

Thursday, 5<sup>th</sup> February, 2009

## **PRESS RELEASE**

*for immediate release*

### **CSPR WESTERN PROVINCE PROGRAMME MANAGEMENT TEAM APPLAUDS CONSTRUCTION OF DISTRICT HOSPITALS**

The Civil Society for Poverty Reduction in Western Province is encouraged that government has allocated funds for completion of Shangombo District Hospital. We only hope that this commitment will be action oriented. We further wish to urge the government to find a reputable contractor to complete the construction of Shangombo District Hospital in order to ease the problems of the people of Shangombo who have had no proper medical facilities 44 years after independence of Zambia.

The Civil Society for Poverty Reduction (CSPR) in Western Province welcomes with caution the 2009 budget presented by the Hon. Minister of Finance and National Planning, Dr. Situmbeko Musokotwane on Friday the 30<sup>th</sup> November 2009. It is encouraging to note that this year's budget has increased allocation towards agriculture and some social sector areas such as Health, Education, water and sanitation. We are however, disappointed at the reduction in the allocation towards social protection.

We are also encouraged to note that the Government will this year rehabilitate and expand all 27 Health Training Schools in the country so as to increase enrolment and help mitigate the deficit of frontline medical personnel. We believe this measure will help increase the number of trained medical staff especially in Western Province where we only have one health training school.

The allocation of K37.7 billion to construct and rehabilitate seven trades training institutes in the country among them the Mongu and Kaoma trades training institutes. This is a good step towards improving vocational and entrepreneurship training.

As advocates and supporters of poverty reduction we are cognizant of the fact that the cost of doing business in Zambia and in the Western Province in particular is high and therefore the commitment by the Government to reduce such costs as the cumbersome licensing and regulatory framework, poor infrastructure, and high transport and communication costs mentioned in this

year's budget is a good measure. There is no point in encouraging our people to go into business when the prevailing policy environment will frustrate their efforts.

We have also noted with keen interest the admission by government in this year's budget that the agriculture sector which is one of the main pillars of our Poverty Reduction Programmes, especially in rural areas, has over the years performed poorly, contracting by an average of 1.2 percent per annum from 2006 to 2008. In that regard we are happy that some steps are being done to reverse this sad trend through allocation of resources this year in the sum of K25.4 billion for the procurement of motorbikes and bicycles, and K12.3 billion towards the construction and rehabilitation of camp houses for extension workers. This we agree can increase the mobility of and usefulness of extension workers thereby allowing them to serve a larger part of our rural areas.

In the same vein, we expect the increased allocation to the Agriculture Sector to work towards diversification in crop growing, especially in the light of high food prices caused by the global crisis. We also appreciate the efforts by government to address the likely job losses which might befall our nation as a result of the global economic crisis through zero rating agricultural equipment and spares. However we are saddened by the fact that the same incentive has not been extended to livestock vaccines and in our view this will adversely affect the majority of our farmers in Western province who cannot afford mechanical agriculture equipment and depend on animal draught power to plough their fields and do other farm activities.

It is also gratifying that in order to strengthen the monitoring of implementation of projects; government intends to publish booklets which will show resources allocated and actual locations of each project in order to facilitate effective monitoring. As CSPR in Western Province, we welcome this move as this will make government more accountable to the people. In the past, CSPR in Western Province has carried out budget tracking of government resources in the province and our main source of information has been government line ministries. To our disappointment, in many cases we have not been able to get information on allocations for the province due to reluctance by some government officers responsible for keeping this information to release it and this has negatively affected our advocacy work. We feel that by this initiative of publishing allocations, government is coming closer to the people and we want to once again commend the Minister for this good initiative.

Given the over K2trillion increase in the budget when comparing the 2008 and 2009 budget, CSPR expected the Minister of finance to propose an increase in the minimum wage from the current K268, 000.00 per month. This figure is far below the average "basic Needs Basket" for basic food items which come to about k700, 000 per month in most rural areas such as Mongu. We urge the Minister of Finance to dialogue with the Ministry of Labour so that the law stating the minimum wage could be amended to ensure that the minimum wage is increased in the short run to K500, 000.00 and finally to K700, 000.00 per month.

That way, the proposed increase in the Pay As You Earn exempt threshold from K600, 000 to K700, 000 would be of direct and significant benefit to the majority of the workers. Otherwise, the

change in the PAYE regime is not significant, and it definitely will not have any material and favorable impact on the take home pay for the people who get far less than k700, 000.00.

Overall it is the view of the Civil Society for Poverty Reduction team in the Western Province that most of the policy measures outlined in the 2009 national budget are potentially good and if well and timely executed, especially with the raised concerns by various key stakeholders addressed, could make the vision of *“seeing all our citizens, in all corners of our country, waking up each morning well nourished, in decent housing, with access to clean water and sanitation”* attainable.

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