



**REPUBLIC OF ZAMBIA**

**REPORT**

**OF THE**

**EXPANDED PLANNING AND BUDGETING COMMITTEE**

**ON THE**

**ESTIMATES OF REVENUE AND EXPENDITURE FOR THE FINANCIAL YEAR 1<sup>ST</sup>  
JANUARY TO 31<sup>ST</sup> DECEMBER, 2024**

**FOR THE**

**THIRD SESSION OF THE THIRTEENTH NATIONAL ASSEMBLY**

*Published by the National Assembly of Zambia*

## FOREWORD

The Honourable Madam Speaker the Expanded Planning and Budgeting Committee appointed to examine the Estimates of Revenue and Expenditure for the Financial Year 1<sup>st</sup> January, to 31<sup>st</sup> December, 2024 has the honour to present its Report. The functions of the Committee are as stipulated in Standing Order 157 No. (4), of the National Assembly Standing Orders, 2021. In order to consider the Estimates of Revenue and Expenditure, the Committee held seventeen meetings during which it examined, in detail, the submissions from various stakeholders.

The Committee requested for written submissions on the 2024 Budget from various stakeholders, who later appeared before it to make oral submissions and clarify matters arising from the written submissions. The Committee also received Reports on Sector Budget analysis produced by the Committees on Energy, Water Development and Tourism; Agriculture, Lands and Natural Resources; National Security and Foreign Affairs; Education, Science and Technology; and Health, Community Development and Social Services. The Reports are appended to the Report of the Expanded Planning and Budgeting Committee.

The Report has been segmented into four Parts, Part I presents the macro-economic framework while Part II contains the revenue envelope and the expenditure side of the Budget. Part III contains a summary of Reports from Selected Committees. Part IV contains views from stakeholders, highlights of the Committee's engagement with the Minister of Finance and National Planning; and the Committee's observations and recommendations.

Madam Speaker, the Committee is therefore, grateful to the stakeholders who tendered both written and oral submissions. It also wishes to thank you, Madam Speaker, for affording it an opportunity to consider the Estimates of Revenue and Expenditure for 2024. Gratitude further goes to the Office of the Clerk of the National Assembly for the assistance and advice rendered throughout the Committee's deliberations.



Mr Fred C Chaatila, MP  
**CHAIRPERSON**

October, 2023  
**LUSAKA**

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## List of Acronyms

Constituency Development Fund	CDF
Citizens Economic Empowerment Commission	CEEC
Eighth National Development Plan	8NDP
Farmer input Support Programme	FISP
Gross Domestic Product	GDP
Gross International Reserves	GIR
Medium-Term Budget Plan	MTBP
Medium, Small and Medium Enterprises	MSMEs
Value Added Tax	VAT

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## **1.0 COMPOSITION OF THE COMMITTEE**

The Committee consisted of Mr Fred C Chaatila, MP (Chairperson); Ms Brenda Nyirenda, MP (Vice-Chairperson); Mr Machila Jamba, MP; Mr Koonwa Simunji, MP; Mr David Mabumba, MP; Mr Kalalwe Mukosa, MP; Mr Jeffrey Mulebwa, MP; Mr Anthony C Mumba, MP; Mr Mayungo Simushi, MP, Mr Mwabashike Nkulukusa, MP; Mr Brian Kambita, MP; Mr Warren C Mwambazi, MP; Mr Remember C Mutale, MP; Mr Kasauta S Michelo, MP; Eng. Raphael S Mabenga, MP; Dr Christopher K Kalila, MP; Mr Darius Mulunda, MP; Mr Romeo Kangombe, MP; Brig Gen (Rtd) Morgan Sitwala, MP; Mr Mubika Mubika, MP; Mr Harry K Kamboni, MP; Mr Mutotwe Kafwaya, MP; Mr Andrew Lubusha, MP; Mr Newton Samakayi, MP; Mr Kaliye Mandandi, MP; Mr Chinga Miyutu, MP; Ms Sibeso K Sefulo, MP; and Mr Ronald Chitotela, MP.

## **2.0 INTRODUCTION**

The Minister of Finance and National Planning, Dr Situmbeko Musokotwane presented the Estimates of Revenue and Expenditure for the Financial Year 1<sup>st</sup> January to 31<sup>st</sup> December 2024 pursuant to Article 202 of the *Constitution of Zambia, Chapter 1 of the Laws of Zambia*. The Estimates of Revenue and Expenditure were referred to the Expanded Planning and Budgeting Committee for detailed scrutiny in accordance with Standing Order No. 157(4) of the National Assembly of Zambia Standing Orders, 2021.

The 2024 National Budget theme, *Unlocking Economic Potential* sets the policy tone for the nation for the 2024 fiscal year and beyond. The 2024 National Budget, aimed at enabling private -sector led growth and comprehensive development in the wake of economic instabilities that had shocked both the global and domestic economy in similar ways. Furthermore, the Budget exemplified the commitment of the Government to realign the policy framework; relocate resources; and provide incentives to the reform agenda anchored on the Eighth National Development Plan (8NDP). The reform agenda aimed at creating jobs and grow the economy by restoring fiscal prudence and debt sustainability; attracting private investment; and investing in human capital, thereby, unlocking the economic potential of Zambia.

The 2024 National Budget which totalled K177.9 billion was 6.3 per cent larger than the 2023 Budget which totalled K167.3 billion. However, as a percentage of Gross Domestic Product (GDP), the 2024 Budget is 27.8 per cent, smaller than the 2023 Budget, which was 31.4 per cent of GDP. The 2024 Budget contained many revenue measures and policy pronouncements relating to sectors whose socio and economic implications are discussed in the Committee's Report.

## **PART I**

### **3.0 MACRO ECONOMIC FRAMEWORK**

The 2024 National Budget aimed at unlocking Zambia's economic potential by addressing constraints faced in the economy in key sectors such as mining; energy; manufacturing and agriculture. The constraints included but were not limited to low production and productivity; low diversification; and industrialisation; low private sector investment; low access to affordable finance and low citizen participation.

To achieve this, the Government would pursue policies anchored on the four strategic development areas of the 8NDP namely: Economic Transformation and Job Creation; Human and Social Development; Environmental Sustainability; and Good Governance Environment. The 2024 National Budget was therefore, set to achieve the following specific macroeconomic targets:

- (a) attain a real GDP growth rate of at least 4.8 per cent;
- (b) reduce inflation to the 6-8 the medium-term target band;
- (c) maintain international reserves above 3.0 months of import cover;
- (d) increase domestic revenue to at least 22.0 per cent of GDP;
- (e) reduce the fiscal deficit to 4.8 per cent of GDP; and
- (f) limit domestic borrowing to not more than 2.5 per cent of GDP.

Stakeholders commented on the detailed macroeconomic targets set out in the 2024 National Budget as set out below.

**(a) Attain a real Gross Domestic Product growth rate of at least 4.8 per cent**

In 2024, the GDP growth rate was targeted at 4.8 per cent from a target of 4.0 per cent in 2023, which had an out turn averaging 2.3 per cent. Stakeholders submitted that the targeted growth rate of 4.8 per cent was in line with the Medium-Term Budget Plan for 2024 to 2026, which indicated that the economy was projected to grow at an average of 4.2 per cent annually. This was with the hope of achieving the country's vision of attaining an annual growth rate of 10 per cent in line with the Vision 2030.

The Committee was informed that the growth target was largely premised on the priority sectors of mining, agriculture, manufacturing, and tourism. However, other stakeholders informed the Committee that except for rebounds recorded in the tourism sector which recorded a 22 per cent increase in international arrivals in the first half of 2023 compared to the same period in 2022, the other priority sectors continued to underperform.

**(b) Reduce inflation to the 6-8 percent medium-term target band**

Inflation was projected to remain on a downward trajectory and towards the targeted band of 6 to 8 per cent in 2024. The Committee heard that if the target was to be achieved, there was need to resolve inefficiencies in the distribution of farming inputs and, the depreciation of the exchange rate which increased the costs of imported goods such as fuel. Furthermore, stakeholders submitted that the inflationary pressures were largely driven by food systems which at a global level faced constrained food supply. This put into question the adequacy of the monetary policy tools alone to address the inflation challenges in Zambia.

**(c) Maintain international reserves above three months of import cover**

Stakeholders submitted that adequate international reserves were important in enabling the country to respond to external shocks and avoid permanent disruptions to economic activity. In addition, a strong reserves buffer was an important anchor for confidence in the foreign exchange market. In this regard, the Government, in the 2024 budget aimed to maintain gross international reserves (GIR) of above 3 months of cover. The Committee was informed that as at end of August 2023, GIRs amounted to US\$2.9 billion, representing 3.2 months of import cover, which was above the target of at least 3 months of import cover for 2023. To achieve the 2024 target for GIR, the Bank



of Zambia would continue with the purchase of taxes paid directly by mining companies in US\$ dollars; continue with the gold purchase programme, and make direct market purchases of foreign exchange as conditions would permit.

The Committee was informed that the assured way to continuously build reserves was to scale up and diversify export earnings, which remained key to increased supply of foreign exchange and allowed for the continuous build-up of international reserves as well as maintenance of a stable exchange rate.

**(d) Increase domestic revenue to at least 22.0 per cent of GDP**

The Committee was informed that domestic revenue as a percentage of GDP increased from 21.2 per cent in 2022 to 21.3 per cent in 2023. In 2024, the Government proposed to generate domestic revenue amounting to K 111.6 billion representing 22.2 per cent of GDP. Stakeholders submitted that increasing domestic revenue to at least 22.0 per cent of GDP was feasible due to envisaged higher tax compliance and effective implementation of the measures announced in the 2024 Budget that included the use of the electronic invoicing system, continuous investing in human capacity development and leveraging on advancements in information and communication technology (ICT)

**(e) Reduce the fiscal deficit to 4.8 per cent of GDP**

The Committee was informed that the objective of lowering the cash fiscal deficit to 4.8 per cent of GDP in 2024 was a continued demonstration of Government's commitment to fiscal consolidation and the restoration of macroeconomic stability. The projected fiscal deficit of 4.8 per cent of GDP, was a significant drop from the 2023 projected outturn of 5.8 per cent. Projected financing in the 2024 Budget had reduced to K33.3 billion from K54 billion in 2023. Notably, external financing drastically reduced to K17 billion in 2024 from K38.4 billion in 2023. Stakeholders submitted that the proposed introduction of an annual Fiscal Risk Statement would guard against expenditure overruns that could hinder the objective of reducing the deficit to the target set in the Budget.

**(f) Limit domestic borrowing to not more than 2.5 per cent of GDP**

Stakeholders submitted that the objective of limiting domestic borrowing to not more than 2.5 per cent of GDP in 2024 from 3.0 per cent in 2023 was attainable. The Committee was informed that the Government had shown reduced borrowing in the first half of 2023. Stakeholders further submitted that the reduction was expected to help unlock resources for the private sector as a significant amount of liquidity would not be directed at financing the Budget. Additionally, increasing access to credit by the private sector was one of the priorities of Government to support the private sector-led economic growth.

**3.1 Factors that could Impact attainment of macroeconomic objectives**

The Committee was informed that although the macroeconomic objectives were realistic and attainable, there were factors that could adversely impact attainment of the set objectives. The following were some of the factors:

- (i) volatility in foreign exchange rates and copper prices;

- (ii) rising cost of energy and fuel;
- (iii) negative spill over effect of the prolonged Russia-Ukraine conflict;
- (iv) adverse effects of Climate Change; and
- (v) the cost of borrowing, which remained significantly high.

#### **4.0 PUBLIC DEBT MANAGEMENT**

Stakeholders submitted that the 2024 National Budget showed Government's continued efforts towards maintaining Zambia's public debt at sustainable levels.

The Committee was informed that in 2024, the Government planned to allocate K38.9 billion towards servicing its debt obligations constituting 21.9 per cent of the Budget. This allocation marked a significant reduction of K9.9 billion compared to the 2023 Budget, where debt servicing amounted to K48.8 billion which was 29 per cent of the total Budget. This reduction in debt servicing payments created an opportunity to redirect financial resources towards critical social sectors such as education and health.

#### **4.1 External Debt**

As at June 2023, Zambia's external debt stood at US\$14.07 billion, a marginal increase from US\$ 13.96 billion as at December, 2022. Total publicly guaranteed external debt stock stood at US \$1.43 billion as at end-June 2023 from US\$1.45 billion at end-December 2022. The decrease was mainly attributed to debt service payments made by some of the guaranteed institutions.

In July 2023, Government reached a debt restructuring agreement with official creditors, which had implications on the country's budgetary allocation towards external debt servicing. In the 2024 Budget, expenditure on external repayments was expected to decrease from K18 billion in 2023 to K6 billion.

Despite the signing of a Memorandum of Understanding (MoU) with the Official Creditors Committee outlining the terms of the debt treatment, the Government would need to negotiate and sign bilateral agreements with official creditors based on the MoU terms. Further, the Government must continue engaging with private creditors including its bondholders under non-disclosure agreements on comparable terms to swiftly reach an agreement.

#### **4.2 Domestic debt stock**

The Committee was informed that as at June 2023, the total domestic debt stood at K213 Billion. In 2024, K32.9 billion of expenditure will be directed towards interest payments of domestic debt. Zambia's domestic debt comprised Treasury bills and Government bonds. As at the end of the second quarter of 2023, a significant portion of the domestic debt was represented by 79.3 per cent of Government bonds while Treasury Bills only accounted for 20.7 per cent of total domestic debt. It was essential to monitor the composition of this debt and the implementation of the Debt Management Strategy to ensure fiscal sustainability and economic stability. Stakeholders submitted that the budgetary allocation towards dismantling of arrears remained unchanged at K 6.9 billion and that Government's commitment to dismantle arrears would unlock liquidity in the economy and promote the performance of the private sector.

## PART II

### 5.0 REVENUE ENVELOPE

#### 5.1 Financing the 2024 Budget

The 2024 Budget projected to raise a total of K177.9 billion comprising of domestic revenue of K141.1 billion; grants of K3.4 billion; and debt amounting to K33.3 billion. In the period 2020 to 2024, the projected percentage contribution of domestic revenue to total revenue in the Budget ranged from 69.9 percent to 78.7 per cent although the 2024 Budget projected to collect 79 per cent total domestic revenue which was higher than 66.7 per cent for 2023. Further, domestic revenue as a percentage of GDP was projected to marginally increase to 22 per cent in the 2024 Budget from 20.9 per cent in 2023. The Committee was informed that in nominal terms, the 2024 domestic revenue target of K141.1 billion notably surpassed both the 2023 budget target of K111.6 billion and the K13.9 billion targets outlined in the Medium-Term Budget Plan (MTBP) for 2024 to 2026. The breakdown of the projected revenue and source is as outlined in the table below.

**Table 1: Revenue Estimates and Financing (2020 to 2024)**

<b>K' Million</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
i. Total Domestic Revenue	71,927.02	65,982.00	98,859.16	111,643.00	141,113.70
o/w Total Tax Revenue	53,768.68	53,273.00	77,852.30	93,556.00	114,579.00
o/w Non-Tax Revenue	17,709.12	12,709.00	20,663.13	18,087.00	26,534.74
ii. Domestic Financing	3,456.87	17,709.50	24,459.00	15,576.00	16,323.76
iii. Foreign and Grants	30,623.72	36,703.01	46,669.00	40,102.00	17,014.29
<b>Total Revenue and Grants</b>	<b>106,007.61</b>	<b>119,616.01</b>	<b>172,987.08</b>	<b>167,322.00</b>	<b>177,891.87</b>

Source: Budget Speeches

#### 5.2 Breakdown of Tax Revenue in 2023 compared to 2022

The Committee was informed that 68.4 per cent of the 2024 Budget would be financed by revenue generated from taxes. The details of the contribution of the various tax types to the 2024 and 2023 targets are depicted in Table 2 below.

**Table 2: Structure of Proposed Tax Revenue Estimates in 2024 and 2023**

<b>Source of Tax</b>	<b>Proposed collection-2024 (K'million)</b>	<b>Proposed collection-2023 (K'million)</b>	<b>Percentage of total tax revenue-2024</b>	<b>Percentage of total tax revenue-2023</b>
VAT	36,361.9	29,209.2	29.0%	28.3%
Company Income Tax	25,680.5	21,196.0	20.5%	20.6%
PAYE	23,714.8	19,319.2	18.9%	18.7%
Withholding tax & others	11,926.7	9,911.2	9.5%	9.6%
Mineral Royalty	10,004.2	8,986.2	8.0%	8.7%
Customs and Export duty (Including Motor Vehicle Fees)	8,811.8	7,116.8	7.0%	6.9%

Excise duty	8,292.8	6,930.5	6.6%	6.7%
Skills Development Levy	268.2	220.8	0.2%	0.2%
Insurance Levy	253.3	210.7	0.2%	0.1%
Tourism Levy	26.6	24.6	0.0%	0.0%
<b>Total</b>	<b>125,340.81</b>	<b>103,126.04</b>	<b>100.00%</b>	<b>100.00%</b>

Source: Zambia Revenue Authority

#### **i. Tax Revenues**

The Committee was informed that generally, income tax had been on an upward trend from 7.8 per cent of GDP in 2020 to 9.1 per cent in 2022. Projections for 2023 and 2024 also showed growth and was expected at 9.5 per cent and 9.3 per cent, respectively. It was important to note that revenue from income tax would have been higher if the tax collection was not countered with several tax incentives given in the 2024 Budget.

Stakeholders submitted that Value Added Tax (VAT) was another tax that had been increasing and averaged around 5 per cent as a share of GDP. Although VAT dipped to 4.6 per cent in 2021, it rebounded to 5.5 per cent in 2022 and was projected to increase to 5.7 per cent as a share of GDP in 2024. With respect to Customs and Excise Duty, as a share of GDP, it remained constant from 2019 to 2021, hovering around 2.8 per cent. The Committee was informed that there was a minor decline to 2.6 per cent in 2022, which was projected to persist in 2023 and 2024.

Stakeholders informed the Committee that taxes were the largest contributor to Government revenues. In this regard, there was need to formulate, strengthen and expedite strategies focused on revenue mobilisation including, providing universal access to internet and mobile connectivity, automation of systems and enhancement of tax administrative capacities.

#### **ii. Non-Tax Revenue**

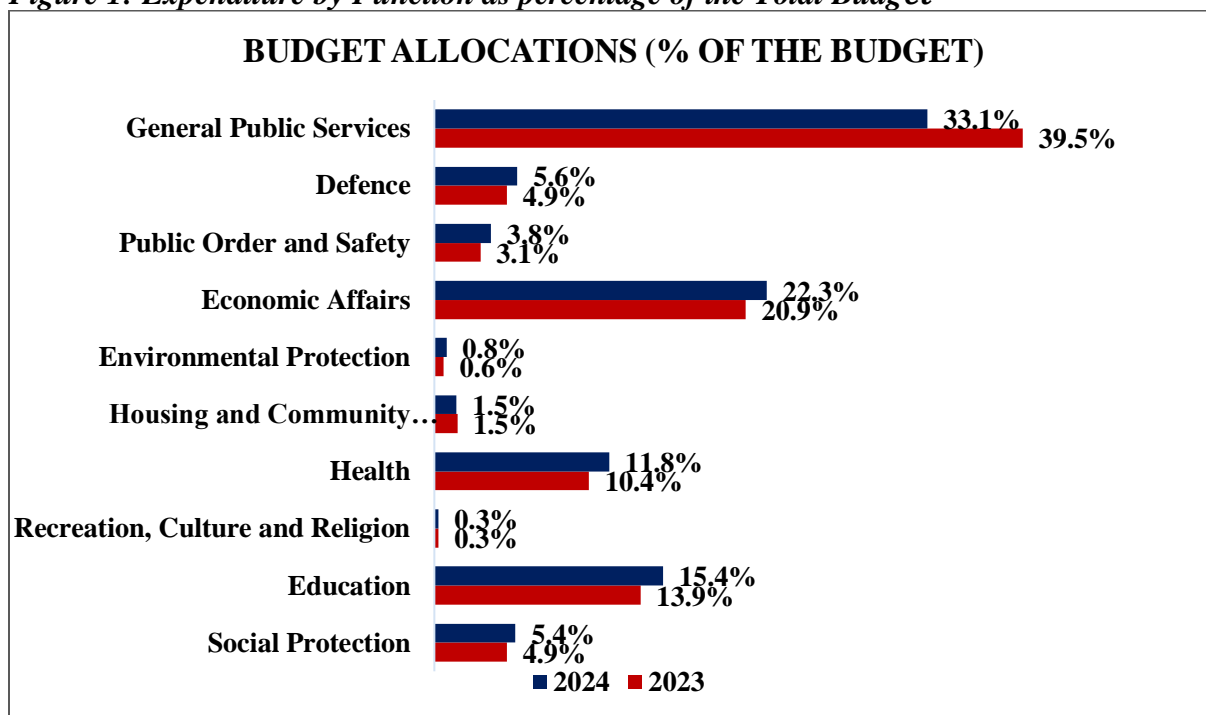
The Committee was informed that for the years 2021 to 2022, the target was increased from K12.59 billion to K20.96 billion. However, the outturn decreased from K25.31 billion to K19.21 billion, indicating a decrease in revenue compared to the previous year, by 24 percent. The targets were however, revised upwards to K17.87 billion and K26.5 billion in 2023 and 2024, respectively.

