



Opening the Door to Zambian Business

Streamlining business registration boosts economic activity and transparency

Prosper Chanda, a Zambian entrepreneur in Lusaka, wanted to open his own sign manufacturing company. However, he was unsure how to go about registering his business. He had heard that the registration process could be long, expensive and frustrating. Many other Zambian entrepreneurs faced similar challenges, and although all businesses are legally required to register in Zambia, entrepreneurs have at times not done so, opting instead to go outside the formal system. The time and costs associated with registering a business in Zambia - up to 11 days according to World Bank estimates - have dissuaded many would-be business owners.



An officer with the Patents and Companies Registration Office in Zambia helps a customer register his business at the newly automated customer service center.

Recognizing this problem, the Zambia's Government's Patents and Companies Registration Office (PACRO) committed to streamlining the business registration and annual update process. Zambia partnered with the U.S. Government to help improve this situation. Through a two-year, \$22.7 million Millennium Challenge Corporation (MCC) threshold program in Zambia focused on reducing corruption and improving government effectiveness, now, Zambian business owners can register a new business or file annual registration updates in a single day at a new, fully-automated Customer Service Center in Lusaka. This new and transparent, automated process also reduces opportunities for corruption by clearly posting government fees for each transaction and is removing the dependence on intermediaries, who often charged high sums to navigate and expedite the old process. Thanks to the new process, the number of companies registering monthly in Zambia has risen 100 percent. To expand the benefits of this process, the MCC-funded program has also helped PACRO open a branch office in Ndola and locate office space in Livingstone as part of an effort to open regional centers in three provinces.

At the new Customer Service Center, it took Mr. Chanda less than a day to register his new company, Katetebo Enterprises. He also received clear, simple guidance on how to keep his registration current through annual updates. As a registered business owner, he now has access to loans and business development services. By helping to improve the efficiency and transparency of government services for businesses in Zambia through its threshold program, thereby fulfilling its ultimate mission to boost economic growth, MCC is providing incentives to entrepreneurs like Mr. Chanda to legalize the status of their businesses through registration and join the growing ranks of Zambia's formal business sector.

Zambia's 'doing business' initiatives are producing positive impacts throughout communities by generating employment and innovation. MCC is proud to partner with Zambia through its efforts to create a stronger private sector by encouraging efficient business development and registration.