> This followed sensitization aimed at ensuring that all procuring entities comply with the Act. Further, ZPPA also conducts trainings targeting both procuring entities and suppliers,

and participates in supplier training programs organized by other public institution such as the Ministry of Small and Medium Enterprise Development.<sup>44</sup>

Civil society expressed concerns on government’s excessive focus on adding new procurement entities and suppliers as opposed to addressing implementation challenges.<sup>11</sup> They noted that some districts, especially in rural areas; do not have internet connectivity while others have poor connectivity, thereby making it difficult to operate the system. Further, other reports from civil society actors on the public procurement system in Zambia have noted several challenges. These include unusual bidding processes and anti-competitive practices, procurement of goods and services at highly inflated prices, corruption and lack of transparency.<sup>45</sup> Experiences of corruption in public procurement are mostly due to vulnerabilities of delayed payments, abuse of non-competitive procedures, conflict of interest in the approval process, and collusion between contractors and supervising public officials.<sup>46</sup>

### Prospects

- The ZPPA has set up a helpdesk to provide technical support to procuring entities and suppliers in the use of the system
- The ZPPA offers on-demand trainings at the request of procuring entities and has developed e-learning modules that are freely accessible by the public, procuring entities and suppliers through the ZPPA website<sup>47</sup>

### Challenges

- The 2024 to 2025 electricity load management affected the use of the system, as procuring entities with no alternative power sources could not implement the

[42] Public Procurement Act No. 8 of 2020. <https://www.parliament.gov.zm/node/8634>

[43] Public Procurement Act (Commencement) Order, 2021. <https://zambialii.org/akn/zm/act/si/2021/26/eng@2021-04-16>

[44] Interview with the Zambia Public Procurement Authority

[45] Consumer Unity and Trust (2021). Public Procurement in Zambia: How to Get It Right? <https://cuts-lusaka.org/pdf/policy-brief-public-procurement-in-zambia-how-to-get-it-right-policy-brief.pdf>

[46] Transparency International Zambia and Anti-Corruption Commission (2023). 2022 Zambia Bribe Payers Index Survey. <https://tizambia.org.zm/2023/03/2022-zambia-bribes-payers-index-zbpi-survey-report/>

[47] Zambia Public Procurement Authority (2024). Information Area. <https://eprocure.zppa.org.zm/eppps/viewInfo.do?section=eLearning&selectedItem=viewInfo.do%3Fsection%3DeLearning>

- system when they were off grid
- Lack of internet connectivity and poor connectivity in some districts, especially in rural areas, is affecting the use of the system
- There is high staff turnover of trained personal in some procuring entities due to transfers and resignations. This is affecting implementation, as ZPPA is required to train the new staff

### ▶ Recommendation 6: Mandate the Use of FMIS

The IMF recommended for Zambia to “**mandate the use of the FMIS system for all transactions currently able to be undertaken through the system.**”<sup>4</sup> According to the IMF, Zambia is not fully utilizing the FMIS commitment functionality as many Ministries, Provinces and Spending (MPSAs) are following a parallel paper-based process. The MPSAs only enter prioritized commitments into FMIS for processing and payment and they undertake a large part of expenditures outside of the FMIS.<sup>4</sup> Following the IMF recommendation in the Governance Diagnostic Assessment, Zambia implemented some measures aimed at expanding the use of the FMIS. These include the rolled out of the FMIS to all 61 central government budgetary institutions and expansion to other ministries.<sup>48</sup> However, there is no evidence that Zambia has mandated the use of the FMIS system for all transactions that the system is currently able to undertake.

#### Prospects

- The FMIS system has been rolled to all the 61 central government budgetary institutions

#### Challenges

- Internet connectivity challenges and poor network affect the use of the system,

- especially in rural areas
- MPSAs continue to conduct a large part of expenditures outside of the FMIS

### ▶ Recommendation 7: Mandate the Preparation of Tax Expenditure Reports

The IMF recommended for Zambia to “**mandate regular preparation and external publication of tax expenditure reports on measures expected to result in significant foregone revenue.**”<sup>4</sup> Tax expenditures (TEs) describe revenue losses attributable to the provisions of tax laws which allow a special exclusion, exemption, or deduction from gross income or which provide a special credit, a preferential rate of tax, or a deferral of tax liability.<sup>49</sup> In the GDA report, the IMF noted that Zambia produces internal monthly reports on TEs related to reduced customs rates, but the reports did not include VAT exemptions and not published annually for improved fiscal management and policymaking.<sup>4</sup>

It is important to note that the preparation and publication of tax expenditure reports is the responsibility of the Ministry of Finance and National Planning,<sup>50</sup> while the Zambia Revenue Authority only supports the process. In December 2024, the Ministry published the first tax expenditure report covering various tax types including VAT exemptions.<sup>51</sup> Therefore, Zambia has taken recent action in preparing and externally publishing Tax Expenditure Reports (TERs). However, there is no evidence that government has issued any policy directive to mandate the regular publications of these TERs in future. Nonetheless, the 2025–2027 Medium Term Budget Plan proposes to introduce a tax expenditure framework to evaluate the

[48] International Monetary Fund (2024). Frequently Asked Questions on Zambia <https://www.imf.org/en/Countries/ZMB/zambia-gandas>

[49] US Department of the Treasury (2024). Tax Expenditures. <https://home.treasury.gov/policy-issues/tax-policy/tax-expenditures>

[50] Interview with Zambia Revenue Authority

[51] Ministry of Finance (31 December 2024). Statement by the Minister of Finance and National Planning Dr. Situmbeko Musokotwane, MP, on Publication of The first ever Tax Expenditure Report (TER).