Stakeholders submitted that to increase non-tax revenue in 2024, it was essential for Government to continue improving the Zamportal and completely phase out the manual receipting system for Government by remaining committed to the use of a mix of technologies such as satellite and fibre connectivity to reach the unserved and underserved areas.

## **6.0 EXPENDITURE SIDE OF THE 2024 BUDGET**

The Committee was informed that the 2024 National Budget amounting to K177.9 billion was expansionary, compared to the K167.3 billion allocated in 2023, representing a nominal increase of 6.3 per cent. However, when examined as a percentage of the overall economy, the budget had reduced to 27.8 per cent of GDP in 2024 from 31.4 per cent of GDP in 2023. In the 2024 Budget of the proposed areas of spending for Government and the expenditure by function of the total budget were as shown in figure 1 below.

**Figure 1: Expenditure by Function as percentage of the Total Budget**



Source: PBO construction Budget Speeches

### 6.1 General public services

Expenditure towards General Public Services reduced to 33.1 per cent in 2024 from 39.5 per cent in 2023. The general public services function was going to receive K 58.9 from K66.2 billion in 2023 and K86.4 billion in 2022. Stakeholders submitted that there was substantial reduction in resources allocated to debt servicing. The Committee was informed that as a result of the reduction, foreign debt was allocated K6 billion in 2024 compared to K18.2 billion in 2023. This was against the backdrop of Zambia securing an Extended Credit Facility with the IMF and debt restructuring agreement. Resources were redirected towards social protection, health, and education.

The Budget contained an allocation of K6.9 billion, for dismantling of arrears. This represented 35.3 per cent increase from the K5.1 billion allocated in the MTBP for: 2024-2026. The Committee was informed that this underscored the Government’s dedication to settling arrears to unlock the much-needed liquidity.

### 6.2 Economic affairs

The Government planned to spend K39.8 billion or 22.3 percent of the total 2024 Budget on Economic Affairs. This represented a marginal increase of 1.4 percent from the K35 billion in 2023. Noteworthy, was that the expenditure under this function included increases in the allocation to road infrastructure of 60 per cent; Agriculture, Fisheries and Livestock Interventions 23 per cent; and the CDF 8.2 per cent, in comparison to the 2023 allocations. Particularly, road infrastructure spending rose to K8.3 billion in 2024 from K5.2 billion in 2023.

The Committee was informed that out of K13.8 billion allocated to agriculture, fisheries and livestock in 2024, more than half (8.6 billion) was for the Farmer input Support (FISP) Programme. In the 2023 National Budget, FISP was allocated 9.1 billion.

### **6.3 Social protection**

The Committee was informed that, the Government had increased the expenditure towards Social Protection to 5.4 per cent in 2024 from 4.9 per cent in 2023, translating to K9.7 billion from K8.1 billion. Additionally, the Government increased upwards allocation to the Social Cash Transfer Programme by increasing the number of beneficiaries and transfer value. Stakeholders submitted that between 2020 to 2022, the social assistance allocation was inconsistent up to 2023 where it increased to 4.9 percent reflecting Government's commitment to prioritise social welfare and reducing poverty and inequality. These efforts aligned with Sustainable Development Goals (SDGs) 1 and 10.

### **6.4 Health**

The Committee was informed that the Government had in the 2024 Budget increased allocation of funds to the sector to K20.9 billion from K17.4 billion in 2023, representing an increase of 20.2 per cent in nominal terms and 6 per cent in real terms. Further, the sector's portion of the total Budget stood at 11.8 per cent, from 10.4 in 2023.

The Committee was informed that the total health allocation, however, did not meet the Abuja Declaration of which Zambia was a signatory to. The Abuja Declaration required member states to allocate at least 15 per cent of the annual budget towards health. The Abuja Declaration was meant to strengthen Africa's health systems and ensure their preparedness for disease outbreaks.

Stakeholders submitted that while the recruitment of 4,000 additional health personnel was a positive step towards improving healthcare delivery, the staff shortage was estimated at 60,000 unfilled positions. Additionally, the Government's proactive move to establish the Local Pharmaceutical Manufacturing Strategy demonstrated a strategic approach to resolving the persistent challenges related to the procurement and supply of essential medicines and medical supplies.

### **6.5 Education**

Stakeholders informed the Committee that the allocation towards education was 15.4 per cent of the total Budget, compared to 13.9 per cent in 2023. The Committee was further informed that the allocation was driven by planned increased allocations towards school infrastructure and additional recruitment of 4,500 teachers. Consequently, it met the Incheon Declaration of 2015, which urged member states to allocate at least 15 to 20 per cent of public expenditure towards education in the quest to attain Sustainable Development Goal No. 4, which aimed to ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

## **6.6 Environmental protection**

In the 2024 Budget, the allocation for environmental protection increased by approximately K391 million compared to the 2023 budget, representing 0.8 per cent of the budget share. There was an increase of 0.2 per cent allocation compared to 0.6 per cent allocation of 2023. Stakeholders submitted that it was encouraging that in 2024, the Government would enhance the legal and regulatory framework to support green finance and entrench environmentally friendly practices in the financial sector. The Committee was informed that despite the increase in allocation, Zambia's vulnerability to Climate Change necessitated proactive measures, emphasising the urgency of enhancing resilience in vulnerable communities and fortifying emergency preparedness.

### **PART III**

## **7.0 SUBMISSIONS BY SELECTED PORTFOLIO COMMITTEES ON THE CONSIDERATION OF SELECTED HEADS OF EXPENDITURE; AND BY SELECTED GOVERNMENT MINISTRIES**

In its effort to enhance budget oversight, the National Assembly undertook sector budget analysis of the 2024 National Budget for five portfolio committees whose mandate cuts across various Ministries. In addition, the Expanded Planning and Budgeting Committee interacted with selected ministries whose sectors had been identified as key drivers and enablers of the Economic Transformation and Job Creation strategic development area of the 8NDP. The rationale was to appreciate how the ministries were contributing to actualising the objectives of the 8NDP with respect to the strategic development areas. The salient matters are discussed hereunder.

### **7.1. Submission by the Committee on Education, Science and Technology**

The Committee on Education, Science and Technology considered three Heads of expenditure: Head 9-Teaching Service Commission; Head 66 - Ministry of Technology and Science; and Head 80-Ministry of Education. The Committee was informed that the three Heads were contributing to the development outcomes on Human and Social Development; Economic Transformation and Job Creation; and an Industrialised and Diversified Economy as espoused in the 8NDP.

The Expanded Planning Budgeting Committee was informed that the Budget allocation towards the Education function of the Government for the year 2024, had recorded an increase from K20,297,311,396 in 2023 to K27,354,806,191.00. Out of K27,354,806,191.00 allocated to the education sector, K23,169,004,172 was directly allocated to Head 80-Ministry of Education. The difference of K4,185,802,019.00 was housed in other ministries such as the Ministry of Local Government and Rural Development; and the Ministry of Technology and Science. The Committee was further informed that the Ministry of Education had four running projects namely, Zambia Education Enhancement Project; Keep Girls in School Project and Let's Read Project. The Ministry had six key programmes which included, Early Childhood Education (ECE); Primary Education; and Youth and Adult Literacy programmes.

The Committee further learnt that the Ministry of Technology and Science implemented essential programmes which included the Science Research and Development and, Information and

Communication Technology Development, among others. The Ministry received K1 billion, representing 0.6 per cent of the total Budget compared to K769.8 million in the 2023 Budget. Of the six programmes, Skills Development claimed a significant 50 per cent share of the Budget, totalling K517 million. With regard to funding, 12 per cent of the allocation to the Ministry would be financed from loans while 88 percent would be funded by the Government.

Further, key highlights in the 2024 Budget, included the construction of five - innovation hubs and centres of excellence at the University of Zambia and the Copperbelt University as well as the operationalisation of the National Ground Receiving Station in Chibombo District.

## **7.2 Committee on Health, Community Development and Social Services**

The Committee on Health, Community Development and Social Services considered two Heads of expenditure namely, Head 45 - Ministry of Community Development and Social Services and Head 46 - Ministry of Health. The Committee learnt that the two Heads were contributing to the Development Outcome on Human and Social Development and the Strategic Development on Good Governance.

The Ministry of Community Development and Social Services had six programmes which included: Social Assistance; Social Welfare and Non-Governmental Regulations and Standards among others. With regard to the Ministry of Health, the budget allocation for 2024 had increased from K16.1 billion in 2023 to K18.7 billion in 2024 representing a 16.5 per cent increase. In terms of proportion to the National Budget, the allocation had increased from 8.1 per cent in 2021 to 11.8 per cent in 2024, but still falling short by 3.2 per cent of the Abuja Declaration commitment of allocating 15 per cent of the National Budget to the health sector. The Ministry implemented five programmes which included primary health services; hospital services; and central technical services, among others.

The Committee was informed that while the budget allocation to the Ministry of Community Development was K5.6 billion, there was low allocation for Personal Emoluments. This resulted in the low number of social welfare staff across the country, hampering effective contribution to the success of the Human and Social Development Cluster.

The Committee learnt that more budgetary support was given to hospital services (which offered curative measures) than to the primary healthcare which focused on prevention. Additionally, there was no allocation towards HIV and teenage pregnancy awareness.

## **7.3 Committee on Agriculture, Lands and Natural Resources**

The Committee on Agriculture, Lands and Natural Resources, considered four Heads of expenditure, namely: Head 53 – Ministry of Green Economy and Environment; Head 85 – Ministry of Lands and Natural Resources; Head 86 – Ministry of Fisheries and Livestock and Head 89 – Ministry of Agriculture. The four Heads were contributing to the development outcomes on Economic Transformation and Job Creation; an Industrialised and Diversified Economy; and Environmental Sustainability as espoused in the 8NDP.



The Committed was informed that in 2024, the overall budgetary allocation for the Ministry of Green Economy and Environment increased to K 812 million from K 774.7 million in 2023. The Ministry implemented five programmes which included Forestry Development and Management; Green Economy and Climate Change; and Meteorological and Weather Services, among others. By programme allocation, the Green Economy and Climate Change Programme had the largest share of the Ministry's budget at K451.4 million translating to 55.6 per cent of the 2024 Ministry's budgetary allocation.

The Committee noted that from 2022 to 2024, there was a notable increase in the total budget allocation for the Ministry of Lands and Natural Resources. The budget had more than doubled from K130.2 million approved in 2022 to K278 million in 2024, representing an increase of approximately 113.5 per cent. The Ministry of Lands and Natural Resources had three programmes namely: Land Administration and Regulation; Natural Resources Management; and Management and Support Services. With respect to the Ministry of Fisheries and Livestock, the Ministry was allocated a total of K1.1 billion in the 2024 which represented an increase of about K76 million compared to the 2023 budget allocation for the Ministry. The Ministry implemented five programmes among which were Livestock Production and Productivity Improvement; Fisheries Production and Productivity Improvement.

The Ministry of Agriculture had been allocated a total of K12.8 billion in the 2024 Budget. This represented an increase of about K1.4 billion compared to the K11.3 billion allocated in the 2023 National Budget. This translated to 12.6 per cent increase. The Ministry of Agriculture had five programmes which included Agriculture Development and Productivity; Agribusiness Development and Marketing; and National Food Reserves Management, among others.

The Committee was informed that deforestation levels had increased from 120,000 hectares in 1994 to 172,000 hectares per annum in 2021. To ensure effective management of deforestation, there was need to embark on a one-off massive recruitment of forest guards, similar to the recruitment of teachers and health workers in 2022.

#### **7.4 Committee on Energy, Water Development and Tourism**

The Committee on Energy, Water Development and Tourism considered three Heads of Expenditure namely Head 52 – Ministry of Water Development and Sanitation; Head 62 – Ministry of Energy; and Head 68 – Ministry of Tourism. These Ministries contributed to Economic Transformation and Job Creation and the Human and Social Development strategic development areas of the 8NDP.

The Committee was informed that the Ministry of Water Development and Sanitation implemented three programmes namely, Water Resource Management and Development which was allocated K537.8 million; Water Supply and Sanitation which had an allocation of K1.5 billion, representing 72 per cent and Management and Support Services.

With respect to the Ministry of Energy, the Committee was informed that the Ministry implemented the following programmes: Petroleum Development and Management which was allocated K276.1 million, representing 14.5 per cent of the Ministry's total budget and represented

an increase of 8 per cent from the allocation in the 2023 Budget. Electricity Development and Electrification Management was allocated K1.5 billion, representing 78.7 per cent while Renewable and Alternative Energy Development had an allocation of K8.2 million which remained the same as the 2023 allocation.

The Committee was informed that the Ministry of Tourism implemented the following programmes namely: Wildlife Conservation and Management; – Tourism Development and Promotion which was allocated K160.7 million representing 20.9 per cent of the Ministry’s budget; Culture Preservation and Development; and Management and Support Services.

The Committee was informed that the marketing and promotions budget for 2024 had remained the same at K50 million (\$2.5 million). In comparison, similar national tourism organisations in the region like Botswana and Zimbabwe received an average of \$7 million and \$8 million annually, respectively.

## **7.5 Committee on National Security and Foreign Affairs**

The Expanded Planning and Budgeting Committee was informed that the Committee on National Security and Foreign Affairs considered three Heads of Expenditure namely: Zambia Police Service; Ministry of Home Affairs and Internal Security; and Ministry of Foreign Affairs and International Cooperation. These ministries contributed to Strategic Development Area 1 on Economic Transformation and Job Creation and Strategic Development Area 4 on Good Governance Environment.

The Committee was informed that the Zambia Police implemented the programmes which included: Crime Prevention and Policing Services; Crime Detection and Investigation; and Police Technical and Specialised Services among others. In the 2023 National Budget, the Government allocated K2,146,465,832 to the Zambia Police Service, while K2,637,623,403 was allocated in 2024.

The Ministry of Home Affairs and Internal Security’s mandate was discharged through various departments and specialised agencies, which among others included: Zambia Police Service; Zambia Correctional Service; Drug Enforcement Commission; Department of Immigration; and the Department of National Registration. In the 2023 National Budget, the Government allocated K425,056,151; to the ministry and K548,773,625 was allocated in 2024.

With respect to the Ministry of Foreign Affairs and International Cooperation, the Committee was informed that it was mandated to provide for coordination of Missions, Diplomatic Corporations, and International Relations and Treaties, among others. In the 2023 National Budget, Ministry of Foreign Affairs and International Cooperation was allocated K1,492,242,300; and K1,519,543,722 was allocated in 2024.

## **7.6 Ministry of Small and Medium and Enterprise Development**

The Committee was informed that Medium, Small and Medium Enterprises (MSMEs) were key drivers for poverty reduction and improvement of livelihoods for households due to their potential

to create wealth and jobs. The Committee learnt that MSMEs accounted for more than 90 per cent of all businesses, contributing 70 per cent to GDP and 88 per cent of employment, thus providing a large share of income to the majority of the population.

In spite of the contribution of the MSMEs to the growth of the Zambian economy, their full potential was yet to be tapped into due to numerous constraints impeding their growth and development. These constraints included but were not limited to access to affordable finance; multiplicity of licences or statutory regulations that raised the cost of doing business; limited access to foreign markets; poor uptake of technology coupled with lack of innovation and thus low productivity; weak entrepreneurial culture; limited access to business development services by rural-based MSMEs; fragmented MSME empowerment interventions; inadequate infrastructure to support MSME growth; and a large informal sector that competed unfavourably with formal MSMEs.

The Committee was informed that in the 2024 National Budget, K391,900,075 was budgeted for disbursement under the Citizens Economic Empowerment Commission (CEEC). However, had loan applications for empowerment funds mounting to K30 billion. The Committee was informed that out of K391,900,075, K5,546,500 will be spent to facilitate Cooperatives skills development; K9,360,259 will be spent on facilitating the linking of MSMEs to markets and business development services.

The Committee was informed that MSMEs would benefit from the 2024 Budget allocation of K4.8 billion under CDF out of which K960 million would be allocated to Youth and Women Empowerment in all the Constituencies; K8,561,421,253 would be allocated to small scale farmers under FISP; K31.2 million Youth Empowerment under the Ministry of Youth, Sport and Arts; and K16 million Women Empowerment under Cabinet Office. In total, there would be in excess of K10 billion, a part of which MSMEs across all sectors would have a share to finance their businesses.

## **7.7 Ministry of Mines and Minerals Development**

The Committee was informed that the Ministry of Mines and Minerals Development was allocate K807,279,595 in the 2024 National Budget representing a 0.45 per cent of the total Budget in comparison to the 2023 Budget allocation of K275,248,633 representing 0.16 per cent of the total Budget of 2023. Out of this amount, K372 million will be financed by the World Bank to support activities of the Zambia Mining and Environmental Remediation and Improvement Project, while K435 will be financed by the Government.

The Committee was informed that K198 million was allocated for geological mapping; mineral resource exploration and mineral processing and research. The Committee learnt that out of K 198 million, K160 million would be expended on undertaking high resolution countrywide geophysical surveys. In addition, K25 million was allocated from K5 million which was allocated in 2023 for the operationalisation of the Minerals Regulation Commission.

In the 2024 National Budget, K131 million was allocated to formalise Artisanal and Small-Scale Mining in comparison to K50 million which was allocated in 2023. The Committee was further

informed that K17 million was allocated in the 2024 National Budget, in comparison to K300,000 which was allocated in the 2023 Budget, to commence the process of digitising the various services under the Ministry of Mines and Minerals Development.

## **7.8 Ministry of Commerce Trade and Industry**

The Committee was informed that the budget allocation for the Ministry increased by 22.5 per cent to K73.2 million from K59.8 million in 2023. The funding from Cooperating Partners for Donor-funded projects stood at K232.5 million for 2024. This represented an increase of 18.2 per cent from K196.8 million in 2023. The Committee was informed that this was due to the commencement of two notable projects namely Zambia Agribusiness and Trade Project- II (K223,200,000.00), a continuation of the initial project which had since been revamped and scaled up to cover more districts in all the ten provinces. In addition, the commencement of the European Union Funded Economic Governance Support Programme (K9,333,324.00) to enhance the implementation of among others strengthen implementation on programmes supporting the “ease of doing business” and key investment promotion programmes.

Budget ceilings for Grant Aided Institutions under the Ministry had been increased by 2.6 per cent to K352.9 million in 2024 from K333.8 million in 2023.

The Committee was informed that the budget allocation for the main programmes for 2024 included the following:

- i. competition and consumer welfare programme had an allocation of K52.8 million compared to K42.2 million in 2023 representing a 25 per cent increase;
- ii. standards and quality assurance programme had an allocation of K164.1 million compared to K 152 million in 2024 representing a 7.9 per cent increase;
- iii. Industrial and enterprise development programme had an allocation of K452.9million compared to K237.4 million in 2023 representing a 90.7 per cent increase;
- iv. trade facilitation, promotion and market access programme had an allocation of K12.6 compared to K121.1 million in 2023, showing a reduction of 89.6 per cent.

The Committee was informed that the manufacturing sector was of utmost importance to economic growth and national development. In that regard, the Ministry would continue to promote manufacturing as it was Government’s priority to enhance value addition on agriculture produce; wood and wood products; leather and leather products; metallic and non-metallic minerals ‘textiles; and pharmaceutical products to enhance job creation.

