

**REPORT ON THE CSPR ECONOMIC LITERACY
SEMINAR ON MTEF AND CIVIC
ENGAGEMENT IN THE NATIONAL
BUDGET**

HELD AT BLUE CREST GUESTHOUSE.

ON 8TH OCTOBER 2004

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LIST OF ACRONYMS

MOFNP	-	Ministry of Finance and National Planning
SAGs	-	Sector Advisory Groups
MCGs	-	MTEF Consultative Groups
CSOs	-	Civil Society Organisations
CSPR	-	Civil Society for Poverty Reduction
MTEF	-	Medium Term Expenditure Framework
TNDP	-	Transitional National Development Plan
CCJDP	-	Catholic Commission for Justice Development and Peace.
PRGF	-	Poverty Reduction Growth Facility

1.0 INTRODUCTION

The civil society works with government in various sectors to advance in the fight to eradicate poverty as an initial step into national development.

However, there is need for the different CSOs to know and familiarize themselves with national policies and frameworks, to enable civil society engage and participate in the drawing up of national instruments such as the national budget.

Its with this reason that the Civil Society for Poverty Reduction (CSPR) as Secretariat to a number Civil Society organizations, put together a Economic Literacy Seminar on the Medium Term Expenditure Framework (MTEF) and civic Engagement in the National Budget process.

This report brings out the highlights and key lessons from the seminar held at Blue Crest Guesthouse on 8th October 2004.

2.0 SEMINAR PROCEEDINGS

2.1 TARGET GROUPS AND OBJECTIVES

The seminar was organized for different CSOs both members and non –members of CSPR.

The general objective of the seminar was to build the understanding and capacities of the different invited CSPR member civil society organizations.

In more specific terms:

- To enlighten the participants on the national budget process and MTEF.
- To elaborate on civic engagement and the role of civil society in the national budget process
- To identify opportunities to civic engagement in the budget process
- To draw on the seminar's key lessons and consolidate the stand future participation of civil society in ht e budget process.

2.2 INTRODUCTIONS AND EXPECTATIONS

The facilitator of the proceedings Mr. Reuben L. Lifuka called the seminar to order at 09: 30 hours and lead the gathering through a session of self introduction as a way of breaking the ice. He also draws some expectations from participants with regards to the seminar.

The general expectation was explanations to the following:

- What the different terminologies are i.e. TNDP, SAG, and MTEF etc.
- Whether there is civil society involvement in budget process
- How practical MTEF IS.
- Whether it has meaning.
- To identify opportunities for civic engagement in the budget process

2.3 OPENING REMARKS

In the opening remarks, the co-coordinator of CSPR Mrs. Besinati Mpepo welcomed the participants and also reminded them that the fight against poverty can not be gone alone as civil society but required the involvement of the stakeholders.

She further noted that the seminar was just one of the many activities centered on the PRSP. She also observed that as civil society we tend to wait until the budget has been presented to the public for us to try and engage.

Mrs. Mpepo also informed the participants that literacy activities such as this are scheduled to be done for all the provincial Focal groups.

3.0 THE BUDGET PROCESS AND MTEF

Mr. Steven Gumboh on behalf of the Ministry of Finance and National Planning gave the presentation.

3.1 PRESENTATION OBJECTIVES:

- To explain the MTEF approach in Zambia
- To outline the improvements into the second MTEF in Zambia.

- The expectations from the stakeholders in the enhancement of the process.

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3.2 COMPONENT HIGHLIGHTS

The presentation in full in power point format is attached in the annex of this report. However, the main headings were as follows:

- ❖ **The MTEF Approach**
- ❖ **What does the MTEF involve?**
- ❖ **The MTEF in Zambia.**
- ❖ **Improvements to the second MTEF in Zambia.**
- ❖ **MTEF process 2005 – 2007.**
- ❖ **Detailed steps to be followed in MTEF Process for 200-2007.**
- ❖ **Managing the MTEF process.**
- ❖ **The role of MTEF Consultative Groups (MCGs) in the MTEF process.**
- ❖ **Participation of Civil Society and the Donors in the SAGs under the MTEF process.**
- ❖ **MTEF expectations.**

4.0 PLENARY – BUDGET AND MTEF

After the presentation the floor was open for a plenum discussion and engagement with the representative from MoFNP.

4.1 COMMENTS / OBSERVATIONS

Participants noted that there is need to ensure that the decentralization of the budget formulation be done fully for MTEF to be properly implemented. Hence the MoFNP was urged to put the decentralization process first.

4.2 QUERIES

Question: A concern on the fact that MTEF is dependant on funds and since the national economy at the moment is also donor dependant; hence it may not be workable for MTEF.

Response: Mr. Gumboh alluded to the lack of political will to shift from depending on grants/ loans to harnessing existing Natural resources as a way of earning foreign exchange.

Question: There was a query as to why the drawing up of the ceiling to MTEF does not start from the bottom and why the MFNP can not come up with their own framework instead of adopting one from the IMF?

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Response: To the first part of the question the presenter attributed this scenario to the lack of willingness from the chairpersons of the local committees to convene meetings. He however, agreed that their involvement in the setting of ceilings should be improved. He also added that this might improve once the Financial Act is enacted.