<https://www.mofnp.gov.zm/?p=8038>

effectiveness and efficiency of tax incentives in order to enhance the targeting of incentives and to support government policy direction.<sup>50</sup>

### Prospects

- In December 2024, Zambia published its first ever Tax Expenditure Report as a demonstration of the Zambian government's commitment to enhancing transparency and accountability in the management of public resources.<sup>51</sup>
- The ZRA develops revenue performance report for submission to the Ministry of Finance and National Planning, which include estimates of revenues forgone due to various trade concessions
- The ZRA provides revenue impact estimates for various tax policy measures that are under consideration. These serve as critical inputs to some of the tax expenditures highlighted in the National Budget
- The ZRA provides responses to queries from various oversight bodies, including the National Assembly and the Office of the Auditor General, which produce reports that are accessible to the public

### Challenges

- The Zambian Government has not issued any directive or policy measure to ensure that Tax Expenditure Reports will be published on a regular basis in future

## Recommendation 8: Increase Internal Audits in VAT

The IMF recommended for Zambia to **“Increase internal audits in VAT refund process and customs warehouse management, as well as in other processes where IT systems are not fully integrated or are unstable.”**<sup>4</sup> The Zambia Revenue Authority (ZRA) conducts about 20 internal audits each year, including regular audits of Value Added Tax (VAT) refunds and Customs Warehouse management as part of a comprehensive audit plan. These audits are

crucial to ensuring proper tax administration and compliance with national and international regulations.<sup>50</sup> Following the IMF recommendation in the GDA report, ZRA has enhanced its audit processes to focus on high-risk areas, adopted advanced audit technologies, and expanded the human resource and technical capacity. These improvements have enabled Zambia to increase the depth of internal audits in high-risk areas such as VAT refunds, resulting in better oversight and control.<sup>48</sup> However, the ZRA has not increased the general coverage of internal audits due to resource constraints, complexities in the audit procedures, and the growing need to stay ahead of evolving tax compliance risks.<sup>50</sup>

It is commendable that ZRA has expanded the depth of their internal audits in the VAT refund process, as companies have been abusing the VAT refunds.<sup>52</sup> However, civil society expressed concern that the Zambia Revenue Authority (ZRA) has adopted a risk-based approach in order to conduct targeted audits as opposed to expanding the general coverage of their internal audits. They also wondered why government is not adequately funding the ZRA to conduct these internal audits when it is the source of the revenues collected.<sup>11</sup> There is therefore need to expand the human resource and technical capacity of the ZRA by improving funding in order for the authority to increase coverage of internal audits in customs warehouse management and other processes where IT systems are not fully integrated or are unstable.

### Prospects

- ZRA has developed a robust risk-based audit approach that allows for prioritization of areas of high-risk while ensuring broad coverage

### Challenges

- Due to financial and technical constraints, the ZRA has not increased the general coverage of internal audits, especially in Customs Warehouse management, which is not considered as a high-risk area

[52] ZNBC (24 November 2024). ZRA investigates 320 VAT fraud cases. <https://zNBC.co.zm/news/zra-investigates-320-vat-fraud-cases/>

## ▶ Recommendation 9: **Capacity to Scrutinize Mining Licence Applications**

The IMF recommended for Zambia to **“strengthen the MMMD’s capacity to properly scrutinize license and transfer applications, and monitor the associated commitments on safety and environment, work programs, and production.”**<sup>4</sup> Since December 2023, the Ministry of Mines and Mineral Development (MMMD) migrated from a paper-based application process to an online process as the Mining Cadastre has now computerized the entire process. The Ministry is operating this online process in accordance with the Mines and Mineral Development Act No. 11 of 2015,<sup>53</sup> and facilities for interested parties to make mining license and transfer applications electronically.<sup>54</sup> It is important to note that every license issued by the MMMD has accompanying conditions, including environmental commitments. Consequently, the MMMD is responsible for monitoring mining rights and licences and requires the holders of licenses to submit periodic reports.<sup>54</sup>

Unfortunately, there is a lot of non-compliance with license conditions such as non-payment of ground rates and abrogation of environmental conditions, partly due to limited monitoring by the MMMD. Following the IMF recommendation in 2023, the MMMD commenced the enforcement of the Mines and Mineral Development Act No. 11 of 2015<sup>53</sup> by effecting defaults on non-compliant mining right and licence holders as well as strengthening monitoring tools. The former follows a notification of default, which gives a mining license holder a grace period of 30 days to

amend the default. If the license holder is non-responsive, the MMMD issues a cancellation notice and consequently cancels the license.<sup>51</sup> Further, the MMMD plans to restructure its operations through the establishment of the Minerals Regulation Commission (MRC). Through the MRC, the Ministry will have presence in all parts of Zambia in order to strengthen its regulation of the sector.<sup>54</sup>