## **7.9 Ministry of Local Government and Rural Development**

The Committee was informed that the Ministry of Local Government and Rural Development contributed to all the four Development Strategic Areas highlighted in the 8NDP. The Committee was informed that with regard to the Economic Transformation and Job Creation agenda, the Ministry would focus on upgrading and rehabilitating urban and feeder roads and infrastructure for trading. Additionally, the Ministry will enhance the use of digital application systems across the CDF value chain to promote the management and utilisation of the fund.

With regard to Human and Social Development, the Committee was informed that with increased CDF, the Ministry would leverage on CDF for enhanced delivery of school desks and classroom; maternity annexes and water and sanitation facilities. The Committee was further informed that the Ministry would localise interventions meant for environmental protection and sustainability. With respect to Good Governance, the Ministry would support decentralisation by ensuring capacity building; effective budgeting and efficient utilisation of resources among other things.

## **PART IV**

### **8.0 VIEWS OF STAKEHOLDERS**

Most of the stakeholders who appeared before the Expanded Planning and Budgeting and the Portfolio Committees welcomed the 2024 Budget. They described it as expansionary as it focused on promoting economic growth through enhanced private sector investment and increased production and productivity. However, the stakeholders raised divergent views on the 2024 Budget, some of which were as summarised below. The views were grouped into strategic development areas as reflected in the 8NDP and the Budget.

#### **8.1 Economic Transformation and Job Creation**

##### **General Concerns**

##### **i. Unrealistic revenue targets**

Stakeholders expressed concern that the Ministry was given unrealistic revenue targets. They were of the view that there was need to review the targets and to develop a mechanism for formulating realistic targets.

##### **ii. Economic growth realistic but less ambitious**

Some stakeholders opined that the economic growth target of 4.8 per cent was realistic and attainable following resolution of the impasse at KCM, reduced debt service obligations and increased support to SMEs, through interventions such as construction of industrial yards, credit guarantee schemes and empowerment funds. However, the 4.8 per cent growth was less ambitious to realise the ideals of the Vision 2030. It was further observed that going by the GDP figures on growth for the first and second quarters of 2023, the projection of 2.7 per cent growth for 2023 may have to be revised upwards.

##### **iii. Lack of evaluation mechanism of incentives**

While tax incentives intended to unlock the economic potential were generally welcome, some stakeholders expressed concern at the lack of evaluation of the past incentives to determine whether the desired outcomes were realised. Similarly, there was lack of the information on the progress made regarding the development of farm blocks despite budget allocations on a yearly basis.

**iv. Introduction of a Levy on mobile money transfers**

Some stakeholder opposed the introduction of a levy on mobile money person-to-person transfers but suggested that the target should not be individual transactions but at wholesale distribution with a flat rate instead of a graduating rate.

**a) Agriculture, Livestock and Fisheries Sector**

**i. Lack of a functional vaccine plant**

Stakeholders expressed concern that there was no fully functional vaccine plant in the country. Unlike other countries in the region, Zambia had been importing vaccines because it did not have a vaccine plant that would produce vaccines to be used locally and beyond.

**ii. Budget skewed towards farmer input support programme, Food Reserve Agency and personal emoluments**

Stakeholders were of the view that one of the constraints affecting the execution of the budget for the Ministry of Agriculture, was the skewed nature of the budget towards FISP, Food Reserve Agency and personal emoluments. This resulted in an inadequate budgetary allocation to other key programmes such as research and development, extension services and training colleges.

**iii. Farmer Input Support Programme**

Stakeholders expressed concern that FISP was distorted with poor targeting, low productivity and administrative inefficiencies. In addition, it had a tenuous total output, and yet it still dominated the sector investment of the Ministry of Agriculture's budget. Additionally, extension officers were not adequate, which also contributed to the poor management of the Programme. Further, small-scale farmers who had been benefiting from the programme had not graduated from the programme so as to give room to new beneficiaries.

**b) Water Development and Sanitation**

**i. Allocation to the Water Resources Management Authority**

Stakeholders. The submitted that from the period 2022-2024, allocations to the Water Resources Management Authority had remained constant at K18.5 million, while allocations to the sector increased. They submitted that the Authority required an estimated amount of K316 million to fully implement its mandate, in line with the aspirations of the nation as espoused in the 8NDP, UN Convention and the Southern African Development Community regional protocols.

Its allocation in the Ministry's budget for 2024 is K160.7 million, representing 20.9 per cent of the Ministry's budget. The allocation reduced from 26 per cent in 2023 to 20.9 per cent of the Ministry's budget. The Committee noted with concern that the marketing and promotions budget for 2024, had remained the same at K50 million (\$2.5 million). In comparison, similar national tourism organisations in the region like Botswana and Zimbabwe received an average of \$7 million and \$8 million annually, respectively.

### **c) Petroleum sub-sector**

#### **i. Monthly price reviews**

Stakeholders submitted that the cost of fuel constituted a significant cost centre for businesses in Zambia. Additionally, the monthly price reviews were found to disrupt the planning process and had introduced unpredictability. Stakeholders further expressed concern that no measures had been specifically proposed in the 2024 National Budget to reduce the price of fuel in the short to medium term.

### **d) Tourism sector**

The Committee was informed that the allocation to the Ministry of Tourism for 2024 was K160.7 million, representing 20.9 per cent of the Ministry's budget. The allocation reduced from 26 per cent in 2023 to 20.9 per cent of the Ministry's budget. Stakeholders expressed concern that the marketing and promotions budget for 2024, had remained the same at K50 million (\$2.5 million). In comparison, similar national tourism organisations in the region like Botswana and Zimbabwe received an average of \$7 million and \$8 million annually, respectively.

### **e) Manufacturing Sector**

#### **i. Enhance value addition**

Some stakeholders submitted that to enhance value addition, the Government should consider dealing to efficiency issues relating to Customs and Excise (Suspension) (Manufacturing Inputs) Statutory Instrument No. 110 of 2020 and issues of ambiguity in the scope of definition of manufacturing vis-à-vis agro-processing in the *Zambia Development Agency Act, No. 48 of 2021*.

### **f) Mining Sector**

While appreciating the four key economic growth drivers in the 8NDP, some stakeholders were of the view that predominant focus on large scale mining and agriculture were a flawed strategy in the sense that evidence showed that large scale agriculture could be inefficient. Similarly, incentives to large scale mining companies had shown to be ineffective.

## **8.2 Human and Social Development**

### **a) Education and Skills Development**

#### **i. Deficit of teachers' houses**

Stakeholders expressed concern with regards to the high deficit of houses for teachers. The deficit stood at 55,648 houses in rural areas, while the shortage in urban areas stood at 27,673. Stakeholders submitted that the housing deficit impacted the welfare of teachers. While appreciating Government's effort to alleviate the housing deficit, stakeholders were of the considered view that construction of a paltry twelve houses for each secondary school was quite insignificant.

**ii. Insufficient funding to Technical Education, Vocational and Entrepreneurship Training Authority**

Stakeholders expressed concern that despite an increase in transfers from K322.9 million in 2023 to 434.5 million in 2024, the allocation to TEVETA had remained stagnant at K12.4 million for three years. Stakeholders submitted that the allocation was not aligned with TEVETA's expanded mandate coupled with the number of institutions rising from 297 in 2021 to 341 in 2022, with a projection to reach 400 by 2024. Stakeholders informed the Committee that TEVETA was centralised and its lean structure hampered the monitoring of quality skills development. A notable finding by the Committee was that there were only four inspectors responsible for carrying out the compliance mandate in all the 341 TEVET institutions in the country.

**b) Social protection**

Stakeholders submitted that while appreciating the budgetary allocation of K4.1 billion to Social Assistance to meet the Government plans to increase the target number of beneficiaries by 39,237 from 1,374,000 in 2023 to 1,413, 237 in 2024, stakeholders expressed concern about the sustainability of the programme. This was because, almost 30 per cent of the budget would come from cooperating partners. Additionally, the Social Cash Transfer value of K200 was too low to meet the basic needs.

**c) Shortage of health care workers**

Stakeholders commended the Government for having recruited 11,000 health in 2022 and the planned for recruitment of 3000 health workers in 2024. However, they expressed concern that the Ministry still had a shortage of 45.5 per cent healthcare workers with a subsisting doctor-patient ratio at 1 to 12,000, falling far below the acceptable standard of 1 to 5,000. Similarly, the nurse-to-patient ratio was 1 to 14,960, instead of the desired 1 to 700, undermining service delivery.

**8.3 Good Governance**

**i. Lack of the Institutional Strategic and Implementation Plans**

Stakeholders expressed concern that a number of Ministries and institutions, did not have Strategic Plans contrary to section 26 of the *Planning and Budgeting Act, No. 1 of 2020*, which required the Plan to be finalised four months after operationalising the National Development Plan.

**ii. Budgetary allocations to the Zambia Police Service**

Stakeholders submitted that there had been a steady increase in allocations towards the Zambia Police Service from 2022 to 2024. The Ministry was received funding as follows: K1,591,247,741 in 2022; K2,146,465,832 in 2023 and K2,637,623,403 in 2024 signifying 22.9 per cent increase in budget allocations from 2022 to 2024. However, stakeholders expressed concern that the largest component of the Zambia Police Service allocation constituting 88 per cent in the 2023 Budget and 86 per cent in the 2024 National Budget was for emoluments. Additionally, despite these increases, stakeholders observed a reduction in allocations to infrastructure development from K53,388,532 in the 2023 to K34,463,688 in the 2024 National Budget. This represented a reduction of 35 per cent.



**iii. Budgetary allocations to the Ministry of Foreign Affairs and International Cooperation**

Stakeholders submitted that the 2024 Budget allocation to the Ministry of Foreign Affairs was inadequate, especially in the spirit of promoting effective political and economic diplomacy. The Committee learnt that out of the 2024 Budget allocation of K1,519,543,722, the largest amount of K1,300,000,000 was for personal emoluments, while Programme 3455 – Foreign Policy was only allocated K23,168,546.

**iv. Inadequate correctional service facilities in the country**

The Committee learnt that most of the correctional service facilities in the country had limited space, resulting in overcrowding. In the same vein, the Committee also learnt that physical conditions in prisons and detention centres had remained harsh and life threatening due to overcrowding, lack of safe and clean water, and poor sanitation.

**v. Inadequate budget allocation to the Ministry of Foreign Affairs and International Cooperation**

The Committee learnt that the 2024 National Budget allocation to the Ministry of Foreign Affairs and International Cooperation was inadequate, especially in the spirit of promoting effective political and economic diplomacy. In the 2024 National Budget, K1,519,543,722 was allocated out of which K1.3 billion was allocated to personal emoluments, while Programme 3455 – Foreign Policy was only allocated K23,168,546.

## **8.4 Environmental Sustainability**

**i. Increase funding to the Meteorology Department**

Stakeholders expressed concern that Zambia had been experiencing devastating climate related disasters, which resulted in loss of human life and significant damage to property. However, the reactive rather than the proactive approach in dealing with disasters cost the Government billions of Kwachas with not much positive results. Stakeholders were of the considered view that there was need to support the Meteorology Department with additional funding in order to increase the network of the weather observation infrastructure.

**ii. Lack of a legal framework to manage Climate Change**

Stakeholders expressed concern that there was no legal frame work to manage Climate Change effectively. The Committee learnt that a Bill on Climate Change was being finalised and it would include components such as management of Carbon Trading in Zambia. The Bill would be presented to the National Assembly before the end of 2023.

## **9.0 ENGAGEMENT WITH THE MINISTER OF FINANCE AND NATIONAL PLANNING**

The Minister of Finance and National Planning, Hon Dr Situmbeko Musokotwane, MP appeared before the Expanded Planning and Budgeting Committee to clarify matters that had arisen during the Committee’s interaction with stakeholders on the consideration of the Estimates of Revenue and Expenditure for 2024. In his submission, the Minister explained that the 2024 theme of the Budget ‘unlocking economic potential’ was about the pursuit of reviving economic growth. He

further explained that the Government was focussed on stimulating economic growth through enhancing revenue measures and expenditure rationalisation.

From the tax point of view, a number of concessions were made in the 2024 budget for manufacturing, exploration for minerals or oil and investment into energy among others while on the expenditure side, several measures have been provided for to support economic growth, such as, expenditure to support the road sector, directly or indirectly. He also added that resources were being provided to the Ministry of Agriculture through the Farmer Input Support Programme and Farm Blocks. There was money allocated to Ministry of Mines for exploration and in tourism through interventions in Kasaba bay and Liuwa.

The Minister provided clarification on the matters as set out below.

**i. Low mineral royalty**

The Minister informed the Committee that a comparison of the mineral royalty tax with selected countries such as the Democratic Republic of Congo, South Africa and Canada, among others, revealed that Zambia was not among the countries that charged the lowest tax rate on mineral royalty. He explained that the re-introduction of deductibility of mineral royalty tax for corporate income tax assessment purposes was aimed at ensuring compliance and to align with international best tax practices.

**ii. Insufficient funds for economic empowerment programmes**

The Minister explained that the Government was implementing various empowerment programmes through key interventions such as the Citizens Economic Empowerment Fund and Constituency Development Fund, Youth Development and other schemes under the Ministry of Community Development and Social Welfare. The empowerment funds were aimed at increasing the number of beneficiaries in order to broaden the impact on the livelihoods of the Zambian people and poverty alleviation. With regard to the resources being insufficient, the Minister explained to the Committee that resources allocated to several empowerment vehicles was the limit the Government could afford given the many social and economic challenges the Government had to meet.

The Minister advised that citizens who had the capacity could also access financing from financial institutions in the event that funding from CEEC and CDF was inadequate.

**iii. High expenditure to emoluments**

Regarding the increased allocation to personal emoluments, the Minister submitted that the allocation was justifiable given the nature and scope of public services provided by the Government. He explained that the Government was responsible for providing essential public services, such as education, healthcare, infrastructure maintenance, law enforcement, and social services. These services required a substantial workforce, which contributed to higher personnel emolument budget.

**iv. Increased illegal mining due to planned exploration**

The Minister explained that mineral exploration was a strategic activity for the Government in the pursuit of expanding mineral production and diversification as the activity is key in identifying

and locating new deposits of valuable minerals and resources. While admitting that exploration could heighten illegal mining activities, the Minister was of the view that the problem of illegality should be dealt by separate interventions under the Ministries of Home Affairs and Mines and Mineral Development. The Minister emphasised that exploration could not be stopped because of the fear of illegal mining.

**v. Development of farm blocks**

With regard to the development of farm blocks, the Minister admitted that the project had gone beyond the anticipated completion period. However, funding from the World Bank was available and part of it was what was provided for in the 2024 budget. He clarified that delays were partly contributed by a number of preliminary activities including extensive discussions with rural leaders in order to identify appropriate locations of the farm blocks and infrastructure development such as roads and electricity had also contributed to slow progress in the farm block project. The Minister informed the Committee that the mapping had been completed and therefore the Government was ready to market the farm blocks.

**vi. The challenge of containing inflation in relation to liquidity squeeze**

The Minister explained that it was actually inflation that caused poverty. He cautioned that had the Government allowed inflation to increase to say 25 per cent, the cost of living would have increased two-fold compared to what was obtaining now. He explained that inflation was like a tax and affects everybody and the mandate of the BOZ was to achieve low and stable inflation. So far, the target was to reduce inflation to the range of 6 to 8 per cent which was consistent with target in the SADC region. In the absence of low and stable inflation, investment and consumption would be adversely affected. It was also important to contain inflation to create certainty and promote long-term investment.

**vii. Strategic implementation plans**

In response to a key observation by the Committee regarding strategic plans that were still in draft form for the ministries that appeared before the Committee, the Minister submitted that the concern by the Committee was justifiable and the situation was regrettable.

The Minister informed the Committee that allocation of resources to MPSAs was based on the Budget Framework Paper submitted by permanent secretaries to the Secretary to the Treasury, which ideally should be anchored on the strategic plan.

**viii. Electronic Balance of Payments System and the Statutory Instrument No. 55 of 2013**

The Minister explained that the basic difference between Statutory Instrument (SI) 55 cited as The Bank of Zambia (Monitoring of Balance of Payments) Regulations, 2013 and the electronic Balance of Payment (e-BoP) Monitoring, was that the e-BoP would not require approval before exporters could remit funds to other jurisdictions and other capital controls as was the case with SI 55 of 2013. The e-BoP would fully ride on the existing technology.

## **10.0 COMMITTEE'S OBSERVATIONS AND RECOMMENDATIONS**

After a detailed analysis of the 2024 Budget and consideration of submissions from the stakeholders, selected ministries and the Minister of Finance and National Planning, the Committee makes the observations and recommendations set out hereunder.

### **i. Increased illegal mining due to exploration**

The Committee welcomes the allocation of K198 million for geological mapping mineral resource exploration and mineral processing. However, the Committee notes that if this is not well managed, mineral exploration will expose the amount of mineral resources underground. This in turn may result in a surge of illegal mining. In this regard, the Committee recommends that the Ministries of Home Affairs and Internal Security; and Mines and Mineral Development must formulate practical measures to avert this risk.

### **ii. Strengthen the Institutional frameworks**

The Committee observes that a number of Ministries Strategic Plans have not yet been finalised contrary to section 26 of the *Planning and Budgeting Act, No. 1 of 2020*, which requires the Plan to be finalised four months after operationalising the National Development Plan. Further, key documents such as the National Education Policy and the Education Sector Plan are still in draft form. In this regard, the Committee strongly recommends that the affected Ministries should operationalise all key documents in 2024, in order to facilitate oversight and partnerships with stakeholders.

### **iii. Lack of evaluation mechanism of incentives**

The Committee observes that the Government has continued to pronounce numerous incentives in the key sectors such as mining, in a bid to unlock economic potential. While tax incentives intended to unlock the economic potential are generally welcome, the Committee is concerned that there seem to be no evaluation mechanism and evaluation of past incentives to determine the effectiveness of such incentives. Similarly, there is no readily available information on progress made with regards to farm blocks development despite allocations on a yearly basis. The Committee recommends that the Government should, as a matter of urgency, formulate evaluation mechanisms across the various sectors and ensure that information is availed on the accrued benefits of the various incentives.

### **iv. Introduction of a Levy on mobile money transfers**

The Committee observes that in an effort to broaden the tax base, the Government intends to introduce a levy on mobile money transactions of between 8 Ngwee to K1.80. While appreciating that this is a bold and innovative initiative and a way of taxing the large and hard to tax informal sector, the Committee is of the considered view that this levy may induce slower growth, in mobile money transactions, leading to increased use of cash and higher costs of doing business, as well as marginalising sections of society that are underbanked and financially underserved. The Committee therefore, recommends that the Government should undertake wide consultation before fully rolling out the strategy. Furthermore, the Government should implement proper Monitoring and Evaluation (M&E) mechanisms to elicit regular assessment of the implementation and impact of this tax policy measure.

**v. Decentralise Technical Education, Vocational and Entrepreneurship Training and Authority**

Whereas the Committee commends the Government for allocating K70 million to equip TEVET institutions with essential equipment, the Committee is of the view that the centralisation of TEVETA exacerbated by inadequate inspectors is hampering the monitoring of quality skills development. If the 8NDP Development Outcome of Increased Access to Education and Skills Development is to be achieved by 2026, the Committee strongly recommends that more resources must be directed towards TEVETA to decentralise the institution in order to strengthen its capacity to provide robust monitoring mechanisms.

**vi. Recruitment of additional health workers**

The Committee recommends that the recruitment of health workers especially front-line staff (doctors, specialists and nurses) be continued to narrow the demand gap and therefore, enhance service delivery in line with the provisions of the various health service plans and commitments. A reposition exercise should also be undertaken to ensure that there is a better concentration of specialist health personnel in front line service delivery than in administration, due to the wide demand gap.

**vii. Lengthy procurement procedures and fiscal dumping**

The Committee observes that the lengthy procurement procedures have resulted in the low absorption of the funds allocated to the Ministries, which consequently, leads to resources being returned to the Consolidated Fund at the end of the financial year. This is despite the outstanding needs in the Ministries.

In view of the foregoing, the Committee recommends that the financial regulations should be urgently reviewed, to allow for funds earmarked for outstanding procurements by the end of the year, to be rolled over and retained in the recipient Ministry for use as appropriated.

**viii. Expedite formulation of a legal framework on Climate Change**

The Committee bemoans the absence of a legal framework to manage Climate Change effectively. In this regard, the Committee urges the Government to expedite the process of presentation of the Bill to regulate Climate Change issues, to Parliament for enactment into law.

