



**For Immediate Release**  
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## **CSPR CALLS FOR A PARADIGM SHIFT IN ECONOMIC DIRECTION OF THE COUNTRY**

The Civil Society for Poverty Reduction (CSPR) is expecting that the Presidential address to Parliament scheduled for this week Friday to set a strong foundation for the Country to re-strategise its economic direction and focus in pursuit of the Vision 2030, which seeks to make Zambia a prosperous middle income Country. Since this will be the first address to Parliament by the head of state since he was elected as President early this year, the expectations among Zambians are high given the current state of the nation's economy. While there are current economic challenges facing this Country, this is an economic cycle not unique and new to Zambia. There is a real opportunity to address the prevailing economic challenges in the short and long term as Zambia is currently in the consultation phase to develop the 7<sup>th</sup> National Development Plan. We therefore anticipate the tone of the President's speech to give direction that will set the stage for Zambia to be a prosperous and economically equitable country. Key cornerstones in achieving this are;

### **Holistic National Development**

The 7<sup>th</sup> National Development Plan must only focus on the three highest income-earning sectors for the country based on the comparative advantage of Zambia. All other supporting sectors of health, education, energy, gender, nutrition, social protection, Environment and Housing, transport, infrastructure among others will feed into the main sectors of economic interest to the country. Agriculture, Mining and Tourism need to be the main thrust and economic interest of Zambia to drive the economic direction of the national economy.

### **Fiscal Decentralization**

When Provinces become in full control of expenditure for line ministry programmes and projects in their area, Zambia will see a marked improvement in the response time of the national budget to development programmes in the budget, an increase in local expenditure and a better response in meeting the needs of the people.

## **Enactment of the National Planning and Budget Bill**

The immediate enactment of the national planning and budgeting bill will help to safeguard the involvement of local citizens in national budget and planning processes at sub-national structures through District Development Coordinating Committee and the Provincial Development Coordinating Committee to effectively deliver people centered development.

CSPR believes that this approach will ensure the benefits of economic growth are taken down to the ordinary poor people, as their aspirations will be addressed by the government through a bottom up approach in budgeting while placing citizens at the centre of delivering equitable and quality economic development.

## **Ring Fencing Pro - Poor Spending**

We note that as government re-aligns and rationalizes the 2016 budget, there is a danger of sacrificing social sector spending in order to manage the budget deficit and reduced domestic revenue base. We call on government to ring fence pro-poor budgets as these are critical for sustainable development given the high poverty levels the country is experiencing. Some of the aspects noted in the 2016 – 2018 MTEF include the following:

*Issue one: Education* - We note that the Government of Zambia has achieved some successes in education by improving enrolment through heavy investment in infrastructure improvements. However, the Quality of education still remains a challenge with Low literacy and numeracy competencies where the majority of grade 5 children perform below the minimum score of 40% despite increased investment in infrastructure. The recent medium term expenditure framework for period 2016- 2018 does not seem to address the issue of quality of education as non-personal emoluments are projected to decline from the 2015 level by 41% in 2016. As Civil Society for Poverty Reduction we believe investments in quality education from early childhood will help cut the cycle of poverty. Government in 2016 has potential to allocate more resources to education through enhancing its domestic resource mobilization capacity, which is still very low in the MTEF projection. Further income from grants from cooperating partners, which was not part of the MTEF, could be channeled to education and health when the Minister announces the 2016 budget next month.

*Issue two: Social Protection* - We congratulate Government for positive steps in expanding the social cash transfer scheme from 18 districts when the PF took office in 2011 to now 50 districts. We believe this scheme is pivotal in mitigating and reducing extreme poverty among the poor. However, the poor are scattered all over Zambia, as

such this scheme needs to be extended to cover the whole Nation. The figures in the MTEF are good indication that the scheme will continue to be extended and achieve its impact. However, this is only achievable if those figures are put in the budget and Ministry of Finance disburses those monies on a timely basis so that it reaches the beneficiary households on time.

It is therefore our belief and hope that the head of state address to Parliament will address the above raised issues and members of Parliament will support these economic reforms.

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C SPR is a civil society anti-poverty advocacy network working for pro-poor development in Zambia whose vision is; "A Zambia where its entire people enjoy all basic needs"