Civil society however expressed concern that the MMMD is not doing enough to monitor the associated commitment of mining license holders on safety and the environment.<sup>11</sup> There have been multiple reports of accidents and deaths at licensed mining operations<sup>55</sup> as well as illegal mining operations across the country.<sup>56</sup> Further, there is considerable mining pollution in some parts of the country as the result of many decades of unsustainable mining and inadequate rehabilitation or closure of mining sites. In the Copperbelt Province, for example, some townships adjacent to copper mining sites suffer from severe polluted while in the old mining town of Kabwe, there are unacceptably high levels of lead in the soil.<sup>57</sup> Most recently, a mining operation released pollutants into the Kafue River, causing damage to maize, groundnuts fields and killing fish.<sup>58</sup>

### Prospects

- Ministry of Mines and Mineral Development (MMMD) migrated to an online process as the Mining Cadastre and has now computerized the entire process
- The MMMD has reduced the frequency of human interaction, as the Cadastre is only attending to queries on two days during the week

[53] Mines and Mineral Development Act No. 11 of 2015

[54] Interview with the Ministry of Mines and Mineral Development

[55] News Diggers (20 October 2024). KCM employee dies in mine accident.

<https://diggers.news/local/2024/10/20/kcm-employee-dies-in-mine-accident/>

[56] News Diggers (31 October 2024). 8 illegal miners dies in Chingola Mining Operation.

<https://diggers.news/local/2024/10/31/8-illegal-miners-die-in-chingola-mine-accident/>

[57] World Bank (2020). Zambia Mining and Environmental Remediation and Improvement Project.

<https://www.worldbank.org/en/news/factsheet/2020/12/17/zambia-mining-and-environmental-remediation-and-improvement-project>

[58] News Diggers (22 February 2025). Sino Metals pollution caused damage to crops, killing fish.

<https://diggers.news/local/2025/02/22/sino-metals-pollution-caused-damage-to-crops-killed-fish-nzovu/>

- The ministry is currently digitizing the Mining Licensing Committee business to create an auditable trail of decisions<sup>59</sup>

### Challenges

- The MMMD has limited resources to support the digitisation and computerisation and needs additional technical assistance to address software lags, especially those related to payments<sup>54</sup>
- Most of the older information is still in hard copy and thus making it difficult to track historical information<sup>59</sup>
- There is considerable non-compliance with license conditions such as non-payment of ground rates and abrogation of environmental conditions

## Recommendation 10: Enforcement of Public Audit Act

In the GDA, the IMF recommended for Zambia to **“bring the Public Audit Act of 2016 and the State Audit Commission Act of 2016 into force by issuing the statutory instrument by MoFNP.”**<sup>4</sup> According to the IMF, the executive has delayed the operationalization of the AG’s new legal framework, designed to strengthen the institution, for more than 6 years. The Public Audit Act No. 29 of 2016<sup>60</sup> and the State Audit Commission Act No. 27 of 2016<sup>61</sup> granted the Auditor General’s Office safeguards and tools to enhance its performance and autonomy, and through the State Audit Commission, approve its own organizational structure and terms and conditions of service for its staff.<sup>4</sup> Following the IMF recommendation in the GDA report, Zambia has not issued the statutory instrument aimed at operationalizing these Acts, and thus both Acts

are not yet effective, however, the Ministry of Finance is looking into taking action soon.<sup>62</sup>

Civil society stakeholders wondered why the Zambian government has not taken action to operationalize these Acts, considering the importance of the Office of the Auditor General, and the need to ensure institutional autonomy. The recent publication of a questionable audit report<sup>63</sup> on Zambia’s public debt is a clear indication that the Office is not immune to political interference. In the analysis of this audit report, Transparency International Zambia (TI-Z) noted that the audit excessively focused on auditing supplier credit agreements, and citing outstanding audit issues linked to one named supplier. TI-Z therefore called upon the Zambian Government to protect the Office of the Auditor General from political influence in order to ensure the undertaking of audits in national interest and not for political expediency.<sup>63</sup>

### Prospects

- In addition to the Constitution of Zambia (Amendment) Act No. 2 of 2016,<sup>22</sup> the Public Audit Act No. 8 of 1980<sup>64</sup> provides for comprehensive audits of public resources management in Zambia

### Challenges

- The Auditor General’s Office lacks the ability to define and manage its staff, as the Public Service Commission is currently appointing, assigning and transferring its staff.
- The lack of operational efficiency is against international standards for Supreme Audit Institutions<sup>62</sup>
- There is recent evidence that the Office of the Auditor General is subject to possible political influence in the performance of its

[59] Interview with the Zambia Extractive Industry Transparency Initiative

[60] The Public Audit Act No. 29 of 2016.

<https://www.parliament.gov.zm/sites/default/files/documents/acts/The%20Public%20Audit%20Act%20No.%2029%20of%202016.pdf>

[61] State Audit Commission Act No. 27 of 2016.

<https://www.parliament.gov.zm/sites/default/files/documents/acts/The%20State%20Audit%20Commission%20Act%20No.%2027%20of%202016.pdf>

[62] Interview with the Office of the Auditor General

[63] Transparency International Zambia (2024). Analysis of the Special Audit Report of the Auditor General on External Public Debt. <https://tizambia.org.zm/2024/09/analysis-of-the-special-audit-report-of-the-auditor-general-on-external-public-debt/>

[64] Public Audit Act No. 8 of 1980. <https://zambialii.org/akn/zm/act/1980/8/eng@1996-12-31/source>

- audits<sup>67</sup>

## ▶ Recommendation 11: Supervision of Government Owned Financial Institutions

The IMF recommended for Zambia to “**develop and reinforce supervisory processes for banks and other financial institutions with Government ownership to address specific risks and challenges associated with these special entities.**”<sup>4</sup> According to the IMF, there are indications that the financial situation of some of the smaller commercial banks and financial institutions with Government ownership has been deteriorating, while the challenging macroeconomic environment, governance weaknesses and corruption vulnerabilities remain. These institutions should therefore address the underlying factors, including non-performing loans because of providing credit to politically influential persons, government-related public entities and civil servants.<sup>4</sup> Although, the Bank of Zambia (BoZ) is responsible for regulating and supervising these banks, in principle, and they are subject to the same laws and regulations as commercial banks,<sup>4</sup> it is evident, from the recent collapse of such institutions,<sup>65</sup> that this supervision has not been effective.