**ix. Enhance collection of non-tax revenue for the Ministry of Lands and Natural Resources**

The Committee notes that through the non- tax revenue provision, the Ministry of Lands and Natural Resources has the potential to generate more revenue. In this regard, the Committee recommends that the Ministry should enhance public sensitisation programmes on the importance of online payment systems for the Ministry to achieve its revenue targets.

**x. Establish a vaccine plant**

The Committee notes an absence of a fully functional vaccine plant in the country, thereby making it difficult to produce its own vaccines. In this regard, the Committee recommends that the Government should ensure that a vaccine plant is constructed as soon as possible.

**xi. Establish a legal framework for fish farming**

The Committee bemoans the absence of a legal framework that regulates to fish farming. In this regard, the Committee urges the Government, as a matter of urgency, to put in place a legal framework that will be a fundamental aid to revamping fish farming in the country.

**xii. Farmer Input Support Programme**

The Committee is concerned that despite large amounts of money being allocated to the FISP, intended goals have not been achieved because of poor management systems. The Committee, therefore, recommends that the Ministry of Agriculture should, as a matter of urgency, improve the management of FISP in order to prevent the misuse of farming inputs that were being accessed through the Programme. The Committee, further, recommends that the Government should expedite the ongoing reforms relating to FISP in order to enhance implementation and rationalise Government expenditures on the programme.

**xiii. Comprehensive agricultural transformation support programme**

The Committee observes that the Government has put in place a Comprehensive Agriculture Transformation Support Programme. It is, however, concerned that the programme is being implemented at a slow pace. The Committee appreciates the significance of the programme in guiding resource allocation in the agricultural sector. In this regard, the Committee recommends that the Government should fully operationalise the Comprehensive Agriculture Transformation Support Programme by end of 2023.

**xiv. Reliance on Foreign Funding in the WASH Sector**

The Committee notes that a significant portion of the allocations towards the WASH sector are sourced from cooperating partners. However, due to ongoing global economic challenges, funding towards the United Nations programmes has been gradually decreasing. The heavy reliance on foreign funding in the sector leaves Zambia vulnerable in the event that the cooperating partners are no longer able to provide the support the country has traditionally relied upon. Therefore, the Committee recommends that the Government should explore alternative avenues of financing to this critical sector using domestic resources.

**xv. Strategic reserves and fuel costs**

The Committee observes that the average price of Low Sulphur Gasoil (LSG) at the pump from January to September 2023 stood at K25.5 per litre, representing an increase from K23.8 per litre in the same period in 2022. Similarly, petrol prices during the same period averaged K26.6 per litre, compared with K23.3 per litre in the previous year. The increases in pump prices in 2023 were attributed to unfavourable exchange rate fluctuations and the international oil price volatility. The Committee expresses concern that high fuel costs lead to increased operating expenses for businesses, higher transportation costs for consumers, and an increase in the cost of living.

In light of the above, the Committee recommends that the Government should, as a matter of urgency, allocate resources towards improving petroleum infrastructure and the country's storage capacity. Furthermore, the Government should secure resources to construct additional fuel storage depots to increase the county's strategic reserves and possibly move from the monthly to quarterly fuel price reviews. Additionally, the Committee recommends that the Government should also

explore effective exchange rate management strategies to mitigate fluctuations, thereby further contributing to fuel price stability and affordability for consumers.

**xvi. Tourism marketing and promotion**

The Committee observes that the marketing and promotions budget for 2024, has remained the same as K50 million (\$2.5 million) has been allocated to the enhanced marketing budget and K8 million (\$400,000) has been allocated for marketing and promotion. While appreciating Zambia's limited resource envelope, it is important to note that neighbouring countries such as Botswana, Zimbabwe and Namibia allocate an annual average of US\$7million, US\$8 million and US\$9 million, respectively, towards tourism marketing and promotion.

In this regard, the Committee recommends that the Government should increase the allocation towards this important activity to boost the promotion of Zambia as a preferred tourist destination, develop infrastructure, enhance standards, improve specialised industry training and ultimately contribute to the growth and sustainability of the tourism industry. The Committee further recommends that the Government undertake a cost-benefit analysis of sponsorship deals, like those seen between Rwanda and prominent football clubs such as Arsenal, Bayern Munich, and PSG, before considering similar marketing and promotion activities.

**xvii. Collaboration in development of special interest tourism**

The Committee observes that there is lack of coordination between the Ministry of Tourism and other ministries in developing special interest tourism offerings such as medical tourism, cultural tourism and sports tourism.

The Committee, therefore, recommends that the Government should ensure that more coordination takes place to harness the potential of special interest tourists. For instance, Zambia has a well-developed private and public health care system, which provides specialised medical services such as diagnostic and curative care.

**xviii. Improve correctional service facilities**

The Committee observes that most of the correctional service facilities in the country have limited space, resulting in overcrowding. The Committee is also concerned that physical conditions in prisons and detention centres have remained harsh and life threatening due to overcrowding, lack of safe and clean water, and poor sanitation. The Committee, therefore, urges the Government to ensure that the Ministry of Home Affairs and Internal Security is allocated sufficient funds which will be directed towards construction of new correctional facilities, detention centres in some instances and also renovation of the existing dilapidated facilities.

**xix. Allocate additional funds to the Ministry of Foreign Affairs and International Cooperation**

The Committee observes that the budget allocation to the Ministry of Foreign Affairs and International Cooperation is insufficient to adequately implement foreign policy. The Committee further observes that Political and Economic Diplomacy have not been fully funded to guarantee the required benefits that arise from effective foreign policy implementation. Additionally, there is underutilisation of funds for Missions Abroad due to delayed disbursement of funds from the Treasury, contractual challenges, lengthy construction approvals and project supervision

processes. The Committee recommends that the Government should consider allocating additional funds of K248,757,500 to the Ministry of Foreign Affairs and International Cooperation so that the total allocation could amount to K1,768,301,222. These funds will be used for various programmes not limited to the following: Financial and Management Compliance Audit Inspections in Missions; Maintenance of Mission Properties and Ministerial Restructuring, among others.

## 11.0 CONCLUSION

The Committee observes that the 2024 National Budget builds on the policy achievements of the three immediate past Budgets - 2021 to 2023, which have ensured fiscal discipline, restrained public spending, reduced resource leakages, and narrowed the fiscal deficit overly. The 2024 Budget aims to promote economic growth, fiscal discipline, and sectoral development while addressing challenges and maximising potential in key sectors. The Committee notes all the policy pronouncements, and is of the view that the success of these measures depends on the Government's unwavering commitment to their implementation.

It is the expectation of the Committee that the observations and recommendations contained in its Report will receive favourable consideration from the Government in order to achieve the set targets for the 2024 financial year.



Mr Fred C Chaatila, MP  
**CHAIRPERSON**

October, 2023  
**LUSAKA**



## **APPENDIX I – List of Witnesses**

Ministry of Finance and National Planning  
Ministry of Mines and Minerals Development  
Ministry of Commerce, Trade and Industry  
Ministry of Small and Medium Enterprise  
Ministry of Local Government and Rural Development  
Zambia Revenue Authority  
Zambia Institute of Chartered Accountants  
Bank of Zambia  
Zambia Institute for Policy Analysis and Research  
Policy Monitoring and Research Centre  
Engineering Institution of Zambia  
Zambia Association of Manufacturers  
University of Zambia  
Centre for Trade Policy and Development  
Zambia Statistics Agency  
Economics Association of Zambia  
Zambia Climate Change Network  
First Quantum Minerals  
Mopani Copper Mines  
Chamber of Mines  
Zambia Chamber of Commerce and Industry  
Local Government Association of Zambia

## **APPENDIX II – List of National Assembly Officials**

Mr Charles Haambote, Principal Clerk of Committees (FC)  
Mr Fitzgerald Kateshi, Principal Clerk, Parliamentary Budget Office  
Mrs Angela M Banda, Acting Deputy Principal Clerk of Committees (FC)  
Ms Chitalu R Mulenga, Senior Committee Clerk (FC2)  
Mrs Edna K Zgambo, Senior Budget Analyst Macroeconomics  
Mr Elijah I C Chilimboyi, Committee Clerk  
Ms Carol Ndoti, Committee Clerk  
Mr Maambo Chilobyia, Research Officer  
Mr Philip Mwiinga, Budget Analyst  
Mrs Rachael M Kanyumbu, Administrative Assistant  
Mr Danny Lupiya, Committee Assistant  
Mr Muyembi Kantumoya, Parliamentary Messenger

### **APPENDIX III – List of Reports of Committees on Sector Budget Analysis**

Committee on Health, Community Development and Social Services

Committee on Energy, Water Development and Tourism

Committee on National Security and Foreign Affairs

Committee on Education, Science and Technology

Committee on Agriculture, Lands and Natural Resources



**REPUBLIC OF ZAMBIA**

**APPENDIX III (I) TO THE REPORT OF THE EXPANDED PLANNING AND  
BUDGETING COMMITTEE ON THE ESTIMATES OF REVENUE AND EXPENDITURE  
FOR THE FINANCIAL YEAR 1<sup>ST</sup> JANUARY TO 31<sup>ST</sup> DECEMBER, 2023**

**COMMITTEE ON HEALTH COMMUNITY DEVELOPMENT AND SOCIAL SERVICES  
ON THE SECTOR ESTIMATES OF REVENUE AND EXPENDITURE FOR THE  
FINANCIAL YEAR 1<sup>ST</sup> JANUARY TO 31<sup>ST</sup> DECEMBER, 2024,**

**FOR THE THIRD SESSION OF THE THIRTEENTH NATIONAL ASSEMBLY**

*Published by the National Assembly of Zambia*

## **FOREWORD**

The Chairperson, Expanded Planning and Budgeting Committee, the Committee on Health, Community Development and Social Services has the honour to present its Report on the Estimates of Revenue and Expenditure for the Financial Year 1<sup>st</sup> January to 31<sup>st</sup> December, 2024, for Head 45 - Ministry of Community Development and Social Services and Head 46 - Ministry of Health for the Third Session of the Thirteenth National Assembly.

The Committee, in considering the 2024 Estimates of Revenue and Expenditure for the two Heads of Expenditure, held eight meetings during which it examined the submissions from various stakeholders. The stakeholders were also invited to appear before the Committee to make oral presentations and to clarify any emerging issues. The list of stakeholders who provided memoranda and appeared before the Committee is at Appendix II.

The Committee's Report is in two parts. Part I gives the Committee's findings arising from the consideration of the Budget for Ministry of Community Development and Social Services – Head 45 while, Part II outlines findings emanating from the consideration of the Budget for Ministry of Health – Head 46.

The Committee wishes to thank the Honourable Madam Speaker for affording it an opportunity to consider the 2024 Estimates of Revenue and Expenditure for the two Heads of Expenditure. The Committee is also grateful to all stakeholders who tendered both written and oral submissions. It further appreciates the services rendered by the Office of the Clerk of the National Assembly during its deliberations.

Ms Marjorie Nakaponda, MP  
**VICE CHAIRPERSON**

October, 2023  
**LUSAKA**

## **ACRONOMYS**

MoH	Ministry of Health
MCDSS	Ministry of Community Development and Social Services
SCT	Social Cash Transfer
M & E	Monitoring and Evaluation

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## 1.0 COMPOSITION OF THE COMMITTEE

The Committee consisted of:

Ms Marjorie Nakaponda, MP (Vice Chairperson); Mr Alex Katakwe, MP; Mr Leevan Chibombwe, MP; Mr Monty Chinkuli, MP; Mr Paul Chala, MP; Mr Masautso Tembo, MP; Mr Joseph S Munsanje, MP; Mr Heartson Mabeta, MP; and Mr Miles Sampa, MP.

## 2.0 INTRODUCTION

In accordance with Standing Orders 198(h), the Committee considered the 2024 budgetary allocations to Head 45 - Ministry of Community Development and Social Services (MCDSS) and Head 46 - Ministry of Health (MoH). The consideration of the 2024 budget for these Heads of Expenditure was anchored around the Vision 2030, Eighth National Development Plan (8NDP) and the Institutional Strategic and Implementation Plans for the MoH and MCDSS. This was in line with Section 26 of the *National Planning and Budgeting Act No. 1 of 2020* which provided as follows:

- (1) A ministry, provincial office, local authority and spending agency that receives an appropriation or appropriation-in-aid shall prepare a five-year institutional strategic and implementation plan within four months of the coming into operation of the National Development Plan.*
- (2) An institutional strategic and implementation plan shall specify how the ministry, provincial office, local authority and spending agency will contribute to the achievement of the development targets set out in the National Development Plan.*
- (3) An institutional strategic and implementation plan prepared in accordance with subsection (1), shall form the basis of medium-term and national budget estimates of a ministry, provincial office, local authority and spending agency.*



## PART I

### 3.0 FINDINGS OF THE COMMITTEE ARISING FROM THE CONSIDERATION OF THE 2024 BUDGET FOR HEAD 45 - MINISTRY OF COMMUNITY DEVELOPMENT AND SOCIAL SERVICES

The Committee scrutinised the 2024 budget for the MCDSS. The Ministry contributed to the Human and Social Development Cluster of the (8NDP) through the implementation of the following programmes: *5451-Social Assistance; 5452-Social Welfare; 5453-Community Development; 5454-Non Government Regulation and Standards; 5456-Child Development; and 5599-Management and Support Services.*

The Ministry also contributed to the Cluster on Good Governance System through the 5454-Non-Governmental Regulation and Standards Programme.

The key findings of the Committee are set out hereunder.

#### 3.1 5451 - Social Assistance

Under Social Assistance, the Ministry implemented three sub-programmes namely: Public Welfare Assistance; Social Cash Transfer; and Care for Older Persons. The Social Cash Transfer accounted for 99.9 per cent of the budget for Social Assistance which also represented 74 per cent of the allocation to the Ministry. The Minister announced a budgetary allocation of K4.1billion to Social Assistance to meet the Government plans to increase the target number of beneficiaries by 39,237 from 1,374,000 in 2023 to 1,413, 237 in 2024.

The above notwithstanding, the Committee was concerned about the sustainability of the programme as almost 30 per cent of that budget would come from cooperating partners. It was further concerned that the current Social Cash Transfer value of K200 was too low to meet the basic needs especially with the high cost of living. The SCT value was below the 2022 poverty line of K517 per adult, or K1,522 cost of a simple food basket that meets minimal nutritional requirements for a family of six.

## **3.2 5452 - Social Welfare**

The primary objective of this Programme was to enhance the lives of the people through collective efforts and facilitate the following sub-programmes: the Food Security Pack, Livelihood and Empowerment Support Schemes, Community Self-Help Initiatives and Community Skills Development interventions.

The Committee inferred that there was shortage of social welfare staff in the districts. However, it was also aware that the recruitment of staff in the MCDSS was conducted centrally at Cabinet Office, after recommendations by the Ministry. Despite the recommendation for recruitment of more welfare staff, the Ministry had to wait for the outcome, meanwhile the staffing situation was very poor and badly affecting service delivery.

## **3.3 Crosscutting and Emerging Issues**

### **3.3.1 Lengthy Procurement Procedures**

The Committee learnt that the Ministry could only initiate procurement processes especially for capital items only when the resources were available. This process sometimes overlapped into the following year, resulting in funds being returned into the Consolidated Fund. This had led to unnecessary supplementary budgets and underutilisation of funds by the Ministry.

### **3.3.2 Fiscal Dumping**

In addition to the long procurement procedures, fiscal dumping had also led to low absorption of funds in the Ministry. The failure to fully utilize the funds was depriving other critical programmes such as social cash transfer that required more resources.

## **3.4 COMMITTEE'S OBSERVATIONS AND RECOMMENDATIONS**

The Committee supports the budget allocation of K5.6 billion to the Ministry of Community Development and Social Services and makes observations and recommendations set out hereunder.

### **3.4.1 Inadequate Social Welfare Staff**

The Committee observes with concern, the low allocation for Personal Emoluments (PE) in the MCDSS, which has resulted in the low number of social welfare staff across the country. This can be evidenced by the low number of district social welfare officers nationwide which currently stands at 233. This is hampering effective contribution of the MCDSS to the success of the Human and Social Development Cluster.

In light of this, the Committee recommends that in response to increasing the social welfare demands, the MCDSS must urgently expand the social welfare workforce across all districts. Further, funds should be allocated for the recruitment of social welfare and community development staff, in order to ensure the effective implementation of the programmes at district and ward levels.

### **3.4.2 Lengthy Procurement Procedures**

The Committee observes that the lengthy procurement procedures have resulted in the low absorption of the funds allocated to the Ministry, which consequently, leads to resources being returned to the Consolidated Fund at the end of the financial year. This is despite the outstanding needs in the Ministry.

In view of the foregoing, the Committee recommends that the financial regulations should be urgently reviewed, to allow for funds earmarked for outstanding procurements by the end of the year, to be rolled over and retained in the recipient Ministry for use as appropriated for.

## **PART II**

### **4.0 FINDINGS OF THE COMMITTEE ARISING FROM THE CONSIDERATION OF THE 2024 BUDGET FOR HEAD 46 - MINISTRY OF HEALTH**

The Committee considered the 2024 budget for Head 46 - Ministry of Health. The Ministry contributed to the Human and Social Development Cluster of the 8NDP, through the implementation of the following programmes: 5531-Primary Health Services, 5532-Hospital Services, 5533-Central Technical Services, 5534 - Human Resource Development and 5599 - Management and Support Services.

The Ministry of Health Budget for 2024 had increased from K16.1 billion in 2023 to K18.7 billion in 2024 representing a 16.5 per cent increase. In terms of proportion to the National budget, the allocation had increased from 8.1 per cent in 2021 to 11.8 per cent in 2024, but still falling short by 3.2 per cent of the Abuja Declaration commitment of allocating 15 per cent of the National budget to the Health sector.

The key findings of the Committee are set out hereunder.

#### **4.1 5531 - Primary Health Services**

Primary Health Services encompassed maternal and child health services provided at health centres, health posts, and within communities. This sub-program focused on enhancing primary healthcare efforts, emphasising prevention, promotion, and curative services. The Committee was concerned that more budgetary support was given to hospital services (which offered curative measures) than to the primary healthcare which focused on prevention.

#### **4.2 5532 - Hospital Services**

In the 2024 budget, the allocation for the procurement of essential drugs and medical supplies increased from K4.6 billion in 2023 to about K5 billion in 2024, representing an 8 per cent increase. However, when accounting for the inflation rate, the real value of the 2024 budget actually decreased by 3 per cent, indicating potential challenges in sustaining the consistent supply of essential medical resources. Additionally, cooperating partners were contributing an average of K5.5 billion per year, adding up to about K11 billion. Despite this increase, the budget only provided for 70 per cent availability of drugs falling short of the World Health Organisation's recommended minimum threshold of 80 per cent.

#### **4.3 Crosscutting and Emerging Issues**

##### **4.3.1 Recruitment of Health Workers**

The Ministry had an approved establishment structure of 139,390 and there had been an increase in the number of health workers from 63,396 in 2021 to 75,612 in 2022. In 2022, the Ministry recruited over 11,000 health workers and in 2023, the recruitment

process for the 3000 health workers had already commenced. However, the Ministry still had a shortage of 45.5 per cent healthcare workers. For instance, the current doctor-patient ratio stood at 1 to 12,000, falling far below the acceptable standard of 1 to 5,000. Similarly, the nurse-to-patient ratio was 1 to 14,960, instead of the desired 1 to 700, undermining service delivery.

#### **4.3.2 Lack of Institutional Strategic and Implementation Plan**

The Committee was informed that the MoH did not have an Institutional Strategic and Implementation Plan, a violation of the provisions of the *National Planning and Budgeting Act, No. 1 of 2020*. The Committee wondered on what basis the Ministry had been preparing its budget, in the absence of this critical document. This in part, could explain the underutilisation of its budget for the period 1<sup>st</sup> January 2022 to 31<sup>st</sup> December, 2022 despite huge challenges facing the Ministry.

#### **4.3.3 Medical Equipment**

The allocation to medical equipment had increased to K795 million in 2024 from K296.2 million in 2022. This allocation was still insufficient to adequately equip new health facilities and reequip new ones, as most of the medical equipment was outdated and obsolete. There was also need for funds for the maintenance of the medical equipment.

