



CIVIL SOCIETY FOR POVERTY REDUCTION

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PRESS BRIEF ON BUDGET

1. Shortcomings from last year's budget:

- a. The allocation to recruitment has yielded positive results vis the recruitment of almost 4000 teachers. However, this still falls short of requirement if we are to meet the MDGs on Education. The success in enrolments must tally with a reasonable teacher to pupil ratio. The quality of infrastructure should also be suitable for good quality education. It should not be a matter of quantity of pupils enrolled but instead the quality of education imparted on these pupils. This quality should extend to all levels of education, that is pre-school, primary, secondary, tertiary and university education.
- b. The failure by government to utilise K900billion kwacha in the 2007 Budget is extremely disappointing for Civil Society for Poverty Reduction. This is more so in a country where over half of its people live in poverty. This means that most projects in the developmental sectors -which are the sectors that directly benefit the poor – have not been implemented. This is not a good sign especially that government had in 2007 endeavored to move towards improved service delivery. This threatens to throw Zambia backwards in achieving pro-poor national development through the Fifth National Development Plan (FNDP) and indeed the Millennium Development Goals (MDGs).
- c. Owing to the above, government could have exhibited more commitment towards poverty reduction. Indeed there is much talk about wealth creation. This wealth creation must be manifest in the poor people themselves through implementation of poverty reduction programs.

2. Areas that should work

- a. As stated above, the areas that must work are those that directly benefit the poor. These are the areas that government must be seen to be investing more in. Government has taken a positive step towards recognising these areas as priority areas in the FNDP. Now it is a matter of bringing that prioritisation into reality by putting the most money into health, education, water and sanitation, infrastructure development and agriculture, among others. To this effect, we expect the next budget to concentrate on infrastructure such as building new schools, hospitals, roads, strong bridges – where the people are. These should be infrastructure that will add value to livelihoods.
- b. Considering that K900billion had to be returned to the coffers, we expect government to demonstrate “make up” measures by allocating more money to the sectors that suffered because of the lack of resource utilisation. This will in turn show commitment towards achieving the MDGs. It will also show that government is honoring its own tools through implementing the promises made in the FNDP.
- c. Poverty reduction should in fact play the leading role in the 2008 budget. Government should be seen to be moving towards more effective and equitable service delivery.

***Please note that since circumstances could not allow for us to conduct an in depth analysis of the budget, we are currently doing so and will be making a more detailed statement on what we expect before the 2008 budget is delivered.*

3. Restating our advocacy messages in this regard

- We restate our call to government to enhance utilisation capacity and strengthening the systems used by the implementing agencies. We need to be seen to be able to use the little money that we have for the benefit of the poor people. To this effect we call for government to expedite the approval of the Decentralisation Implementation Plan, as this will make implementation of programmes faster and effective.
- Now that the debate over the form of the NCC is over and they have commenced sitting, there is need to revisit the budgeting cycle through the constitution. The budget cycle should be set in a way that will be favorable to full and timely disbursement and utilisation of funds. This review should re-visit the release of funds and tender procedures that are currently in place. We further call upon the NCC to heed civil society’s call to ensue that the constitution takes the

plight of the majority Zambians by prioritising pro-poor development through inclusion of economic, social and cultural rights in the new Bill of Rights. In addition, we reiterate our call for the constitution to consider ring fencing funds meant for social services under poverty reduction programs. For what would be the point of boasting economic emancipation when the inhabitants of the land themselves have nothing to show for it?

- If the failure to utilise the available funds had anything to do with late receipt of pledged funds by the funders, we appeal to the donor community to be in line with the Paris principle of alignment so that they move along with the national budget. Donors should also move towards encouraging government to be inwardly accountable (accountability to the Zambians) as opposed to outward accountability (accountability to the donors first).

Once more, we call upon government to rank poverty eradication first for Zambia as this is the best route to achieving success in the FNDP as well as making strides in achieving the MDGs.

4. Review of last year

- a. Performance of last year was commendable in regard to economic growth, especially in the mining industry. However, there was no emphasis on equitable distribution of wealth from this 'growing economy'.
 - i. In this regard, we fully support government's decision not to enter into any contracts with investors over the discovered oil deposits in the country until legislation has been reviewed. It was disheartening in the past to find that the country was losing out on the benefits of the mines because of the contracts entered into before. We encourage the government to make this review of contracts as consultative as possible for the sake of equitable national development.
- b. The launch of the FNDP in January represented a new dawn for Zambia in that for the first time in many years, we had a comprehensive plan for national development for Zambia. This plan could be said to have been inclusive in its formulation. CSPR formulated in its formulation during 2005 and 2006. To complement government effort, CSPR carried out sensitisation and simplified the FNDP and endeavored to translate the simplifications. This increased the sense of national ownership of the FNDP.

- c. Government's engagement with civil society also showed good progress during 2007. This in regard to government's invitations to SAGs, FNDP launch and discussions and amicable collaboration with the different Ministries. A good example is CSPR's collaboration with Ministry of Finance in organising a National workshop to discuss the Paris Declaration on Aid Effectiveness.
- d. During 2007, CSPR conducted a baseline to set pace for monitoring of the FNDP. In addition, we conducted a study on the effectiveness of the abolishing of health user fees. The findings are currently being analysed and shall be shared with different stakeholders in the first quarter of 2008. This is in tandem with our quest to have evidence based advocacy and offer alternative thinking for national development.

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