Apart from existing plans to develop and issue new corporate governance directives, in terms of who sits on the boards of these financial institutions,<sup>66</sup> Zambia has not taken any specific recent action to enhance the supervision of banks and other financial institutions with government ownership. These financial institutions are characterised by inefficiencies and cumulative losses, and thus are a drain on public resources as the government and the taxpayers will meet the cost of recapitalization, as Government plans to increase the minimum capacity requirements in order to increase capital buffers.<sup>66</sup> Recent evidence from the Audit

of the Constituency Development Fund indicates that it is difficult for government entities such as local authorities to recover loans advanced to politically influential persons.<sup>67</sup>

### Prospects

- The Bank of Zambia is developing new corporate governance directives to improve the leadership and management of financial institutional, including those with Government ownership<sup>66</sup>

### Challenges

- The remuneration for top management in some government owned financial institutions are not based on performance and thus creating a situation where managers can derive benefits beyond the value created.

### Table 2: Status of Implementation of Zambia's Governance Diagnostic Assessment Recommendations

**Recommendation 1: Adopt a legal framework that guarantees public access to information**



**STATUS: Fully implemented**



**Justification of Assessment**

Even though the Act is not effective, Zambia has fully implemented this recommendation following the enactment of the Access to Information Act No. 24 of 2023. This is because the recommendation related only to the enactment and not, the operationalization, content or process followed in the enactment of the law.



**Recommended CSO Strategy and Activities**

Civil society should advocate for the striking out of some problematic provisions in the ATI law. They should generate a position paper

[65] Bank of Zambia (2024). Notice on Resolution of Investrust Bank Plc (In Possession) [https://www.boz.zm/Public\\_Notice\\_Resolution\\_of\\_IVB.pdf](https://www.boz.zm/Public_Notice_Resolution_of_IVB.pdf)

[66] Interview with the Bankers Association of Zambia

[67] Transparency International Zambia (2025). Analysis of the 2023 Constituency Development Fund (CDF) Audit Report. <https://tizambia.org.zm/2025/03/analysis-of-the-2023-constituency-development-fund-cdf-audit-report/>

on the unfavorable provisions and engage the government for urgent corrective action.

Civil society should increase sensitization of stakeholders on the procedure for accessing information, after the finalization of the rule, guidelines and regulations.


Civil society should advocate for a more transparent and effective consultative process in the operationalization process of the ATI law. They should engage the Ministry of Information and Media, and the Human Rights Commission for a regular updates on progress made.

**Recommendation 2: Introduce necessary measures to ensure that top anti-corruption and AML officials such as Director General of ACC, Director General of DEC, Director General of FIC, DPP are selected and appointed through transparent, merit-based and participatory processes**

 STATUS: Partially implemented

 Justification of Assessment

Zambia has partially implemented this recommendation, as the Board of the FIC appoints the Director General through a transparent and merit-based process. However, the country has not taken any recent measures to enhance the existing process of appointing of other top anti-corruption and AML officials.

 Recommended CSO Strategy and Activities

Civil Society should advocate for a more open and transparent legal reform process. They can hold roundtable meetings to develop a strategy for more effective participation in the legal reform process and use the strategy to engage the Ministry of Justice.

Civil society should continue making sub-

missions through parliament on presidential appoints and develop a feedback loop for their recommendations.

**Recommendation 3: Prepare, with participation of civil society, academia and legal profession, a comprehensive reform strategy to strengthen the independence, professionalism and efficiency of the judiciary and prosecution authorities**

 STATUS: Partially implemented

 Justification of Assessment

Zambia has partially implemented this recommendation as the country has taken action to improve the efficiency of the Judiciary as well as to enhance the professionalism of the Judiciary. However, Zambia has taken limited action to strengthen the independence of the judiciary and prosecution authorities, as there has not been any constitutional amendments

 Recommended CSO Strategy and Activities

Civil Society should advocate for enhanced independence of the Judiciary and prosecutions authority as part of a comprehensive constitutional reform process. They can conduct public campaigns on the importance of judiciary independence and make submissions in constitutional reform platforms.


**Recommendation 4: Operationalize PACRA's beneficial ownership register, including ensuring the availability of accurate, complete and up-to-date beneficial ownership information and imposing effective sanctions on entities for non-compliance.**

 STATUS: Partially implemented

 Justification of Assessment



Zambia has partially implemented this recommendation as PACRA is continuing to operationalize the beneficial ownership register. However, the register does not ensure the availability of accurate, complete and up-to-date BO information. Further, PACRA is unable to impose effective sanctions on entities for non-compliance due to the cost implication of prosecuting companies and the lack of administrative sanctions.