#### **4.3.4 Infrastructure Development**

The Committee noted that in terms of development, the budget had increased from K33.6 million in 2021 to K454 million in 2024. This was still inadequate to cover the rehabilitation, maintenance and completion of health infrastructure projects as well as new ones. The Ministry was also expected to implement the Presidential directive of constructing maternity annexes in all health centres. The following were earmarked for construction in 2024: thirty maternity annexes, five district hospitals, two cancer treatment centres and 120 health centres.

#### **4.3.5 Under-utilisation of the Budgetary Allocation**

The MoH was seeking the approval of a budgetary allocation amounting to K18.7 billion in 2024, depicting an increase by 0.9 per cent as a share of the budget from K16 billion

in the 2023 budget. However, the Financial Report for 2022 and the Auditor General's Report for 2022 revealed the underutilisation of the budget by the MoH. The Committee was therefore, concerned about continuing to allocate funds to the MoH when in the past the Ministry had been failing to fully utilise the funds. This could be evidenced in the table below.

### Expenditure by Programme and Sub Programme - 2022

Programme and Sub Programme	Approved	Released	Actual Expenditure
Primary Health Services	4,705,224,684.00	4,633,954,027.48	4,460,601,540.68
Infrastructure Development	69,879,530.00	69,879,529.76	54,797,021.56
<b>Sub total</b>	<b>4,775,104,214.00</b>	<b>4,703,833,557.24</b>	<b>4,515,398,562.24</b>
Primary Hospital Services	1,451,886,594.00	1,451,886,587.71	1,451,886,312.19
Secondary Hospital Services	894,944,126.00	894,944,125.89	894,944,070.16
Tertiary Hospital Services	2,256,214,180.00	2,256,214,179.76	2,256,214,167.70
Specialized Hospital Services	459,931,043.00	459,931,042.03	459,642,289.52
International Referral Services	40,000,000.00	40,000,000.00	40,000,000.00
Infrastructure Development	1,503,359,155.00	282,091,022.38	235,411,554.58
<b>Sub total</b>	<b>6,606,335,098.00</b>	<b>5,383,066,957.77</b>	<b>5,337,304,297.27</b>
Health Mentorship and Leadership	10,356,561.00	10,356,534.57	8,525,295.15
<b>Sub total</b>	<b>10,356,561.00</b>	<b>10,356,534.57</b>	<b>8,525,295.15</b>
University Health Training	33,713,195.00	33,713,195	33,697,708.20
College Health Training	142,373,057.00	142,373,057	142,171,464.23
Training Health Schools	4,287,315.00	4,287,315	4,161,720.16
Infrastructure Development	26,068,085.00	26,068,085	22,778,553.62
<b>Sub total</b>	<b>206,441,652.00</b>	<b>206,441,652</b>	<b>202,809,446.21</b>
Executive Office Management	145,249,853.00	145,249,853.62	136,826,805.81
Human Resource Management	2,568,293.00	2,568,292.70	2,215,384.43
Financial Management - Accounting	2,893,902.00	2,893,902.00	2,887,659.31
Financial Management – Auditing	2,216,695.00	2,216,694.15	2,216,694.15
Procurement Management	833,406.00	833,406.00	827,483.62
Information, Communication and Technology	3,391,544.00	3,391,543.34	3,312,239.00
Planning, Policy Coordination and Information Management	7,213,377.00	7,213,377.00	6,969,506.21
District Health Offices	477,560,769.00	477,560,769.20	477,560,477.49
Infrastructure Supervision	3,230,735.00	3,230,735.00	2,050,279.00
Provincial Health Offices	143,388,694.00	143,388,692.92	143,388,663.30
Monitoring and Evaluation	11,410,875.00	11,410,873.92	4,633,724.00
Health Care Financing	776,916.00	776,916	387,640.70
Legal Services	869,088.00	869,088	577,746.11
Infrastructure Development	16,256,641.00	16,256,619.50	0
<b>Sub total</b>	<b>817,860,788.00</b>	<b>817,860,763.35</b>	<b>783,854,303.13</b>
<b>GRAND TOTAL</b>	<b>12,416,098,313.00</b>	<b>11,123,559,464.44</b>	<b>10,847,891,904.00</b>

#### **4.3.6 Lengthy Procurement Procedures and Fiscal Dumping**

The Committee learnt that the lengthy procurement procedures and late disbursement of funds (fiscal dumping) by the Ministry of Finance and National Planning, resulted in resources being mopped out (returned to the Consolidated Fund) at the end of the year and led to failure by user ministries to implement their programmes.

#### **4.4 COMMITTEE'S OBSERVATIONS AND RECOMMENDATIONS**

The Committee in supporting the budget allocation of K18.7 billion to the Ministry of Health makes observations and recommendations set out hereunder.

##### **4.4.1 Lack of Strategic and Implementation Plan**

The Committee observes with concern that the institutional strategic plan for Ministry of Health is still in a draft form, when the plan according to the law, should have been ready four months after the 8NDP was launched. The Committee therefore, wonders on which basis the budget for the Ministry was being prepared in the absence of this vital document. The Committee, therefore, recommends that the institutional plan should be finalised without further delay if the Ministry is to measure its effectiveness in the budgeting process and in the utilisation of resources.

##### **4.4.2 Underutilisation of Funds**

The Committee observes with concern that despite so many pressing health sector issues, the Ministry of Health has been underutilising the resources allocated to it. In this regard, the Committee recommends that the Ministry should improve its planning and budgeting process in order to facilitate the effective and efficient utilisation of funds.

##### **4.4.3 Promotion of Primary Health Care**

The Committee expresses concern that in the 2024 budget, more attention has been given to hospital services which focus on curative measures and not primary healthcare. The Committee is aware that prevention measures are always found at primary healthcare level and in communities.

In view of the above, the Committee recommends that primary health care should be prioritised if the country is to prevent the progression of diseases and be able to attain universal health coverage. The greater thrust of the healthcare services should be

preventive rather than curative as a proactive approach to reducing the disease burden and associated financial costs.

The Committee further observes with concern, the lack of allocation towards HIV and teenage pregnancy awareness, considering that 17,000 girls in 2022, dropped out of school due to pregnancy. In this regard, the Committee recommends that a budget variation be effected, in order to tackle the increasing HIV infections and adolescence sexual reproductive issues.

#### **4.4.4 Recruitment of Additional Health Workers**

The Committee recommends that the recruitment of health workers especially front line staff such as Doctors, Specialists and Nurses, must be continued to narrow the demand gap as a result, enhance service delivery in line with the provisions of the various health service plans and commitments. A reposition exercise should also be undertaken to ensure that there is a better concentration of specialist health personnel in front line service delivery than in administration, due to the wide demand gap.

#### **4.4.5 Infrastructure Development**

The Committee recommends for the renovation, improvement and further development of health services infrastructure to ensure decent provision of health care services countrywide. This is consistent with the National Human Development Agenda.

#### **4.4.6 Fiscal Dumping**

The Committee observes with concern that the late disbursement of funds by the Ministry of Finance and National Planning to the end users is a contributing factor to underutilisation of the funds allocated to some ministries. In this regard, the Committee recommends that the financial regulations should be reviewed so that funds released in the fourth quarter of the year should not be mopped out for three months into the following year as is the case with the Constituency Development Fund.

#### **4.4.7 Procurement of Drugs and Medical Supplies**

The Committee expresses concern that despite an 8 per cent increase in the allocation for the procurement of essential drugs and medical supplies in the 2024 budget, the real



value of the 2024 budget actually decreased by 3 per cent. This may lead to challenges in sustaining the consistent supply of essential medical resources.

The Committee, therefore, recommends that the allocation to essential drugs and medical supplies should be increased factoring in the inflation rate, in order to avoid inconsistencies in the provisions of essential drugs and medical supplies. The Committee further recommends that the procurement of drugs and medical supplies should be done in bulk, with sufficient lead time, taking into account the concerns of the lengthy procurement processes.

## **5.0 Conclusion**

The Committee observes that the Zambian Government has shown commitment in the social sectors over the years, specifically through increases in the social protection and health sectors. Despite the notable strides made, a number of challenges need to be addressed in both sectors.

The 2024 budget also indicates that the Government has a zeal to uplift the welfare of the poor and the marginalised through key policy pronouncements in the budget. Notable measures meant to speak to the welfare of citizens include; the recruitment of health personnel, procurement of drugs and medical equipment, and the scaling up of SCT.

The 2024 National budget allocation to the social sector has made positive strides in actualizing the 8NDP pillar 2 - Human and Social Development. The Committee therefore, seeks to see a progressive movement in reducing poverty and exceeding the targets set in the 8NDP. Further the Committee seeks to see an improvement in universal health coverage.

The Committee is further of the view that there is need to strengthen Monitoring and Evaluation (M&E) in order to improve decision-making. M & E processes should be used extensively in the tracking and reporting of data to provide the essential information needed for the provision of decent health care services in an efficient manner and in the provision of social welfare programmes.

Ms Marjorie Nakaponda, MP  
Vice Chairperson

October  
2023

## **APPENDIX I - National Assembly Officials**

Mr Doreen Mukwanka, Acting Principal Clerk of Committees (SC)

Mrs Chitalu K Mumba, Deputy Principal Clerk of Committees (SC)

Mr Simon Mtambo, Deputy Principal Clerk (PBO)

Mr Isaac Ngoma, PFM Expert - EU Support Project to NAZ

Ms Christabel Marowa, Acting Senior Committee Clerk (SC1)

Mrs Media Mweele, Committee Clerk

Mrs Ifoma Mulewa, Research Officer

Ms Catherine Chibuye, Administrative Assistant

Mr Daniel Lupiya, Committee Assistant

## **APPENDIX II- WITNESSES**

Ministry of Health

Ministry of Community Development and Social Services

Jesuit Centre for Theological Reflection

Civil Society for Poverty Reduction

Zambia Medical Association

Zambia Institute of Policy Analysis and Research

SAfAIDS



**REPUBLIC OF ZAMBIA**

**APPENDIX III (II) TO THE REPORT OF THE EXPANDED PLANNING  
AND BUDGETING COMMITTEE ON THE ESTIMATES OF REVENUE  
AND EXPENDITURE FOR THE FINANCIAL YEAR 1<sup>ST</sup> JANUARY TO 31<sup>ST</sup>  
DECEMBER, 2024**

**COMMITTEE ON ENERGY, WATER DEVELOPMENT AND TOURISM  
ON THE SECTOR ESTIMATES OF REVENUE AND EXPENDITURE FOR  
THE FINANCIAL YEAR 1<sup>ST</sup> JANUARY TO 31<sup>ST</sup> DECEMBER, 2024**

**FOR THE THIRD SESSION OF THE THIRTEENTH NATIONAL ASSEMBLY**

*Printed by the National Assembly of Zambia*

## **FOREWORD**

The Committee on Energy, Water Development and Tourism has the honour to present its Report for the Third Session of the Thirteenth National Assembly, on the Estimates of Revenue and Expenditure for the Financial Year 1<sup>st</sup> January to 31<sup>st</sup> December, 2024. The functions of the Committee are set out in Standing Orders No. 197(d) and 198 of the National Assembly of Zambia Standing Orders, 2021. In accordance with Standing Order No. 198(h), the Committee considered the 2024 Estimates of Revenue and Expenditure. Specifically, the Committee considered Head 52 – Ministry of Water Development and Sanitation; Head 62 – Ministry of Energy; and Head 68 – Ministry of Tourism.

The Committee held eight meetings to interrogate the Estimates of Revenue and Expenditure for the Heads under consideration. To help it interrogate the Estimates, the Committee sought both written and oral submissions from various stakeholders. The list of the stakeholders is at Appendix II. The Committee’s Report highlights the findings; and observations and recommendations of the Committee on each Head.

The Committee’s Report is in three parts. Part I gives the Committee’s findings arising from the consideration of the Budget for Ministry of Water and Sanitation – Head 52, Part II outlines findings emanating from the consideration of the Budget for Ministry of Energy – Head 62 and Part III outlines findings emanating from the consideration of the Budget for Ministry of Tourism – Head 68.

The Committee wishes to thank the Honourable Madam Speaker for affording it an opportunity to consider the 2024 Estimates of Revenue and Expenditure for the three Heads of Expenditure. The Committee is also grateful to all stakeholders who tendered both written and oral submissions. It further appreciates the services rendered by the Office of the Clerk of the National Assembly during its deliberations.

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**Mr Chanda Katotobwe, MP**  
**VICE-CHAIRPERSON**

October, 2023  
**LUSAKA**

## **LIST OF ACRONYMS/ABBREVIATIONS**

GDP	Gross Domestic Product
NWASCO	National Water Supply and Sanitation Council
REA	Rural Electrification Authority
SDG	Sustainable Development Goals
TAZAMA	Tanzania-Zambia Mafuta Pipeline
WARMA	Water Resources Management Authority
8NDP	Eighth National Development Plan

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## **1.0 COMPOSITION OF THE COMMITTEE**

The Committee consisted of:

Mr Chanda Katotobwe, MP (Vice Chairperson); Mrs Kampamba S Mulenga, MP; Eng Raphael S Mabenga, MP; Mr Michael J Z Katambo, MP; Mr Lameck Hamwaata, MP; Dr Chitalu Chilufya, MP; Mrs Mirriam C Chonya, MP; Mr Gregory Ngowani, MP; and Mr Davis Chisopa, MP.

## **2.0 INTRODUCTION**

The Committee considered the 2024 budgetary allocation to Head 52 – Ministry of Water Development and Sanitation, Head 62 – Ministry of Energy and Head 68 – Ministry of Tourism. The consideration of the 2024 Budget was conducted within the context of the Vision 2030, the Eighth National Development Plan (8NDP) and institutional strategic and implementation plans for the Ministry of Energy, the Ministry of Water Development and Sanitation and the Ministry of Tourism. This was in line with Section 26 of the *National Planning and Budgeting Act, No. 1 of 2020*, which provided as follows:

- (a) *A ministry, provincial office, local authority and spending agency that receives an appropriation or appropriation-in-aid shall prepare a five-year institutional strategic and implementation plan within four months of the coming into operation of the National Development Plan.*
- (b) *An institutional strategic and implementation plan shall specify how the ministry, provincial office, local authority and spending agency will contribute to the achievement of the development targets set out in the National Development Plan.*
- (c) *An institutional strategic and implementation plan prepared in accordance with subsection (1), shall form the basis of medium-term and national budget estimates of a ministry, provincial office, local authority and spending agency.*

## **PART I**

### **3.0 FINDINGS OF THE COMMITTEE ARISING FROM THE CONSIDERATION OF THE 2024 BUDGET FOR HEAD 52 – MINISTRY OF WATER DEVELOPMENT AND SANITATION**

The Committee scrutinised the 2024 Budget for the Ministry of Water Development and Sanitation. The Ministry contributed to the *Economic Transformation and Job Creation* and the *Human and Social Development* strategic development areas of the

8NDP through the implementation of the following programmes: 2118 – Water Resource Management and Development; 2119 – Water Supply and Sanitation and 2199 – Management and Support Services.

### **3.1 THE MINISTRY’S PROGRAMMES**

#### **3.1.1 Programme 2118 – Water Resource Management and Development**

The Committee learnt that this programme constituted 25 per cent of the Ministry’s total budget, equivalent to K537.8 million. The programme focused primarily on essential activities such as the construction, rehabilitation and maintenance of dams. Additionally, the programme involved identifying and mapping local aquifers and characterising and developing wellfields.

However, the Committee noted that the Water Resources Management Authority (WARMA) received the same allocation of K18,562,930, which it received in 2023. This allocation allowed WARMA to only carry out 35 per cent of its mandate. The Committee, therefore, expressed concern that this critical institution responsible for the management, conservation, protection and preservation of all water resources and its ecosystems in Zambia was still severely underfunded.

#### **3.1.2 Programme 2119 – Water Supply and Sanitation**

Under this programme the ministry focused on crucial activities, including transfers to commercial utilities, Community Led Total Sanitation (CLTS) efforts in rural areas to achieve Open Defecation Free status, and the construction of sanitation facilities in public places like schools, health facilities, markets and bus stations. Objectives under this programme included the construction of 1,347 new boreholes and the rehabilitation of 1,270 existing ones. This programme also held the largest share of the Ministry's total budget with an allocation of K1.5 billion, representing 72 per cent.

The above notwithstanding, the Committee expressed concern regarding the allocation towards the National Water Supply and Sanitation Council (NWASCO), which had remained constant for the years 2022, 2023 and 2024 at K10 million.

### **3.2 CROSS CUTTING AND EMERGING ISSUES**

#### **3.2.1 Inadequacy of Budgetary Allocation**

The Ministry's budget, in terms of its share of the total Budget, decreased from 1.4 per cent in 2023 to 1.3 per cent in 2024. This was a departure from both the United Nations (UN) Conventions and the Southern Africa Development Community (SADC) regional protocols, which stipulated that a minimum of 5 per cent of the Budget should be directed towards water, sanitation and hygiene (WASH).

### **3.2.2 Subscriptions to International Organisations**

In the 2024 National Budget, K2 million and K200,000 had been committed to paying annual subscriptions for the Zambezi Water Course Commission (ZAMCOM) and the African Minister's Council on Water, respectively. In addition, over K5.8 million had been allocated towards liquidating outstanding arrears for the subscriptions to the above regional bodies. This was commendable as it would bring Zambia's subscriptions up to date and enable the Ministry to maximise the benefits of its membership in these bodies.

### **3.2.3 Water Resources Management Authority**

Concerning WARMA, from the period 2022-2024, allocations to the institution remained constant at K18.5 million while allocations to the sector increased. The Committee learnt that the Authority required an estimated amount of K316 million to fully implement its mandate, in line with the aspirations of the nation as espoused in the 8NDP, UN Convention and the SADC regional protocols.

## **3.3 COMMITTEE'S OBSERVATIONS AND RECOMMENDATIONS**

The Committee supports the allocation of K2.1 billion to the Ministry of Water Development and Sanitation and, therefore, urges the Expanded Planning and Budgeting Committee to recommend the approval of budget. In supporting the budget for the Ministry, the Committee makes the observations and recommendations set out hereunder.

### **3.3.1 Reliance on Foreign Funding in the WASH Sector**

The Committee notes that a significant portion of the allocations towards the WASH sector are currently sourced from cooperating partners. However, due to ongoing global economic challenges, funding towards the United Nations programmes has been gradually decreasing. This heavy reliance on foreign funding in this sector leaves Zambia vulnerable in the event that the cooperating partners are no longer able to provide the support the country has traditionally relied upon.

Therefore, the Committee strongly urges the Expanded Planning and Budgeting Committee to implore the Government to promptly explore alternative avenues of financing this critical sector using domestic resources.

### **3.3.2 Multi-Sectoral Cholera Elimination Plan**

The Committee observes that the Budget for the Ministry is silent on Cholera. While it is true that various interventions outlined in the budget will address sanitation issues and help prevent Cholera, the budget should have explicitly recognised this challenge and prescribed specific interventions to prevent Cholera outbreaks in line with the Multi-Sectoral Cholera Elimination Plan that was developed in 2019.

In light of the above, the Committee recommends that the Cholera Elimination Plan be revived and funded to implement the activities that were designed to help the country prevent Cholera outbreaks. The Committee further recommends that the Government must leverage the Global Champion Role that the Republican President plays to mobilise resources to make this important plan a reality.

### **3.3.3 Cost-Effective Studies on Boreholes and Piped Water Schemes**

The Committee observes that targets set for the construction of boreholes continue to increase while the number of piped water schemes remains consistently low. While it seems cheaper to construct boreholes, piped water schemes are seen to be more cost effective and have a wider reach per unit compared to boreholes. Piped water can also be channelled in many forms and is suitable for institutional facilities such as schools and health facilities.

The Committee recommends, therefore, that the Government should undertake studies to establish the most cost-effective approach to increasing access to water and sanitation between boreholes and piped water schemes.

### **3.3.4 Cost Reflective Prices for Commercial Water Users**

The Committee observes that commercial water tariffs are significantly lower than the average tariffs in the region, indicating a high level of Government subsidies for commercial water.

In this regard, the Committee recommends that the Government should implement cost-reflective rates for commercial water users to align pricing with international best practices and standards. Implementing cost-reflective pricing for commercial water users in Zambia can generate additional revenue to reinvest in water infrastructure, maintenance, and improvements.