Mr. Gumboh felt that he could not answer on behalf of the planning department as he is from the Budgeting Department.

Question: It was queried whether the budget estimates for 2004 had contributions from the grass roots

Response: The presenter said that, district representative as well as civil society was invited to provide the input and needs from the grass roots.

He furthermore, extended an invitation to the participants to feel free to call on him at MFNP and provide input on a template designed for collection of information from the grassroots.

5.0 CIVIC ENGAGEMENT IN THE NATIONAL BUDGET PROCESS

Ms. Mulima Akapelwa from CCJDP gave the presentation.

5.1 PRESENTATION OBJECTIVES

The objectives of the presentation were as follows:

- To enlighten the participants and in turn their respective Organisation on the requirements in engaging in the budget formulation.
- To bring out the possible ways in which civil society could participate.

5.2 PRESENTATION HIGHLIGHTS

The full presentation contents are attached in the annex of this report, however the presenter gave the details by answering the following:

- ❖ **What budget activists need to know.**
- ❖ **Why are you engaging**
- ❖ **What is the budget system**

- ❖ Who are the actors
- ❖ What are the RETURNS

6.0 PLENARY - CIVIC ENGAGEMENTS IN THE BUDGET PROCESS

6.1 OBSERVATIONS

- It was observed that civil society only get excited about the budget at the time it is being presented and not prior.
- Another feeling expressed was that there is need for localization of the budget analysis as it is too centralized to allow for an activity-based budget, which would provide opportunity for everyone to participate.
- The presenter also reminded the participants that despite being given the insight into the budget process and how civil society can get involved, there is more importantly the need to have a focus e.g. on the children's needs.
- She further stressed that the approach to the budget by COSs should be more as a planning tool than an accounting tool.

6.2 QUERRIES

Question: There was a concern that documents that CSOs could reflect on in reference to the budget were not readily available and that these same documents are not produced in local languages to enable everyone to read.

Response: In response, Ms Akapelwa mentioned that the **PRGF** is one of such material and that CSOs should take time to read these materials to acquaint themselves with them.

Question: Another issue raised was that, not everyone knows about these documents (ordinary person) neither do they know what they are about.

Response: Ms Akapelwa said that the CSPR version of the “ Letter of Intent” is one way of trying to ensure that the common person has this information and that it also explains terms such as the PRGF.

Question: The best time for submissions to the MoFNP on the budget estimates and formulation was one other aspect that the participants wanted to know.

Response: In response to this, the presenter gave the period May to August as the most optune time for contributions. She however, pointed out that the viability of this submission would be dependant on:

- To what scale / level they are done.
- The fact that the existing system of submission should be noted and used by CSOs.
- They should also be done according to phases or stages for effectiveness.

Question: A question as to what CCJDP is doing in Solwezi and how other CSOs could be involved was posed

Response: In response, Ms Akapelwa made reference to work being done with different sectors of society in the areas in question with an example formulation of budgetary needs of children and also urged the civil Organisation to try and identify possible areas of the budget in which they can work with the grass roots on.

7.0 GROUP SESSION

In the interest of time limitation the facilitator gave the participant to answer two (2) key questions in their immediate groups of three to four. The task was to brainstorm on the following:

-)Give three constraints to civil society with regards to MTEF and Budget Engagement.
-)Come up with at least three action points.

7.1 CHALLENGES/CONSTRAINTS – MTEF

1. Weak linkages between government and civil society.
2. Civil society is more reactive than proactive (advocacy not consistent)
3. Ineffective ways of influencing government by c/society
4. Civil society don't use all the information available (Party manifestos)
5. Government not obligated (No legal mechanism)
6. Inadequate capacity of civil society.
7. Weak grass root participation (centralised Planning).
8. Political interference in budget process vis a vis allocation.
9. Lack of co-ordination among CSOs
10. Economic illiteracy among Civil society

11. Government 's failure to practically involve civil society
12. Inadequate advocacy skills among CSOs
13. Issues can be complex i.e. MTEF/PRGF
14. Delays in auditor General report release

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MAIN POINTS

In summarizing the points from the first task the following were noted:

- WEAK LINKS – Between the different CSOs
- ADVOCACY SKILLS LACKING- In the individual CSOs
- LIMITED ACCESS – To the vital documentation and information for the CSOs to refer and use in order to engage in the budget process
- POLITICAL WILL (LACKING) – On the part of government.
- LACK OF CO-ORDINATION – There seems to be no common objectives among CSOs

7.2 ACTION POINTS

The participants also came up with some action points which civil society could use to curb the challenges identified above.

1. BUILD GOVERNMENT AND DONOR ALLIES
2. INFORMATION SHARING, AMONG CSOs
3. DEVELOP SHARED VISION AND UNDERSTANDING
4. DEVELOPING APPROPRIATE AND INNOVATIVE ADVOCACY STRATEGIES
5. BEING ENGAGED THROUGHOUT THE BUDGET AND IMPLEMENTATION PROCESS.
6. CAPACITY BUILDING TO IMPROVE TECHNICAL SKILLS.
7. FORMATION OF STRATEGIC THINK TANK FOR CSOs

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8.0 ANNEX

CSPR Economic Literacy Seminar on MTEF and Civic Engagement in the National Budget –8th October, 2004.

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