 Recommended CSO Strategy and Activities

Civil society should advocate for the amendment of the Companies Act to introduce administrative sanctions for non-compliance on BO declarations. They can make submissions to parliament, participate in the ongoing review process and host engagement meetings with policy makers on the challenges faced by PACRA in promoting compliance.

**Recommendation 5: Prepare a time-bound action plan and rollout E-Government Procurement**

 STATUS: **Partially implemented**

 Justification of Assessment

Zambia has partially implemented this recommendation as the country has implemented several time-bound actions to rollout the system as part of the implementation of the Public Procurement Act No. 8 of 2020. However, the country has not prepared or developed a written action plan and the system faces significant implementation challenges.

 Recommended CSO Strategy and Activities

Civil society should advocate for greater integration of e-procurement information with beneficial ownership information in order to address corruption vulnerabilities. They can engage beneficial ownership

focused organizations such as Open Ownership to engage ZPPA and PACRA in order to interface the information.

**Recommendation 6: Mandate the use of the FMIS system for all transactions currently able to be undertaken through the system**

 STATUS: **Not implemented**

 Justification of Assessment

Zambia has not implemented this recommendation, as there is no evidence that the country has mandated the use of the FMIS system for all transactions that the system is currently able to undertake. However, the country has taken measures to expand the use of the FMIS.

 Recommended CSO Strategy and Activities

Civil society should conduct an assessment to identify the challenges in using the IFMIS for various transactions. CSOs can conduct a study targeting public institutions in order to understand the implementation challenges and engage policy makers for corrective action.

**Recommendation 7: Mandate regular preparation and external publication of tax expenditure reports on measures expected to result in significant foregone revenue**

 STATUS: **Not implemented**

 Justification of Assessment

Zambia has not implemented this recommendation, as the country has not taken any recent action to mandate regular preparation and external publication of tax expenditure reports. However, in December 2024, the country published its first Tax Expenditure Report (TER).

 Recommended CSO Strategy and Activities

Civil society should advocate for the publication of tax expenditure reports on a regular basis in order to enhance transparency and accountability. They can issue press statements to urge the government to publish the reports and monitor the MoFNP and ZRA websites for proof of publication.

**Recommendation 8: Increase internal audits in VAT refund process and customs warehouse management, as well as in other processes where IT systems are not fully integrated or are unstable**

 STATUS: **Partially implemented**

 Justification of Assessment

Zambia has partially implemented this recommendation as the country has increased the frequency and depth of audits in high-risk areas such as VAT refunds, resulting in better oversight and control. However, the country has not increased the general coverage of internal audits due to financial and technical constraints.

 Recommended CSO Strategy and Activities

Civil society should advocate for improved human resourcing and technical capacity of the ZRA. CSOs can monitor the budget allocation towards the ZRA as well as the human resource improvement targets. They can also hold periodic engagement meetings with ZRA to understand the evolving challenges in the internal audit processes.

**Recommendation 9: Strengthen the MMMD's capacity to properly scrutinize license and transfer applications, and monitor the associated commitments on safety and environment, work programs, and production**

 STATUS: **Partially implemented**

 Justification of Assessment

Zambia has partially implemented this recommendation as the country has digitalized the licensing process and enhanced its monitoring framework through the introduction of cancellation of non-compliant licenses. However, the country has not strengthened the capacity of the MMMD to monitor safety and environmental commitments and evidenced by pollution of the environment by license holders.

 Recommended CSO Strategy and Activities

Advocate for safer and more responsible mining practices in line with international standards. Civil Society can support investigative journalists to increase the documenting and publishing of safety and environmental impacts of irresponsible mining practices.

**Recommendation 10: Bring the Public Audit Act of 2016 and the State Audit Commission Act of 2016 into force by issuing the statutory instrument by MoFNP**

 STATUS: **Not implemented**

 Justification of Assessment

Zambia has not implemented this recommendation, as the country has not issued the statutory instrument to operationalize the Public Audit Act No. 29 of 2016 and the State Audit Commission Act No. 27 of 2016.

 Recommended CSO Strategy and Activities

Civil society should advocate for the issuance of the stationary instrument in order to operationalize the Public Audit Act of 2016 and the State Audit Commission Act of 2016. CSOs can host engagement meetings with policy makers, issue joint press statements and run social media campaigns aimed at putting pressure on MoFNP.

**Recommendation 11: Develop and reinforce supervisory processes for banks and other financial institutions with Government ownership to address specific risks and challenges associated with these special entities.**



**STATUS: Not implemented**



**Justification of Assessment**

Zambia has not implemented this recommendation, as the country has not taken any recent action to reinforce the supervision process of banks and other financial institutions with government ownership. However, there are plans to issue new corporate governance directives.



**Recommended CSO Strategy and Activities**

Civil society should advocate for improved management of financial institutions with government ownership. CSOs can analyze the financial statements of these financial institutions and share the analysis with policy makers and the public, while calling on government to take action through press statements.

## 5 - PROSPECTS FOR THE OPEN GOVERNMENT PARTNERSHIP

### 5.1 THE OPEN GOVERNMENT PARTNERSHIP: A TOOL FOR IMPLEMENTING GDA RECOMMENDATIONS

Government leaders and civil society advocates created the Open Government Partnership (OGP) as a unique partnership framework seeking to promote transparent, participatory, inclusive and accountable governance. Since 2011, the OGP has expanded and now includes 75 countries and 150 local governments, representing more than two billion people – and thousands of civil society organizations.<sup>68</sup> The OGP 2023–2028 Strategy<sup>69</sup> is meant to ensure that the OGP can translate the open government community’s positive energy into lasting policy change and tackle current and future challenges.