### **3.3.5 Inadequate Investment in and Use of Large Water Resources**

The Committee is of the view that there is need for the Government to enhance its efforts in domestic resource mobilisation to harness Zambia's abundant water resources to ensure universal access to clean drinking water.

Therefore, the Committee recommends that the Government should forge partnerships with strategic partners and invest in technology and innovative solutions to ensure clean water and sanitation for all in line with SDG 6.

## **PART II**

### **4.0 FINDINGS OF THE COMMITTEE ARISING FROM THE CONSIDERATION OF THE 2024 BUDGET FOR HEAD 62 – MINISTRY OF ENERGY**

The Committee scrutinised the 2024 budget for the Ministry of Energy. The Ministry contributed to the *Economic Transformation and Job Creation* strategic development area of the 8NDP through the implementation of the following programmes: 2101 – Petroleum Development and Management; 2102 – Electricity Development and Electrification Management; 2103 – Renewable and Alternative Energy Development and Management; 2104 – Energy Sector Standards and Regulations; and 2199 – Management and Support Services.

#### **4.1 THE MINISTRY'S PROGRAMMES**

##### **4.1.1 Programme 2101 – Petroleum Development and Management**

The overall objective of this programme was to develop and manage the petroleum sub-sector so as to ensure the security of supply of petroleum products in Zambia. In the 2024 Budget, the programme had a total allocation of K276.1 million, representing 14.5 per cent of the Ministry's total budget. This represented an increase of 8 per cent from the allocation in the 2023 Budget.

##### **4.1.2 Programme 2102 – Electricity Development and Electrification Management**

The largest share of the Ministry's budget amounting to K1.5 billion, representing 78.7 per cent had been allocated to the Electricity Development and Electrification Management Programme, which had two Sub-programmes. This represented a 10.2 per cent reduction from the K1.6 billion allocation in the 2023 Budget. However, as a share of the Ministry of Energy's budget, there had been a reduction from 82 per cent in 2023 to 78.7 per cent in 2024. Of this amount, K1.1 billion had been allocated to Electricity Development and Management Sub-programme.

##### **4.1.3 Programme 2103 – Renewable and Alternative Energy Development and Management**

The overall objective of this programme was to facilitate and promote the use of renewable and alternative sources of energy and energy technologies. A total of K8.2 million had been allocated to the Ministry representing 0.4 per cent of the Ministry's total budget for 2024. Compared to 2023, the allocation had remained the same at K8.2 million. The allocation was intended to facilitate the diversification and strengthening of the energy mix in the energy sub-sector through the implementation of the energy sector reforms. However, the Committee observed with concern that

the Ministry targeted to install only four solar systems for electrification and water power systems in public institutions.

## **4.2 CROSS CUTTING AND EMERGING ISSUES**

### **4.2.1 Significant Decrease in Allocations**

The Committee learnt that a majority of the funds in the Ministry's 2024 budget, amounting to K1.5 billion or 78.7 per cent, had been allocated to the Electricity Development and Electrification Management Programme. This represented a decrease of 10.2 per cent compared to the 2023 budget allocation of K1.6 billion. However, as a portion of the Ministry of Energy's total budget, this represented a reduction from 82 per cent in 2023 to 78.7 per cent in 2024.

### **4.2.2 Rural Electrification Authority**

The Rural Electrification Authority (REA) had an unprecedented increase in its budgetary allocation of above K743 million for capital projects in the year 2023, compared to K362 million in the year 2022. However, the actual disbursements for the year 2023, as at 30<sup>th</sup> September, were only 32 per cent of the budgetary allocation. Further, the budgetary allocation to the Authority for the year 2024 declined to just above K409 million, representing 56 per cent of the 2023 budget allocation. The Committee expressed concern at the reduced funding to the Rural Electrification Fund for capital projects in 2024 as it would reduce the number of projects that could be implemented by REA. As a result, the number of connections and the electricity access rate that could be achieved by REA would decrease, thereby negating the Government's aspirations of achieving universal access to electricity by the year 2030.

### **4.2.3 Monthly Price Reviews**

The Committee noted that the cost of fuel constituted a significant cost centre for businesses in Zambia. Additionally, the monthly price reviews were found to disrupt the planning process and had introduced unpredictability. The Committee was further concerned that no measures had been specifically proposed in the 2024 National Budget to reduce the price of fuel in the short to medium term.

### **4.2.4 Energy Regulation Board**

It was submitted that the Energy Regulation Board (ERB) did exceedingly well in non-tax revenue collection beating targets for 2021, 2022 and was on track to beat targets set for 2023. This performance was due mainly to prudent debt collection, audits of licensees and debt enforcement activities, among other measures. Stakeholders submitted that the ERB used to keep 80 per cent of the funds that it collected, but that it was now required to deposit all the funds that it collected into Control 99. It was suggested, therefore, that at least 50 per cent of this money should

be retained by the ERB in order to enhance its operations and enable it to collect even more non-tax revenue.

#### **4.2.5 Office for the Promotion of Private Power Investment**

The Committee learnt that K1.1 billion allocation to the Office for the Promotion of Private Power Investment would help the institute to undertake full technical feasibility studies and establish the bankability of renewable energy projects whose absence had usually been a hindrance to securing private investments in the sector. This measure was seen as critical to reducing the barriers to entry and attracting independent power producers to the sector.

#### **4.2.6 INDENI Energy Company Limited**

In relation to INDENI Energy Company Limited, prior to 2022, the company operated as INDENI Petroleum Refinery, and it sustained its operations through income generated from processing fees. The Committee was informed that the company was in the process of transitioning into an Oil Marketing Company (OMC). While INDENI Energy Company Limited was a State-owned enterprise, which did not receive transfers from the National Budget, the Committee learnt that neither the Ministry of Energy nor Ministry of Finance and National Planning had an allocation towards capitalisation of the company. This was of particular concern to the Committee, as the company required about K178 million to cover its operational expenses during its transition into a fully-fledged OMC. Additionally, it was submitted that INDENI Energy Company Limited was grappling with a total debt of K362 million, which it owed to both local and international creditors. This debt had posed a substantial obstacle to the company's successful transition from its former role as a refinery to its current focus on bulk importation of petroleum finished products. Further, the company was faced with additional challenges due to ongoing lawsuits related to its outstanding debt.

### **4.3 COMMITTEE'S OBSERVATIONS AND RECOMMENDATIONS**

The Committee supports the allocation of K1.9 billion to the Ministry of Energy and, therefore, urges Expanded Planning and Budgeting Committee to recommend to the House the approval of the budget. In supporting the budget for the Ministry, the Committee makes observations and recommendations set out hereunder.

#### **4.3.1 Timely and Full Disbursement of Funds**

The Committee observes that the Rural Electrification Authority has an unprecedented increase in its budgetary allocation of K743.6 million for capital projects in the year 2023, compared to K362.2 million in the year 2022. However, the actual disbursements for the year 2023, as of 30<sup>th</sup> September, were only 32 per cent of the budgetary allocation.

In view of the foregoing, the Committee recommends that allocated funds be disbursed in accordance with agreed-upon timelines and in full by the end of each fiscal year. This proactive approach is essential to ensure the effective and efficient administration of funds within the sector.

#### **4.3.2 Strategic Reserves and Fuel Costs**

The Committee observed that the average price of Low Sulphur Gasoil (LSG) at the pump from January to September 2023 stood at K25.5 per litre, representing an increase from K23.8 per litre in the same period in 2022. Similarly, petrol prices during the same period averaged K26.6 per litre, compared with K23.3 per litre in the previous year. The increases in pump prices in 2023 were attributed to unfavourable exchange rate fluctuations and the international oil price volatility. The Committee expresses concern that high fuel costs lead to increased operating expenses for businesses, higher transportation costs for consumers, and an increase in the cost of living.

In light of the above, the Committee recommends that the Government should, as a matter of urgency, allocate resources towards improving petroleum infrastructure and the country's storage capacity. Furthermore, the Government should secure resources to construct additional fuel storage depots to increase the county's strategic reserves and possibly move from the monthly to quarterly fuel price reviews. Additionally, the Committee recommends that the Government should also explore effective exchange rate management strategies to mitigate fluctuations, thereby further contributing to fuel price stability and affordability for consumers.

#### **4.3.3 Cheaper Fuel Sources**

The Committee observes that the cost of refined oil/crude accounts for about 80 per cent of the cost components of the fuel pump price. It notes that Zambia imports its fuel through Tanzania at a very high cost when cheaper alternatives in the region, such as Angola, can be exploited.

In order to reduce the price of fuel in the short to medium term, the Committee recommends that the Government should look for cheaper sources of refined fuel such as Angola, given that its fuel has been the cheapest in the region. The Committee further recommends that in the long term, the Government should consider investing in building pipelines from Zimbabwe, Namibia, and Mozambique into Zambia to ensure security of supply.

#### **4.3.4 Reduction in Allocation to the Rural Electrification Programme**

The Committee notes with concern the reduction in the allocation to the Rural Electrification Programme for capital projects, from K743.6 million in 2023 to K409.4 million in 2024, which will negatively impact Zambia's ability to meet the SDG 7 of universal access to electricity by the year 2030.



The Committee recommends that the Government should allocate the same amount that was allocated in 2023 or increase it in order to allow the Rural Electrification Authority achieve its target of rural electricity access rate of 50.6 per cent by December 2026.

#### **4.3.5 Low Absorption Rate**

The Committee observes that the absorption rate of the funds allocated to the Ministry of Energy has declined to 47 per cent in 2023 compared to 96 per cent in 2022. The decline is largely due to lower than planned expenditure on the Electricity Development and Management Sub-programme.

In view of the foregoing, the Committee recommends that the Ministry should undertake a thorough review of the factors contributing to the significant decline in the absorption rate, including the late disbursements of funds and procurement bottlenecks, and implement measures to ensure that they do not reoccur. The Ministry is further encouraged to lobby the Ministry of Finance and National Planning for more timely releases of funds to this very important sector.

#### **4.3.6 TAZAMA Pipeline**

The Committee observes that the Tanzania-Zambia Mafuta (TAZAMA) Pipeline was successfully converted to carry finished petroleum products. The Committee also notes that the Government is in the process of opening up the use of the pipeline to multiple OMCs. This is commendable and the hope is that it will lead to more efficient price discovery. The Committee notes, however, that the pipeline caters for only 80 per cent of the national demand of LSG while the remaining 20 per cent is still transported by road.

In view of the foregoing, the Committee recommends that the Government should expand the current pipeline to cater for 100 per cent of the demand in the short to medium term as the demand for petroleum products is expected to rise with the resumption of operations at Konkola Copper Mine and in light of the targeted mining output of 3 million tonnes by 2030. Further, the Government must consider embarking on greenfield pipeline investments between Copperbelt and North-Western Provinces and Ndola and Lusaka, using appropriate financing models in order to benefit from the perceived lower cost-to-asset ratio that pipeline transportation offers.

#### **4.3.7 INDENI Energy Company Limited**

The Committee notes that INDENI Energy Company Limited has not been allocated funding in the 2024 Budget towards recapitalisation for the successful implementation of its new business model of importing finished petroleum products and reselling at wholesale. Consequently, the company has been actively exploring

Public-Private Partnerships (PPP) as a financing option to facilitate the implementation of their new business model. However, this approach raises concerns regarding private interests in a critical national strategic asset.

In view of the foregoing, the Committee recommends that the Government should adequately recapitalise INDENI in order for it to complete its transition into an OMC.

The Committee further notes that as an alternative, INDENI is exploring the option of an equity partner. In the absence of a suitable equity partner, the Committee recommends that the Government should consider clearing INDENI's debt and extending a loan facility. The Committee further recommends that INDENI should be given partial exclusivity of the TAZAMA Pipeline.

#### **4.3.8 Lack of an Institutional Implementation Plan**

The Committee notes that the Ministry has no approved Implementation Plan in line with *Section 26(1) of the National Planning and Budgeting Act, 2020*, which requires the preparation of an Implementation Plan within four months of the National Development Plan coming into operation. The Committee wonders what the basis of the Ministry's 2024 budget estimates is in the absence of an Implementation Plan.

The Committee recommends that the Ministry urgently prepares its Implementation Plan so as to comply with the Law.

#### **4.3.9 Lengthy Procurement Process**

The Committee observes that lengthy procurement processes that last as long as six months are some of the major contributors to the low implementation of projects by the Rural Electrification Authority, leading to rolling over of committed projects to the following year.

In view of the foregoing, the Committee urges the Government to review the *Public Procurement Act, 2020* to address bureaucracies in the procurement process.

### **PART III**

## **5.0 FINDINGS OF THE COMMITTEE ARISING FROM THE CONSIDERATION OF THE 2024 BUDGET FOR HEAD 68 – MINISTRY OF TOURISM**

The Committee scrutinised the 2024 budget for the Ministry of Tourism. The Ministry contributed to the *Economic Transformation and Job Creation* cluster of the 8NDP through the implementation of the following programmes: 2127 – Wildlife

Conservation and Management; 2128 – Tourism Development and Promotion; 2129 – Culture Preservation and Development; and 2199 – Management and Support Services.

## **5.1 THE MINISTRY’S PROGRAMMES**

### **5.1.1 Programme 2128 – Tourism Development and Promotion**

This programme had an overall objective of facilitating the development of tourism attractions such as hotels and lodges, enhancing skills in the tourism sector and marketing Zambia as a tourism destination of choice. Its allocation in the Ministry’s budget for 2024 is K160.7 million, representing 20.9 per cent of the Ministry’s budget. The allocation reduced from 26 percent in 2023 to 20.9 per cent of the Ministry’s budget. The Committee noted with concern that the marketing and promotions budget for 2024, had remained the same at K50 million (\$2.5 million). In comparison, similar national tourism organisations in the region like Botswana and Zimbabwe received an average of \$7 million and \$8 million annually, respectively.

## **5.2 CROSSCUTTING AND EMERGING ISSUES**

### **5.2.1 Sluggish Implementation of Public Infrastructure Development Projects**

Stakeholders submitted that one of the notable developments in the budget is an allocation of K102.7 million for infrastructure development, a striking contrast to the lack of allocation in 2022 and 2023. However, it was revealed that there were challenges of sluggish implementation of public infrastructure development projects despite the availability and timely release of funds.

### **5.2.2 Increased Tourist Arrivals**

The Committee learnt that the unilateral waiver of tourist visa requirements for citizens from selected countries had led to a 22 per cent increase in international tourist arrivals in the first half of 2023. Similarly, the length of stay of tourists in Zambia had also increased to four days in 2023 from 3 days in 2022.

### **5.2.3 Tourism Satellite Account**

The Committee was informed that, the Government would establish a Tourism Satellite Account (TSA) to comprehensively capture trade in tourism services. This was commendable and a long overdue move which would guide informed decisions on tourism marketing, product development, and regulations in the sector. It was further submitted that this initiative will help the Ministry accurately track domestic tourism numbers, which were thought to be heavily under reported.

### **5.3 COMMITTEE’S OBSERVATIONS AND RECOMMENDATIONS**

The Committee supports the allocation of K769 million to the Ministry of Tourism and, therefore, urges the Expanded Planning and Budgeting Committee to recommend to the House the approval of Budget. In supporting the budget for the Ministry, the Committee makes observations and recommendations as set out hereunder.

#### **5.3.1 Green, Resilient and Transformation Tourism Development Project**

The Committee commends the Government for successfully securing a US\$100 million World Bank funded Green, Resilient and Transformation Tourism Development Project to address infrastructure challenges that hinder access to Kasaba Bay and Liuwa National Park in the Northern and Southern circuits, respectively.

The Committee recommends that the Government must streamline its procedures and processes to prevent any bureaucratic bottlenecks that can slow down the use of these funds for the intended purposes.

#### **5.3.2 Visa Waivers and Tax Reliefs**

The Committee notes the decision by the Government to maintain waivers around visas and tax reliefs in the sector. The measure on Visa waivers saw a surge in international tourist arrivals within the first half of 2023, thereby registering a 22 per cent increase in international tourists with a total number of six hundred and five thousand, six hundred and fifty (605,650) compared to four hundred and ninety-six thousand, four hundred and fifty-six (496,456) in the same period in 2022. While this is commendable, more still needs to be done as Zambia still lags behind its regional comparators such as South Africa and Tanzania in international tourist arrivals and length of stay, which averaged thirteen and eleven days, respectively.

In light of the above, the Committee recommends that the Government should diversify its tourism offerings by promoting cultural experiences and facilitating easy access to its various attractions in the Northern Circuit through improved infrastructure and travel services. This is the only way that these waivers and incentives will have a meaningful effect on the overall tourism sector.

#### **5.3.3 Tourism Marketing and Promotion**

The Committee observes that the marketing and promotions budget for 2024, has remained the same as K50 million (\$2.5million) has been allocated to the enhanced marketing budget and K8 million (\$400,000) has been allocated for marketing and promotion. While appreciating Zambia’s limited resource envelope, it is important to note that neighbouring countries such as Botswana, Zimbabwe, Namibia allocate an

annual average of US\$7million, US\$8 million and US\$9 million, respectively, towards tourism marketing and promotion.

In this regard, the Committee recommends that the Government should increase the allocation towards this important activity to boost the promotion of Zambia as a preferred destination, develop infrastructure, enhance standards, improve specialised industry training and ultimately contribute to the growth and sustainability of the tourism industry. The Committee further recommends that the Government undertake a cost-benefit analysis of sponsorship deals, like those seen between Rwanda and prominent football clubs such as Arsenal, Bayern Munich, and PSG, before considering similar marketing and promotion activities.

#### **5.3.4 Northern Circuit**

The Committee notes, with concern, the significant underdevelopment of the Northern Tourism Circuit, despite its rich assets including pristine waterfalls, lakes, wildlife, animal sanctuaries, traditional ceremonies, and untouched white-sandy beaches. Furthermore, it observes that the Government's focus appears to be primarily on the already relatively established Southern Circuit, leaving the vast potential of the Northern Circuit largely untapped.

In light of the above, the Committee recommends that the Government should allocate resources to enhance the opening up of access roads and infrastructure in the Northern Circuit in a bid to open up and diversify tourism offerings, boost local economies, and create a more comprehensive and attractive tourism landscape for both domestic and international visitors.

#### **5.3.5 Collaboration in Development of Special Interest Tourism**

The Committee observes that there is a lack of coordination between the Ministry of Tourism and other ministries in developing special interest tourism offerings such as medical tourism, cultural tourism and sports tourism.

The Committee, therefore, recommends that the Government should ensure that more coordination takes place to harness the potential of special interest tourists. For instance, Zambia has a well developed private and public health care system, which provides specialised medical services such as diagnostic and curative care. Given that not all neighbouring countries possess equivalent medical infrastructure, the Ministry of Tourism and the Ministry of Health should work together to develop extensive marketing strategies for medical services in Zambia.

#### **5.3.6 Lack of Institutional Strategic and Implementation Plans**

The Committee notes that the Ministry of Tourism has no approved Strategic and Implementation Plans in line with *Section 26(1) of the National Planning and Budgeting Act, 2020*, which requires that the Strategic Plan and Implementation Plan be

prepared within four months of the coming into operation of the National Development Plan. The Committee, therefore, wonders what the basis of the Ministry's 2024 budget estimates are in the absence of an Implementation Plan. Accordingly, the Committee recommends that the Ministry should urgently finalise the preparation of its Strategic and Implementation Plans in order to comply with the law.

## **6.0 CONCLUSION**

The Committee acknowledges that the 2024 National Budget was formulated within a constrained fiscal space and commends the Government for its efforts to achieve its national development goals. However, the Committee expresses concern over the reduced allocations to the energy sector, as well as water and sanitation sectors, given their vital role in the achievement of both national and international development goals and in improving the lives of the Zambian people.

The Committee has identified procurement rigidities as a significant obstacle to the implementation of successive National Budgets. Procurement bottlenecks have led to substantial challenges as Ministries, Provinces, and Spending Agencies often find themselves entangled in an eight-month procurement processes within a twelve-month budget cycle, for instance. Additionally, the Committee highlights the need to protect Civil Servants in the execution of their duties, as many are reluctant to award contracts to local contractors who frequently encounter numerous audit queries, in comparison with foreign firms.

