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PRESS RELEASE

FOCUS ON SOCIAL SECTORS IN 2009 BUDGET A GOOD SIGN, CSPR

CSPR commends government for the attention given to the agriculture and social sectors in the 2009 national budget.

It is encouraging to note that on the surface, mention was given to the fact that part of the allocation to the Fertiliser Support Program (K435bn) will also be utilised for a comprehensive review of the FSP in order to address the inefficiencies. We are happy to note that attention has been given to other components of the Agriculture Sector such as the Livestock (K70.7bn), extension services (K25.4bn) and to creation of a disease free zone(K70.7bn), as well as 42.5bn to the Nansenga Farm Block. This is a good step towards diversifying the agriculture sector. In addition, the zero rating of taxes on agriculture equipment will not only enhance agriculture productivity but also improve national food security. However, we note that the allocation to the sector is still below the 10% Maputo Declaration commitment that Government is signatory to.

We are encouraged by the construction of the 14 district health centres and K33.2bn to purchase of medical equipment. This will bring health services closer to the people. Again, it is disappointing to note that the allocation is still less than the 15% allocation required in the Abuja Declaration.

The 17.2% allocation to the Education sector is a major boost towards attainment of quality education for all. Education sector allocation to infrastructure development and recruitment of another 5, 000 teachers will ensure that the MDG to enable Universal Primary Education is met with the appropriate infrastructure and improved quality of education.

On the other hand, CSPR is disappointed with the continued emphasis of pension arrears in the Social Protection Sector. CSPR expected areas such as Street Kids, Women in Development and Public Welfare Assistance Schemes (PWAS) to receive similar attention. To our disappointment, none of them were even mentioned in the budget speech! In addition to this, the allocation to the Sector reduced from 4% to 2% of the total budget.

While noting the fact that it was difficult for government to consider giving further relief to workers apart from the insignificant increase in the threshold from K600, 000 to K700, 000, it is disappointing that no consideration was made to reduce the Value Added Tax (VAT) from the current 16% to at least 15% to improve purchasing power of the people. This is more so in the advent of the global economic crisis.

We applaud Government on the initiative to publicise information on expenditure. This will make monitoring activities easier and government operations more transparent to the public eye.

We would like to remind government that the efforts made in the budget will only yield the desired impact is matched with timely and full disbursement of these funds. This move will make government accountable for the delivery of quality services to the Zambians.

Suffice to mention that CSPR has received the Budget with caution. A comprehensive analysis of the budget is currently being conducted by CSPR and will be issued at a later date.

Saul Banda (Mr.)

Acting Executive Director