To join the OGP, governments commit to upholding the principles of open and transparent government by endorsing the Open Government Declaration.<sup>70</sup> Further, these governments are also required to meet the Eligibility Criteria<sup>71</sup> and pass the OGP Values Check. To pass the Core Eligibility Criteria, Countries must earn at least 75% of the total possible points available to them, in four core areas; including fiscal transparency, access to information, public officials’ asset disclosure, and citizen engagement. In terms of policy area, the OGP addresses issues such as the right to information, gender and inclusion, digital governance and rights, protection of civic space and natural resources, and corruption, among others. **Table 3** presents an analysis of the alignment between the OGP and the GDA recommendations.

[68] Open Government Partnership (2024). About Open Government Partnership.

<https://www.opengovpartnership.org/about/>

[69] Open Government Partnership (2022). OGP's 2023-2028 Strategy.

[https://www.opengovpartnership.org/strategy-2023-2028/#toc\\_13](https://www.opengovpartnership.org/strategy-2023-2028/#toc_13)

[70] Open Government Partnership (2024). Open Government

Declaration. <https://www.opengovpartnership.org/process/joining-ogp/open-government-declaration/>

[71] Open Government Partnership (2024). Eligibility Criteria & OGP Values Check Assessment.

<https://www.opengovpartnership.org/process/joining-ogp/eligibility-criteria/>

**Table 3: Alignment between the OGP Policy Areas and GDA Recommendations**

RECOMMENDATIONS	OGP POLICY AREA
<p>1 Adopt a legal framework that guarantees public access to information</p>	<p><b>Right to Information</b>- OGP members are required to have laws guaranteeing the right to information.<sup>72</sup></p>
<p>2 Introduce necessary measures to ensure that top anti-corruption and AML officials such as Director General of ACC, Director General of DEC, Director General of FIC, DPP are selected and appointed through transparent, merit-based and participatory processes</p>	<p><b>Anti-Corruption and Integrity</b>- OGP members fight corruption by undertaking reforms in transparency, public oversight, and public accountability.<sup>73</sup></p>
<p>3 Prepare, with participation of civil society, academia and legal profession, a comprehensive reform strategy to strengthen the independence, professionalism and efficiency of the judiciary and prosecution authorities</p>	<p><b>Justice</b> -OGP works to expand responsiveness, accountability and inclusion into all systems of justice.<sup>74</sup></p>
<p>4 Operationalize PACRA’s beneficial ownership register, including ensuring the availability of accurate, complete and up-to-date beneficial ownership information and imposing effective sanctions on entities for non-compliance.</p>	<p><b>Beneficial Ownership Transparency</b>- Beneficial ownership transparency has emerged as an important policy tool in countries for combating corruption, stemming illicit financial flows, and fighting tax evasion.<sup>68</sup></p>
<p>5 Prepare a time-bound action plan and rollout E-Government Procurement</p>	<p><b>Open Contracting and Public Procurement</b>- Open contracting and transparency in public procurement have been proven to save money and broaden competition. It is becoming a global norm in OGP, with over 70 members committing to reforms on the issue.<sup>75</sup></p>

[72] Open Government Partnership (2024). Right to Information. <https://www.opengovpartnership.org/policy-area/right-to-information/>

[73] Open Government Partnership (2024). Anti-Corruption and Integrity. <https://www.opengovpartnership.org/policy-area/anti-corruption-and-integrity/>

[74] Open Government Partnership (2024). Justice. <https://www.opengovpartnership.org/policy-area/justice/>

[75] Open Government Partnership (2024). Open Contracting and Public Procurement. <https://www.opengovpartnership.org/policy-area/open-contracting/>

Table 3: Alignment between the OGP Policy Areas and GDA Recommendations

RECOMMENDATIONS	OGP POLICY AREA
6 Mandate the use of the FMIS system for all transactions currently able to be undertaken through the system	<b>Digital Government-</b> OGP countries are leveraging the opportunities of evolving technology, also developing policies to deal with the threats. <sup>76</sup>
7 Mandate regular preparation and external publication of tax expenditure reports on measures expected to result in significant foregone revenue	<b>Fiscal Openness-</b> Move beyond transparency of budget planning and approval to disclosing data on budget execution, performance, and oversight. Further, countries may also consider disclosing data on revenue projections, tax expenditures, and equity of spending. <sup>77</sup>
8 Increase internal audits in VAT refund process and customs warehouse management, as well as in other processes where IT systems are not fully integrated or are unstable	<b>Fiscal Openness-</b> encompasses transparency, public participation, and legislative oversight throughout the budget and fiscal cycle. It has been a consistently popular policy area among OGP members. <sup>77</sup>
9 Strengthen the MMMD’s capacity to properly scrutinize license and transfer applications, and monitor the associated commitments on safety and environment, work programs, and production	<b>Extractive Industries-</b> Open government approaches can help detect corruption, safeguard community interests, improve the investment climate, and support environmental sustainability. <sup>78</sup>
10 Bring the Public Audit Act of 2016 and the State Audit Commission Act of 2016 into force by issuing the statutory instrument by MoFNP	<b>Fiscal Openness-</b> Move beyond transparency of budget planning and approval to disclose data on budget execution, performance, and oversight. Consider disclosing data on revenue projections, tax expenditures, and equity of spending. <sup>77</sup>
11 Develop and reinforce supervisory processes for banks and other financial institutions with Government ownership to address specific risks and challenges associated with these special entities.	None