Mr Chanda Katotobwe, MP  
**VICE CHAIRPERSON**

October, 2024  
**LUSAKA**

## **APPENDIX I**

### **List of National Assembly Officials**

Mr Charles Haambote, Principal Clerk of Committees (FC)

Mrs Angela M Banda, Acting Deputy Principal Clerk of Committees (FC)

Ms Chitalu R Mulenga, Senior Committee Clerk (FC 2)

Mr Leon J N Haangala, Committee Clerk

Mrs Ruth T Mwila, Administrative Assistant II

Mr Daniel Lupiya, Committee Assistant

Mr Muyembi Kantumoya, Parliamentary Messenger

Mr Eugene Maliwa, Intern

## **APPENDIX II**

### **List of Witnesses**

Ministry of Energy

Ministry of Water Development and Sanitation

Ministry of Tourism

The Parliamentary Budget Office – National Assembly of Zambia

Policy Monitoring and Research Centre

NGO WASH Forum

Rural Electrification Authority

Energy Regulation Board

National Water Supply and Sanitation Council

Zambia Tourism Agency

INDENI Energy Company Zambia

ZESCO Limited

Water Resources Management Authority

African Parks

Zambia Institute for Policy Analysis and Research





**REPUBLIC OF ZAMBIA**

**APPENDIX III (III) TO THE REPORT OF THE EXPANDED PLANNING AND  
BUDGETING COMMITTEE ON THE ESTIMATES OF REVENUE AND  
EXPENDITURE FOR THE FINANCIAL YEAR 1<sup>ST</sup> JANUARY TO 31<sup>ST</sup> DECEMBER,  
2024**

**COMMITTEE ON NATIONAL SECURITY AND FOREIGN AFFAIRS ON THE  
SECTOR ESTIMATES OF REVENUE AND EXPENDITURE FOR THE FINANCIAL  
YEAR 1<sup>ST</sup> JANUARY TO 31<sup>ST</sup> DECEMBER, 2024**

**FOR THE THIRD SESSION OF THE THIRTEENTH NATIONAL ASSEMBLY**

*Published by the National Assembly of Zambia*

## **FOREWORD**

The Chairperson, Expanded Planning and Budgeting Committee, the Committee on National Security and Foreign Affairs has the honour to present its Budget Analysis Report on Estimates of Revenue and Expenditure for Head 11 ó Zambia Police Service; Head 15 ó Ministry of Home Affairs and Internal Security; and Head 17 ó Ministry of Foreign Affairs and International Cooperation for the Financial Year 1<sup>st</sup> January to 31<sup>st</sup> December, 2024.

The functions of the Committee are stipulated in Standing Order No197(k) and 198 of the National Assembly Standing Orders, 2021.

In accordance with its Programme of Work, the Committee requested detailed memoranda from various stakeholders. The stakeholders were also invited to appear before the Committee to speak to their memoranda in order to afford the Committee an opportunity to make clarifications on issues contained in the memoranda. The Committee held eight meetings, and the list of stakeholders who provided memoranda and appeared before the Committee is at Appendix II.

The Committee's Report is organised in three parts. Part I presents a background to the matters under consideration. Part II presents submissions and concerns from stakeholders on the Budget Heads. The findings of the Committee and its recommendations are in Part III of the Report.

The Committee is grateful to all stakeholders who tendered both written and oral submissions. The Committee further wishes to thank the Madam Speaker, for affording it an opportunity to carry out its work. The Committee also appreciates the services rendered by the Office of the Clerk of the National Assembly during its deliberations.

Ms Sibongile Mwamba, MP  
**VICE CHAIRPERSON**

October, 2023  
**LUSAKA**

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## 1.0 COMPOSITION OF THE COMMITTEE

The Committee consisted of Ms Sibongile Mwamba, MP (Vice Chairperson); Mrs Chrizoster P Halwiindi, MP; Mr Christopher Chibuye, MP; Mr Cliff Mpundu, MP; Mr Mubika Mubika, MP; Mr Lusale J Simbao, MP; Mr Yotam Mtayachalo, MP; Mr Philemon Twasa, MP; and Mr Derrick Chilundika, MP.

## PART I

### 2.0 BACKGROUND

The Committee on National Security and Foreign Affairs was tasked to review the Estimates of Revenue and Expenditure for the Financial Year 1<sup>st</sup> January to 31<sup>st</sup> December, 2024. The Committee considered the 2024 Budget allocations to Heads 11 ó Zambia Police Service; Head 15 ó Ministry of Home Affairs and Internal Security; and Head 17 ó Ministry of Foreign Affairs and International Cooperation. The consideration of the 2024 Budget was conducted within the context of the Vision 2030, 8NDP and the Institutional Strategic and Implementation Plans for the Zambia Police Service; Ministry of Home Affairs and Internal Security; and the Ministry of Foreign Affairs and International Cooperation. This was in line with section 26 of the *National Planning and Budgeting Act, No 1 of 2020* which provides as follows:

- (1) *A ministry, provincial office, local authority and spending agency that receive an appropriation or appropriation-in-aid shall prepare a five-year institutional strategic and implementation plan within four months of the coming into operation of the National Development Plan.*
- (2) *An institutional strategic and implementation plan shall specify how the ministry, provincial office, local authority and spending agency will contribute to the achievement of the development targets set out in the National Development Plan.*
- (3) *An institutional strategic and implementation plan prepared in accordance with subsection (1), shall form the basis of medium-term and national budget estimates of a ministry, provincial office, local authority and spending agency.*

The 2024 Budget under the theme “Unlocking Economic Potential” focused on four key thematic areas listed below:

1. Economic transformation and job creation;
2. Human and social development;
3. Environmental sustainability; and
4. Good governance environment.

In reviewing the Estimates of Revenue and Expenditure for the Financial Year Ended 31<sup>st</sup> December, 2024, the Committee had the occasion to review previous funding approvals, releases and actual expenditures; and to analyse the 2024 National Budget. The budget analysis focused

on Heads 11 ó Zambia Police Service; Head 15 ó Ministry of Home Affairs and Internal Security; and Head 17 ó Ministry of Foreign Affairs and International Cooperation.

The Zambia Police Service was responsible for the provision and maintenance of internal security, and its core functions were outlined in Article 193(2) of the *Constitution of Zambia*.

The functions of the Zambia Police Service were among others to:

- (i) protect life and property;
- (ii) preserve peace and maintain Law and order;
- (iii) ensure the security of the people;
- (iv) detect and prevent crime; and
- (v) uphold the Bill of Rights.

In the 2023 National Budget, the Government allocated K2,146,465,832 to the Zambia Police Service programmes (Crime Prevention and Policing Services; Crime Detection and Investigation Services; Police Technical and Specialised Services; and Management and Support Services); and K2,637,623,403 was allocated in 2024.

The Ministry of Home Affairs and Internal Security was mandated to provide and maintain internal security in order to promote sustainable socio-economic development. The mandate of the Ministry was discharged through various departments and specialised agencies, which among others included: Zambia Police Service; Zambia Correctional Service; Drug Enforcement Commission; Department of Immigration; and the Department of National Registration.

In the 2023 National Budget, under Head 15 ó Ministry of Home Affairs and Internal Security, the Government allocated K425,056,151; and in 2024, K548,773,625 was allocated.

The Ministry of Foreign Affairs and International Cooperation is mandated to provide for coordination of Missions, Diplomatic Corporations, Foreign Policy, Foreign Service Trading, International and Regional Corporation, International Relations and Treaties.

In the 2023 National Budget, Ministry of Foreign Affairs and International Cooperation was allocated K1,492,242,300; and in 2024, K1,519,543,722 was allocated.

## **PART II**

### **3.0 SUMMARY OF SUBMISSIONS AND CONCERNS BY STAKEHOLDERS**

#### **3.1 Budget Allocations by Year for Head 11: Zambia Police Service**

<b>Year</b>	<b>Approved Budget</b>
2022	K1,591,247,741
2023	K2,146,465,832
2024	K2,637,623,403

Stakeholders submitted that there had been a steady increase in allocations towards the Zambia Police Service from 2022 to 2024. In the 2022 National Budget K1,591,247,741 was allocated. In the 2023 National Budget K2,146,465,832 was allocated and in the 2024 National Assembly was allocated K2,637,623,403. The increase in budget allocations from 2022 to 2024 was 22.9 per cent.

### 3.2 Budget Allocations by Programme for Head 11: Zambia Police Service

Programme	2022 Approved Budget	2023 Approved Budget	2024 Approved Budget
Personal Emoluments	K1,405,575,478	K1,890,186,110	K2,280,425,256
Goods and Services	K185,094,161	K202,891,190	K322,744,459
Infrastructure Development	K578,102	K53,388,532	K34,463,688

The stakeholders were hopeful that the increased allocations towards the Zambia Police Service in the 2023 and 2024 national budgets would translate into enhanced service delivery. Stakeholders, however, noted that personal emoluments were the largest component of the Zambia Police Service allocation constituting 88 per cent in the 2023 National Budget and 86 per cent in the 2024 National Budget. The allocation for goods and services had also increased from K202,891,190 in the 2023 National Budget to K322,744,459 in the 2024 National Budget. Despite these increases, stakeholders observed a reduction in allocations to infrastructure development from K53,388,532 in the 2023 National Budget to K34,463,688 in the 2024 National Budget. This represented a reduction of 35 per cent.

### 3.3 Consideration of the 2024 National Budget for Head 15: Ministry of Home Affairs and Internal Security

Stakeholders submitted that in the 2024 National Budget, the Government proposed to spend K6.8 billion towards the Public Order and Safety function, of which K250 million would be for the implementation of the Integrated National Registration Information System. The allocation to this function would also be used to rehabilitate prison infrastructure, as well as complete the construction and rehabilitation of police posts and stations.

Stakeholders stated that the Internal Security Support Services Programme had been allocated a total of K36.4 Million, out of which K5.9 Million had been allocated to the Police and Public Complaints Management Sub-programme to manage and investigate complaints against police officers' misconduct while on duty.

The Forensic Services Management Programme had been allocated a total of K28.7 Million, out of which K8.2 million had been allocated to the Forensic Pathology Services Sub-programme, K6.2 Million was allocated towards the Forensic Standards and Regulations Sub-programme and K14.2 Million was allocated to the Forensic Biometric Services Sub-programme.

### **3.4 Consideration of the 2024 Budget for Head 17: Ministry of Foreign Affairs and International Cooperation**

Stakeholders submitted that the 2024 National Budget allocation to the Ministry of Foreign Affairs was inadequate, especially in the spirit of promoting effective Political and Economic Diplomacy. The Committee learnt that out of the 2024 National Budget allocation of K1,519,543,722, the largest amount of K1,300,000,000 was allocated for personal emoluments, while Programme 3455 ó Foreign Policy was only allocated K23,168,546.

## **PART III**

### **4.0 FINDINGS OF THE COMMITTEE ARISING FROM THE CONSIDERATION OF THE 2024 NATIONAL BUDGET FOR HEAD 11 – ZAMBIA POLICE SERVICE**

#### **4.1 Head 11: Zambia Police Service**

<b>Year</b>	<b>Expenditure Classification by Programme</b>	<b>Approved</b>
2022	Programme Allocation	<b>K1,591,247,741</b>
2023	Programme Allocation	<b>K2,146,465,832</b>
2024	Programme Allocation	<b>K2,637,623,403</b>

The Committee observed a notable increase in the approved amounts towards the Zambia Police Service, from 2022 to 2024 national budgets. The Zambia Police Service budget allocation for the 2022 National Budget was K K1,591,247,741. In the 2023 National Budget, the allocation was K K2,146,465,832, while in the 2024 National Budget K2,637,623,403 was allocated. This represented an increase of 19.8 per cent.

The Committee noted that the budget allocation for personal emoluments had increased from K1,890,186,107 in the 2023 National Budget to K2,280,415,256 in the 2024 National Budget, representing an increase of 20 per cent. The increase in personal emoluments was necessitated by the recruitment of 2000 police officers and plain cloth allowance for detectives. Similarly, the allocation to operations had increased from K103,034,161 in the 2023 National Budget to K120,990,304 in the 2024 National Budget. The allocation for utilities for 2023 and 2024 had been maintained at K13,947,077. Further, the allocation for food rations had increased from K56,925,973 in the 2023 National Budget to K131,925,973 in the 2024 National Budget, representing an increase of 131.75 per cent.

The allocation for other programmes had increased from K21,842,512 in the 2023 National Budget to K30,063,974 in the 2024 National Budget, representing an increase of 37.6 per cent. The breakdown for the budget allocations was as follows:

- (i) Personal Emoluments - K2,280,415,256
- (ii) Operations - K120,990,304
- (iii) Utilities - K13,947,077

- (iv) Food Rations - K131,925,973
- (v) Other Programmes - K30,063,974
- (vi) Appropriation In Aid - K9, 530,000

In the 2023 National Budget, the Zambia Police Service projected to collect non-tax revenue amounting to K80,139,728.58. As at 31<sup>st</sup> July, 2023, the Institution had managed to collect K45,704,565.42, representing 57 per cent collection of the projected amount. In the 2024 National Budget, the Zambia Police Service projected to collect non-tax revenue of K98,853,175.

In executing its 2023 budget, the Zambia Police Service experienced, among others, a challenge of failure to meet set targets due to inadequate budget allocation. The Committee learnt that National Budget allocations to the Zambia Police Service had not been adequate to implement all the planned programmes.

#### **4.2 COMMITTEE’S OBSERVATIONS AND RECOMMENDATIONS**

The Committee observes that the largest component of the budget allocation to the Zambia Police Service in the 2024 National Budget is for personal emoluments, and very little of the allocation was for the provision of goods and services. The Committee also observes that the National Budget allocation towards infrastructure development had reduced in the 2024 National Budget and this reduction may result in failure to meet the set targets.

The Committee, therefore, urges the Government to consider allocating more funds to the Zambia Police Service for infrastructure development. The Committee further recommends that the Government should prioritise construction of police houses, police stations and posts.

#### **5.0 FINDINGS OF THE COMMITTEE ARISING FROM THE CONSIDERATION OF THE 2024 NATIONAL BUDGET FOR HEAD 15 – MINISTRY OF HOME AFFAIRS AND INTERNAL SECURITY**

##### **5.1 Head 15: Ministry of Home Affairs and Internal Security**

<b>Year</b>	<b>Approved Budget</b>
2022	269,561,508
2023	425,056,151
2024	548,773,625

There was a notable increase in the approved amounts towards the Ministry of Home Affairs and Internal Security from the 2022, to 2023 and 2024 National Budget allocations. In terms of actual approved allocations, the Ministry of Home Affairs and Internal Security proposed budgetary allocation for the year 2024 was K548,773,625 compared to K425,056,151 allocated in 2023.



## 5.2 Budget Approved, Released and Expenditure by Programme and Sub Programme

Year	Approved	Released	Actual Expenditure
2021	K71,150,699	K68,506,859	K61,574,362
2022	K71,504,665	K183,824,544	K162, 617,411
2023	K275,526,906	K170,638,199	K113,035,792

Regarding the past years' trends for total allocations to programmes and sub-programmes expenditure for the Ministry, in the 2021 National Budget K71,150,699 was approved, K68,506,859 was released and K61,574,362 was expended. In the 2022 National Budget K71,504,665 was approved, K183,824,544 was released and K162, 617,411 was expended. In the 2023 National Budget K275,526,906 was approved K170,638,199 was released and K113,035,792 was expended.

## 5.3 Expenditure by Economic Classification

With regards to expenditure by economic classification, in the 2021 National Budget, K230,301,716 was released and only K211,088,774 was expended. This was also the case in 2022 and 2023 national budgets, where what was released could not be expended in full.

In executing its Budgets, the Ministry of Home Affairs and Internal Security experienced the challenges outlined below.

### (i) Inadequate Correctional Service Facilities in the Country

The Committee learnt that most of the correctional service facilities in the country had limited space, resulting in overcrowding. In the same vein, the Committee also learnt that physical conditions in prisons and detention centres had remained harsh and life threatening due to overcrowding, lack of safe and clean water, and poor sanitation.

### (ii) Delayed Disbursement of Funds

The Committee learnt that there was delay in the disbursement of funds from the Treasury to the Ministry of Home Affairs and Internal Security, resulting in unmet targets. According to expenditure by economic classification, in the 2021, National Budget K230,301,716 was released and only K211,088,774 was expended. This was also the case in the 2022 and 2023 budgets, where what was released could not be utilised or expended in full. The reasons attributed to this were among others, delayed disbursement of funds from the Treasury, and also lengthy procurement processes.

## 5.4 COMMITTEE'S OBSERVATIONS AND RECOMMENDATIONS

- (i) The Committee observes that most of the correctional service facilities in the country have limited space, resulting in overcrowding. The Committee is also concerned that physical conditions in prisons and detention centres have remained harsh and life threatening due to overcrowding, lack of safe and clean water, and poor sanitation.

The Committee, therefore, urges the Government to ensure that the Ministry of Home Affairs and Internal Security is allocated sufficient funds which will be directed towards

construction of new correctional facilities, detention centres in some instances and also renovation of the existing dilapidated facilities.

- (ii) The Committee observes with great concern the delay in the disbursement of funds from the Treasury to the Ministry of Home Affairs and Internal Security, as it has negatively affected the implementation of programmes. The Committee further observes that not all the funds that were released were expended, due to delayed disbursement of funds from the Treasury, and lengthy procurement processes.

The Committee, therefore, urges the Government to ensure timely release of funds in order for the Ministry of Home Affairs and Internal Security to implement its programmes according to set targets and timeframes.

## **6.0 FINDINGS OF THE COMMITTEE ARISING FROM THE CONSIDERATION OF THE 2024 NATIONAL BUDGET FOR HEAD 17 – MINISTRY OF FOREIGN AFFAIRS AND INTERNATIONAL SECURITY**

### **6.1 Head 17: Ministry of Foreign Affairs and International Cooperation**

<b>Year</b>	<b>Approved Budget</b>
2022	1,756,825,130
2023	1,492,242,300
2024	1,519,543,722

The Committee noted an increase in the approved amounts towards the Ministry of Foreign Affairs and International Cooperation from the 2022 to 2023 and 2024 national budget allocations. The actual approved allocations for the Ministry of Foreign Affairs and International Cooperation for the previous budgets were as follows: in the 2024 National Budget, the proposed budgetary allocation was K1,519,543,722 compared to K1,492,242,300 which was allocated in 2023.

### **6.2 Budget Approved, Released and Expenditure by Programme and Sub Programme**

<b>Year</b>	<b>Approved</b>	<b>Released</b>	<b>Actual Expenditure</b>
<b>2021</b>	K1,923,497,782	K1,848,393,954	K1,524,420,528
<b>2022</b>	K2,153,655,457	K1,573,608,016	K1,456,097,325
<b>2023</b>	K1,492,242,300	K1,165,403,293	K990,406,617

Trends in the past years regarding total allocations to programmes and sub-programmes revealed that in the 2021 National Budget, K1,923,497,782 was approved, K1,848,393,954 was released and K1,524,420,528 was expended. In the 2022 National Budget, K2,153,655,457 was approved, K1,573,608,016 was released and K1,456,097,325 was expended. In the 2023 National Budget, K1,492,242,300 was approved, K1,165,403,293 was released and K990,406,617 was expended.

Under expenditure by programme and sub programme, in the 2021 National Budget, under Programme 3436005 ó Missions Abroad ó Management, K96,402,568 was approved and

released yet only K2,968,104 was expended. Under Missions Abroad ó Mortgage Finance, K221,679,246 was approved and released but only K949,963 was expended.

In the 2023 National Budget, under Missions Abroad ó Infrastructure, K68,000,000 was approved, K25,602,502 was released and only K9,829,303 was expended. The variance in terms of what was allocated and what was expended was attributed to contractual challenges which resulted into delayed processes, thereby slowing down construction and rehabilitation works.

### **6.3 Expenditure by Economic Classification**

Regarding expenditure by Economic Classification, K1,848,393,954 was released in the 2021 National Budget, but only K1,524,420,526 was expended. This was also the case in the 2022 and 2023 national budgets, where what was released could not be utilised or expended in full.

In executing its Budget, the Ministry of Foreign Affairs and International Cooperation experienced the g challenges outlined below.

