Zambia

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When the work started:
- Zambia is a late entrant in the IFF project

Agencies involved in the TWG:
- line ministries, central bank, national statistical office, policy think tank, tax authorities, law enforcement agencies

- Ministry of Finance and National Planning
- Ministry of Mines and Minerals Development
- Bank of Zambia (Central Bank)
- Zambia Statistics Agency
- Zambia Revenue Authority
- Financial Intelligence Centre
- Anti-Corruption Commission
- Drug Enforcement Commission
- Zambia Police Service
- Zambia Institute for Policy Analysis & Research
METHODS USED & RESULTS

**Methods Used:**

**Method 1:** Partner Country Method = Zambia Statistics Agency.

**Method 3:** Global distribution of Multi-National Enterprises’ (MNEs) profits and corporate taxes = Zambia Revenue Authority

**Preliminary Outputs:**

**Method 1:** The preliminary findings based on seven major trading partners, show that almost twice the value of the country’s GDP was potentially **Mis-invoiced** during the period 2012-2020.

**Method 3:** Obtained database of MNEs operating in Zambia during 2019-2020 from International Taxation Unit, Zambia Revenue Authority:
Preliminary Outputs Cnt’d:

Method 3 (So far..):
• Classified MNE’s based on number of employees; total value of sales; operating profit; profit before tax; profit after tax; tax paid; total fixed assets; and total assets

• Profiled MNEs based on the above variables to determine which thresholds to use.
LESSONS LEARNED - Challenges

• Feedback on the organization of work
  • IFF work not part of the institutional workplans
  • Therefore, constrained budgets and time devoted to the work.
  • Low levels of funding, Data availability and confidentiality
LESSONS LEARNED - Benefits

- UNCTAD guidelines and tools are very helpful
- Support at High Government Level (*Secretary to the Treasury*)
- Capacity building and strengthening of staff skills
- Establishment of TWG
- Awareness raising
- Network
POLICY IMPLICATIONS OF IFFs

• IFFs have a strong bearing on general economic growth (i.e. economic and financial stability), development, governance (i.e. service provision), national security etc

• Legal Framework (FIC): Anti-Money Laundering and Financing of Terrorism (AML/CFT) legal framework to promote financial integrity by making it difficult to conceal illegal activities.