[76] Open Government Partnership (2024). Digital Governance. <https://www.opengovpartnership.org/policy-area/digital-governance/>

[77] Open Government Partnership (2024). Fiscal Openness. <https://www.opengovpartnership.org/policy-area/fiscal-openness/>

[78] Open Government Partnership (2024). Extractive Industries. <https://www.opengovpartnership.org/policy-area/extractive-industries/>

**Table 3** indicates that 10 out of the 11 GDA Priority Recommendations align with the OGP focus areas. The OGP framework therefore can support Zambia’s implementation of the GDA recommendations.

## 5.2 THE OPEN GOVERNMENT PARTNERSHIP IN ZAMBIA – LOOKING AHEAD

The Open Government Partnership (OGP) has the ability to bring together non-state actors and governments that are interested in reforming governance under a framework aimed at co-creating solutions.<sup>79</sup> This is a departure from processes dominated by governments and narrow political party interests, which use their manifesto to determine governance reforms. On the other hand, the OGP also takes away the whole idea that non-state actors can simply suggest or criticize from afar, but it brings non-state actors to the same table with governments to identify problems and develop solutions.<sup>79</sup>

In Zambia, the Chandler Foundation is implementing activities aimed at promoting the OGP framework, through supporting a loose coalition of non-state actors. The Foundation has since held a series of capacity building and sensitization meetings targeting both state and non-state actors, and has held high-level meetings with government policy makers including permanent secretaries and directors from relevant ministries.<sup>79</sup> Some of the policy makers, however, believe that the OGP framework may be a duplication of the current Eighth National Development Plan framework.<sup>80</sup> The Foundation has therefore been explaining the advantages of the OGP, such as the independent review mechanism, and the fact that the framework can integrate some of the National Development Plan objectives.<sup>79</sup> **Table 4** presents the OGP implementation status and progress in Zambia.

**Table 4: OGP Implementation Status and Progress in Zambia**

### OGP Implementation Stage: Expression of Interest to Join the OGP

 STATUS in Zambia: **Done**

 PROGRESS/EXPECTATION

The OGP did officially write to the Zambian government, inviting them to consider Joining the OGP.<sup>79</sup> Government developed a Cabinet memo and responded positively and thus Zambia accepted the invitation to join OGP.<sup>81</sup>

### OGP Implementation Stage: Formal Application to Join the OGP

 STATUS in Zambia: **Done**

 PROGRESS/EXPECTATION

The Republican President signed the letter of intent in November 2024, which is the formal application to join the OGP. Zambia sent the letter of intent, specifying the point of contact, to the OGP secretariat, and following receipt of this letter, the OGP secretariat formally admitted Zambia into the OGP. This happened during the recently held OGP Africa and MENA Regional Meeting held in Nairobi, Kenya.<sup>79</sup>

### OGP Implementation Stage: Onboarding Process

 STATUS in Zambia: **Ongoing**

[79] Interview with the Chandler Foundation in Zambia

[80] Ministry of Finance and National Planning (2022). 8NDP (2022-2026). <https://www.mofnp.gov.zm/?wpdmpo=8ndp-2022-2026>

[81] Open Government Partnership (2024). Maldives and Zambia Join the Open Government Partnership. <https://www.opengovpartnership.org/news/maldives-and-zambia-join-the-open-government-partnership/>



## PROGRESS/EXPECTATION

Once the OGP Secretariat receives the letter of intent, the onboarding process begins and during this stage, a country is required to appoint the National Steering Committee using co-creation model, such that the Committee will have two chairpersons: one from government, and another from non-state actors.<sup>79</sup>

The onboarding meetings were held on 11<sup>th</sup> and 12<sup>th</sup> December, facilitated by OGP Senior staff and attended by government officials from the Ministry of Justice (on Day 1), who will serve as the OGP Secretariat in Zambia; and also attended by both CSOs and government officials (on Day 2).<sup>79</sup>

Despite the development of an action plan during these onboarding meetings, a substantive National Steering Committee is yet to be appointed, but they are plans to appoint the Committee after the launch and formal approval of the National Action Plan.<sup>79</sup>

### OGP Implementation Stage: **Development of National Action Plan**



## STATUS in Zambia: **Ongoing**



## PROGRESS/EXPECTATION

A country's National Action Plan documents the priority areas, commitments and timelines, which the country then tracks through a review mechanism.<sup>79</sup>

In the case of Zambia, the National Action Plan is yet to be developed. However, as part of the onboarding meetings, the stakeholders proposed that the Minister of Justice appoints an Interim Multi-stakeholder group to oversee the setting up of the OGP in Zambia, including the preparation of Terms of Reference for a Consultant to facilitate the preparation of the National Action Plan. Zambia has one year within which to prepare the National Action Plan.<sup>79</sup>

## Prospects

- Several cooperating partners have expressed interest in supporting the OGP in Zambia.
- The Chandler Foundation has expressed interest in supporting the development of the National Action Plan

## Challenges

- Some policymakers consider the OGP as a duplication of the Eighth National Development Plan framework.

# 6 - CONCLUSIONS AND RECOMMENDATIONS

This Rapid assessment of the implementation status of IMF Zambia Governance Diagnostic Recommendations has established that Zambia has fully implemented only one recommendation, while partially implementing six recommendations and has not implemented the remaining four priority recommendations. Zambia has fully implemented the recommendation to "adopt a legal framework that guarantees public access to information" following the enactment of the Access to Information Act No. 24 of 2023,<sup>7</sup> as the recommendation related only to the enactment of the law, and not the substantive content, or stakeholder engagement in the process of enactment or operationalization of the Act.

The country has taken action to improve the efficiency of the Judiciary as well as to enhance the professionalism of the Judiciary and prosecution authorities. It has also operationalized the beneficial ownership registers through PACRA and has implemented several time-bound actions to rollout the E-Government Procurement system as part of the implementation of the Public Procurement Act No. 8 of 2020.<sup>42</sup> There is also evidence that Zambia has increased the frequency and depth of audits in high-risk areas such as VAT refunds, resulting in better oversight and control; and has digitalized the licensing process and thereby enhancing the capacity of the Ministry of Mines and Mineral Development (MMMD) in scrutinizing license and transfer applications.

However, this rapid assessment also reveals that apart from the ongoing review of the Anti-Corruption Act No.3 of 2012,<sup>20</sup> Zambia has not taken any recent action to enhance the existing process of appointing top anti-corruption and AML officials. The country has also not mandated the use of the FMIS system for all transactions that the system is currently able to undertake. Even though the country published its first Tax Expenditure Report (TER)<sup>51</sup> it has not mandated the regular preparation and external publication of these TERs in future. Zambia has

also not issued the statutory instrument to operationalize the Public Audit Act No. 29 of 2016<sup>60</sup> and the State Audit Commission Act No. 27 of 2016;<sup>61</sup> and has not reinforced the supervision process of banks and other financial institutions with Government ownership.

Considering the findings of this rapid assessment, we make several recommendations targeted at relevant state and non-state actors. **Table 5** presents a summary of these recommendations and a timeframe for action.

**Table 5: Rapid Assessment Recommendation**

	RECOMMENDATIONS	AUTHORITY	TIMELINE
1	Finalize the regulations, rules and guidelines in order to make the Access to Information Act Effective	Human Rights Commission, Ministry of Information and Media, Judiciary	Immediate
2	Enhance non-state actor consultations in the legal reform process, including in the ongoing review of the Anti-Corruption Act and operationalization of the Access to Information Act.	Anti-Corruption Commission, Ministry of Justice	Immediate
3	Improve the scope of structural benchmarks and GDA recommendations by incorporating aspects of effective stakeholder participation and essential elements of the laws in accordance with international standards.	International Monetary Fund	Short-term
4	Amend the Zambian Constitution in order to strengthen the independence of the Judiciary by reducing the powers of the President in the appointment and removal processes.	State House, Ministry of Justice, Judiciary	Long-term
5	Amend the Companies Act No. 10 of 2017 to introduce administrative sanctions for noncompliant companies	PACRA, State House, Ministry of Justice	Medium-Term
6	Address the Implementation challenges in the rollout of the E-Government Procurement system, including internet connectivity and power outages	ZPPA, MoFNP, Ministry of Information and Media, ZICTA	Short-Term



Table 5: Rapid Assessment Recommendation

	RECOMMENDATIONS	AUTHORITY	TIMELINE
7	Issue a policy directive to mandate the publication of the Tax Expenditure Reports on measures that result in significant forgone revenues.	MoFNP, ZRA	Immediate
8	Increase funding to the Zambia Revenue Authority in order to increase coverage and enhance the human resource and technical capacity in conducting internal audits	State House, MoFNP	Medium-Term
9	Control illegal mining to reduce the loss of life and strengthen the capacity of the MMMD to monitor the environmental commitment of legal mining operations	MMMD, MoFNP, State House	Short-term
10	Enhance the performance and institutional autonomy of the Office of the Auditor General by issuing a statutory instrument to make the Public Audit Act No. 29 of 2016 and the State Audit Act No. 27 of 2016 effective	MoFNP, State House	Immediate

**Note:** The recommendations classified as Immediate are for implementation in up to 6 months, those classified as Short-Term are for implementation in 6 to 12 months and those classified as Medium-Term may require up to 2 years, while those classified as Long-Term may require up to 4 years to implement.

## **Appendix 1: List Key Informants**

1. Zambia Industry Transparency Initiative
2. Zambia Revenue Authority
3. Anti-Corruption Commission
4. National Prosecution Authority
5. Patents and Companies Registration Authority
6. Office of the Auditor General
7. GIZ-Enact Programme
8. Human Rights Commission
9. International Monetary Fund
10. Judiciary
11. Ministry of Mines and Mineral Development
12. Bankers Association of Zambia
13. Chandler Foundation
14. National Assembly of Zambia
15. World Bank
16. Zambia Public Procurement Authority

## **Appendix 2: Civil Society Actors**

1. ActionAid Zambia
2. Zambia Council for Social Development
3. Panos Institute Southern Africa
4. Misa Zambia
5. Transparency International Zambia
6. Chapter One Foundation
7. Bloggers of Zambia
8. Alliance for Accountability Advocates Zambia
9. GEARS Initiative Zambia
10. Alliance for Community Action



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