#### **(i) Inadequate Budget Allocation to Head 17: Ministry of Foreign Affairs and International Cooperation**

The Committee learnt that the 2024 National Budget allocation to the Ministry of Foreign Affairs and International Cooperation was inadequate, especially in the spirit of promoting effective political and economic diplomacy. The Committee learnt that regarding the 2024 National Budget allocation of K1,519,543,722 to the Ministry, the largest share of K1.3 billion was allocated to personal emoluments, while Programme 3455 ó Foreign Policy was only allocated K23,168,546.

#### **(ii) Underutilisation of Funds under Programme 3436009: Missions Abroad - Infrastructure**

The Committee learnt that there was underutilisation of funds on Programme 3436009: Missions Abroad ó Infrastructure. In the 2023 National Budget, K68,000,000 was approved and K25,602,502 was released, yet only K9,829,303 was expended. The reasons attributed to this were among others, delayed disbursement of funds from the Treasury, contractual challenges, lengthy construction approval and project supervision processes.

### **6.4 COMMITTEE'S OBSERVATIONS AND RECOMMENDATIONS**

The Committee observes that the budget allocation to the Ministry of Foreign Affairs and International Cooperation is insufficient to adequately implement foreign policy. The Committee further observes that Political and Economic Diplomacy have not been fully funded to guarantee the required benefits that arise from effective foreign policy implementation. Further, the Committee observes that there was underutilisation of funds on Missions Abroad ó Infrastructure in the previous programme allocations. The reasons attributed to this were among others, delayed disbursement of funds from the Treasury, contractual challenges, lengthy construction approvals and project supervision processes. The Committee is, therefore, concerned that the 2024 National Budget allocation for Infrastructure Maintenance may also be negatively affected by similar challenges.

The Committee, therefore, makes the recommendations outlined below.

- (i) The Government should consider allocating additional funds of K248,757,500 to the Ministry of Foreign Affairs and International Cooperation so that the total allocation could amount to K1,768,301,222. The additional funds could be directed to the Programmes contained in the table below.

No	Programme Description	Required Amount
1	Ministerial Restructuring	K700,000.00
2	Rehabilitation of Charter House	7,700,000.00
3	Purchase of Assets (furniture and Motor Vehicles	K26,200,000.00
4	ZIDIS Grant	K4,037,500.00
5	Financial and Management Compliance Audit Inspections in Missions	K5,500,000.00
6	Election Observation Missions: Sothern Africa Development Community (SADC) Elections and Great Lakes Region	K10,300,000.00
7	SADC Ministerial Committee of the Organ : Ordinary and Extraordinary Meetings	K5,000,000.00
8	Maintenance of Mission Properties	K197,000,000.00
<b>TOTAL</b>		<b>K248,737,500.00</b>

- (ii) The Government should, as a matter of urgency, consider addressing the delayed disbursement of funds from the Treasury; the contractual challenges; lengthy construction approval, as well as project supervision processes.

## 7.0 CONCLUSION

The Committee on National Security and Foreign Affairs was tasked to scrutinise the 2024 Budget allocations for three institutions, namely; Zambia Police Service; Ministry of Home Affairs and Internal Security; and Ministry of Foreign Affairs and International Cooperation.

The Committee wishes to thank all the stakeholders who appeared before it and made both oral and written submissions. It further wishes to that the Honourable Madam Speaker, for affording it an opportunity to consider the sector Estimates of Revenue and Expenditure for the 2024 National Budget allocations to the Zambia Police Service; Ministry of Home Affairs and Internal Security; and the Ministry of Foreign Affairs and International Cooperation. Further gratitude goes to the Clerk of the National Assembly and his staff for their assistance and advice throughout the Committee's deliberations.

Ms Sibongile Mwamba, MP  
VICE CHAIRPERSON

October 2023

## **APPENDIX I – LIST OF NATIONAL ASSEMBLY OFFICIALS**

Mrs Doreen N C Mukwanka, Acting Principal Clerk of Committees (SC)

Mrs Chitalu K Mumba, Deputy Principal Clerk of Committees (SC)

Mr Geoffrey Zulu, Senior Committee Clerk (SC II)

Mr Evans Chilongu, Committee Clerk

Ms Anita Mulale, Administrative Assistant

Mr Daniel Lupiya, Committee Assistant

Mr Muyembi Kantumoya, Parliamentary Messenger

## **APPENDIX II – LIST OF STAKEHOLDERS**

Ministry of Home Affairs and Internal Security  
Ministry of Foreign Affairs and International Cooperation  
Zambia Police Service  
Human Rights Commission  
MISA Zambia  
Transparency International ó Zambia  
Policy Monitoring and Research Centre  
Jesuit Centre for Theological Reflection  
Southern African Centre for Constructive Resolution of Disputes



**REPUBLIC OF ZAMBIA**

**APPENDIX III (IV) TO THE REPORT OF THE EXPANDED PLANNING AND  
BUDGETING COMMITTEE ON THE ESTIMATES OF REVENUE AND  
EXPENDITURE FOR THE FINANCIAL YEAR 1<sup>ST</sup> JANUARY TO 31<sup>ST</sup> DECEMBER,  
2024**

**COMMITTEE ON EDUCATION, SCIENCE AND TECHNOLOGY ON THE SECTOR  
ESTIMATES OF REVENUE AND EXPENDITURE FOR THE FINANCIAL YEAR 1<sup>ST</sup>  
JANUARY TO 31<sup>ST</sup> DECEMBER, 2024,**

**FOR THE THIRD SESSION OF THE THIRTEENTH NATIONAL ASSEMBLY**

*Published by the National Assembly of Zambia*

## **FOREWORD**

Chairperson, The Committee on Education, Science and Technology has the honour to present its Report for the Third Session of the Thirteenth National Assembly, on the Estimates of Revenue and Expenditure for the Financial Year 1<sup>st</sup> January to 31<sup>st</sup> December 2024, for Head 9 – Teaching Service Commission, Head 66- Ministry of Technology and Science and Head 80- Ministry of Education.

The Committee, in considering the 2024 Estimates of Revenue and Expenditure for the three Heads of Expenditure, held eight meetings during which it examined the submissions from various stakeholders. The stakeholders were also invited to appear before the Committee to make oral presentation and to clarify any emerging issues. The list of stakeholders who provided memoranda and appeared before the Committee is at Appendix II.

The Committee's Report is in three parts. Part I gives the Committees findings arising from the consideration of the Budget for Head 80 – Ministry of Education, Part II outlines the findings emanating from the consideration of the Budget for Head 66 -Ministry of Science and Technology, while Part III outlines the findings arising from the consideration of the Budget for Head 9 – Teaching Service Commission.

The Committee is grateful to all stakeholders who tendered both written and oral submissions. The Committee also appreciates the services rendered by the Office of the Clerk of the National Assembly during its deliberations.



## **ACRONOMYS**

Eighth National Development Plan (8NDP)

Monitoring and Evaluation (M&E)

National Institute for Scientific and Industrial Research (NISIR)

Technical Education, Vocational and Entrepreneurship Training Authority (TEVETA)

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## **1.0 COMPOSITION OF THE COMMITTEE**

The Committee consists of Ms Melesiana Phiri, MP (Vice -Chairperson); Mr Elias Daka, MP; Mr Chinga Miyutu, MP; Mr Sydney Mushanga, MP; Mr Mweemba Malambo, MP; Mr Pavyuma Kalobo, MP; Mr George K Chisanga, MP; Mr Twaambo Mutinta, MP; and Mr Tyson Simuzingili, MP.

## **2.0 INTRODUCTION**

The Committee on Education Science and Technology considered the 2024 Budget Estimates of Head 80: Ministry of Education; Head 66: Ministry of Technology and Science; and Head 9: Teaching Service Commission. The consideration of the 2024 Budget was conducted within the context of the Vision 2030, the Eighth National Development Plan (8NDP) and the institutional framework of the respective Ministries and Spending Agencies. This was in line with Section 26 of the *National Planning and Budgeting Act, No 1 of 2020* which provided as follows:

*“(1) A ministry, provincial office, local authority and spending agency that receives an appropriation or appropriation-in-aid shall prepare a five-year institutional strategic and implementation plan within four months of the coming into operation of the National Development Plan.*

*(2) An institutional strategic and implementation plan shall specify how the ministry, provincial office, local authority and spending agency will contribute to the achievement of the development targets set out in the National Development Plan.*

*(3) An institutional strategic and implementation plan prepared in accordance with subsection (1), shall form the basis of medium-term and national budget estimates of a ministry, provincial office, local authority and spending agency.”*

## **PART I**

### **FINDINGS FROM THE CONSIDERATION OF THE 2024 BUDGET**

#### **3.0 FINDINGS FROM THE CONSIDERATION OF THE 2024 BUDGET FOR HEAD 80 - MINISTRY OF EDUCATION**

The Committee was informed that the Budget allocation towards the Education function of the Government for the year 2024, had recorded an increase from K20,297,311,396 in 2023 to K27,354,806,191.00. Out of the K27,354,806,191.00 allocated to the education sector, K23,169,004,172 was directly allocated to Head 80: Ministry of Education. The difference of K4,185,802,019.00 was housed in other ministries such as the Ministry of Local Government and Rural Development; and the Ministry of Technology and Science.

The Committee was informed that the Ministry had four - running key projects namely the Zambia Education Enhancement Project (ZEEP), supported by the World Bank; the Keeping Girls in School Project (KGS), targeted at 60,000 girls in thirty-nine districts, also supported by the World Bank; the Zambia Enhancement for Early Learning (ZEEL) Project, aimed at expanding access to Early Childhood Education; and the Let's Read Project being managed and sponsored by the United States Agency for International Development.

The Committee was further informed that the Ministry of Education received an allocation of K23.2 billion in 2024, representing a 12 per cent increase from the 2023 Budget. This funding was designated to facilitate the implementation of six key programmes within the Ministry namely: Early Childhood Education (ECE); Primary Education; Secondary Education; Youth and Adult Literacy; University Education; and Management and Support Services. The Committee was informed that all the programmes received an increase in 2024. The absolute increase to respective programmes, notwithstanding, the Primary Education Programme received the highest share of the Budget, standing at 57.4 per cent while the ECE Programme, received the smallest proportion of the Ministry's Budget with an allocation of 0.02 per cent.

An analysis of the allocation by economic classification revealed that 74 per cent of the Ministry's Budget was allocated to personal emoluments, while the remaining proportion was directed towards goods and services, transfers and assets.

After the scrutiny of Head 80 by the Committee, the items highlighted below were established.

#### **3.1 5503: Secondary Education Programme**

Although Menstrual Hygiene was a sub-programme under the Secondary Education Programme, the initiative was also extended to girls in primary school from grades five to seven. The Government was applauded for increasing allocation towards sanitary towels to K34.5 million.

### **3.2 Programme 5599: Management and Support Services**

A comparative analysis of Monitoring and Evaluation (M&E) allocations in selected ministries revealed that the Ministry of Education allocated relatively low resources towards M&E, albeit receiving one of the highest allocations. The Committee was informed that the Ministry was in the process of establishing an M&E Unit and two officers were scheduled to be recruited in 2023. Some of the functions of M&E were being undertaken by the Directorate of Standards.

### **3.3 Programme 5502: Primary Education Programme**

In the 2024 Budget, the Primary Education Programme had no allocation towards infrastructure development. The Committee was informed that the Government had allocated substantial amounts towards infrastructure development in primary schools in previous budgets. In the 2024 Budget, strong focus was given to expanding secondary school infrastructure in order to accommodate more learners. This was especially important, given the imbalance between secondary and primary schools which stood at a ratio of 7:1 as of 2020 and had acted as a bottleneck to the progression of learners to secondary school.

### **3.4 Emerging and Cross-Cutting Issues**

#### **i. Education Statistics Bulletin**

The Committee noted with concern that the Ministry and stakeholders relied largely on the 2020 statistics. It was established that the last Education Statistics Bulletin was released in 2020. Previously, the production of the Bulletin was supported by donor funding and the project had since come to an end.

#### **ii. Teachers' Houses**

With regards to houses for teachers, the Committee was informed that there was a deficit of 55,648 houses in rural areas, while the shortage in urban areas stood at 27,673. The housing deficit impacted the welfare of teachers. However, to alleviate this housing deficit, the committee was informed that under the ZEEP, the Government was constructing twelve houses for teachers at each secondary school. In view of the forgoing, 200 secondary schools were scheduled to be constructed under the Project.

#### **iii. Expenditure**

The Committee was informed that the budget releases in 2021 and 2022, stood at 96.67 percent and 95.3 percent respectively. Out of what was released to the Ministry, 96.56 percent and 94.56 percent was spent in the 2021 and 2022 financial years.

#### **iv. Institutional Framework**

The Committee noted that the Education Sector Strategic Plan, the Ministry's Strategic Plan and the National Education Policy were outdated. However, the Ministry's Strategic Plan had been submitted to Cabinet Office for approval while the National Education Policy was undergoing review. In the absence of these key documents, the Committee was not able to assess the alignment of the Ministry's 2024 Budget with its Strategic Plan and the Policy.

### **3.4 Committee's Observation and Recommendation**

The Committee supports the Budget allocation of K23.2 billion to the Ministry of Education. In supporting the Budget, the Committee makes the following observations and recommendations.

#### **i. Strengthen the Institutional Framework**

The Committee observes that the Ministry's Strategic Plan has not yet been finalised contrary to section 26 of the *Planning and Budgeting Act, No 1 of 2020*, which requires the Plan to be finalised four months after operationalising the National Development Plan. Further, key documents such as the National Education Policy and the Education Sector Plan are still in draft form.

In this regard, the Committee strongly recommends that the Ministry should operationalise all key documents in 2024, in order to facilitate oversight and partnerships with stakeholders.

#### **ii. Prioritisation the Statistical Bulletin**

The Committee underscores the importance of statistics in forecasting and budgeting. However, the Committee is concerned that available statistics for key indicators in the education sector were last collected and published in 2020, through the Statistical Bulletin. Noting that major reforms have taken place in the sector, such as the Education for All Policy, the 2020 statistics have ceased to reflect the correct picture of the Education Sector.

In light of this, the Committee strongly recommends that the Statistics Bulletin must be prioritised in the 2024 budget allocation, in order to facilitate accuracy in budget allocations, accountability and forecasting.

#### **iii. Monitoring and Evaluation**

Given the huge mandate of the Ministry in ensuring that access and quality education is attained, the Committee expresses concern that the M&E Unit under the Ministry of Education is not fully operational. The Committee notes that the absence of the Unit explains the low allocation to the M&E sub-programme.

The presence of the Directorate of Standards notwithstanding, the Committee strongly recommends that the Ministry of Education must increase allocation to the M&E Unit and fully operationalise the Department in 2024, supported with the necessary tools and systems.

#### **iv. Menstrual Hygiene**

The Committee observes that the menstrual hygiene budget line is reflected under the Secondary Education Programme. While the Programme has been extended to primary schools from grade five, the Committee notes that the Primary Education Programme budget is under estimated because it does not contain the allocation towards menstrual hygiene.

Therefore, the Committee recommends that the Primary Education Programme should have an independent allocation for menstrual hygiene in order to reflect the accurate allocation to the Programme.

#### **4.0 FINDINGS FROM THE CONSIDERATION OF THE 2024 BUDGET FOR HEAD 66 - MINISTRY OF TECHNOLOGY AND SCIENCE**

The Committee was informed that the Ministry of Technology and Science operated five essential programs. These were: Science Research and Development; Information and Communication Technology Development; Skills Development; Technology and Innovation and Management and Support Services. In the 8NDP, the Ministry supported the Development Outcome 1: Economic Transformation and Job Creation and an Industrialised and Diversified Economy and Development Outcome 2: Human and Social Development.

The Ministry received K1 billion, representing 0.6 per cent of the total budget compared to K769.8 million in the 2023 budget. Of the six programmes, Skills Development claimed a significant 50 per cent share of the Budget, totalling K517 million. With regard to funding, 12 per cent of the allocation would be financed from loans while 88 percent would be funded by the Government.

An analysis of the Economic Classification of Head 66 showed that 80 per cent of the Ministry's allocation was directed towards transfers. The Committee was informed that the allocation mirrored the Ministry's structure, as it provided transfers to various institutions such as the Technical Education, Vocational and Entrepreneurship Training Authority (TEVETA) and all TEVET colleges, as well as organisations such as the Zambia Information and Communications Technology Authority (ZICTA) and the Zambia Postal Services. The remaining budget was distributed among assets, personal emoluments, and the use of goods and services.

Further, key highlights in the 2024 Budget, included the construction of five - innovation hubs, the construction of Centres of Excellence at the University of Zambia and the Copperbelt University, and the operationalisation of the National Ground Receiving Station in Chibombo District.

Specific findings under Head 66 were as outlined below.

#### **4.1 Programme 2153: Skills Development**

Despite an increase in transfers from K322.9 million in 2023 to 434.5 million in 2024, the allocation to TEVETA had remained stagnant at K12.4 million for three years. The Committee learnt that the allocation was not aligned with TEVETA's expanded mandate coupled with the number of institutions rising from 297 in 2021 to 341 in 2022, with a projection to reach 400 by 2024. The rise in the establishment of TEVET institutions was spurred by the increase in the Constituency Development Fund which provided resources for skills development bursaries.

The Committee further learnt that TEVETA was centralised and the lean structure hampered the monitoring of quality skills development. A notable finding by the Committee was that there were only four inspectors responsible for carrying out the compliance mandate in all the 341 TEVET institutions in the country.

#### **4.2 Programme 2199: Management and Support Service**

The Committee learnt that the Ministry did not have a specific budget line for M&E under the Management and Support Services Programme as was the case with other Ministries such as the Ministry of Health, the Ministry of Education and the Ministry of Water Development and Sanitation. This made it difficult to track M&E allocation against key output indicators.

#### **4.3 Programme 2151: Science and Research and Development**

The Committee noted that the Strategic Research Fund had not been allocated resources in the 2024 Budget. The Ministry of Technology and Science clarified that a National Research Fund was created to facilitate innovation and applied research. The Ministry explained that resources meant for research had been wrongly placed under the sub-programme Modernisation- National Institute for Scientific and Industrial Research (NISIR). They advised the Committee that the correct name of the sub-programme should be *National Technology Transfer and Adoption, Research and Innovation Fund*. In its form, the estimates suggested that the K60 million was meant for modernising NISIR when in fact NISIR was only one of the windows under the Fund.

#### **4.4 Programme 2152: Information Communication Technology Development**

In 2024, the Ministry of Technology and Science targeted to construct 169 communication towers as well as upgrade five communication towers from 2G to 4G. However, the Committee learnt that a number of towers that the Ministry had erected remained non-functional due to the absence of active equipment.

#### **4.5 Committee's Observation and Recommendation**

The Committee had reservations of the Budget allocation of K1 billion to the Ministry of Science and Technology. This reservation is based on the inadequacy of the amount which is attributed to



the numerous challenges the Ministry of Technology and Science is going through some of which is the increase in the Tevet institutions and as outlined herein below:

**i. Recruitment of TEVET Inspectors**

The Committee believes that four inspectors are inadequate to guarantee adherence to training standards in all the 341 TEVET training institutions, thereby, posing a concern for the effective management and oversight of the growing training institutions and student numbers.

Therefore, in order to support the Government's commitment of enhancing skills development, the Committee strongly recommends that the 2024 Budget for the Ministry of Technology and Science, must be reviewed with possible variation from within the Ministry's Budget to support the recruitment of inspectors.

**ii. Decentralise TEVETA**

Whereas the Committee commends the Government for allocating K70 million to equip TEVET institutions with essential equipment, the Committee is of the view that the centralisation of TEVETA exacerbated by inadequate inspectors is hampering the monitoring of quality skills development.

If the 8NDP Development Outcome of Increased Access to Education and Skills Development is to be achieved by 2026, the Committee strongly recommends that more resources must be directed towards TEVETA to decentralise the institution in order to strengthen its capacity to provide robust monitoring mechanisms.

**iii. Change of Name from Modernisation of National Institute for Scientific and Industrial Research**

The Committee recommends that the sub-programme reflecting as Modernisation of NISIR must be changed to National Technology Transfer and Adoption, Research and Innovation Fund. This is to ensure the clear streamlining and apportioning of funds to appropriate core deliverables of the Ministry. In the absence of clear guidance, access to resources for activities under the National Science and Technology Council may be limited.

**iv. Support Schools with Alternative Sources of Energy**

The Committee commends the Government for the pronouncement to improve internet connectivity in rural schools. However, the Committee was concerned over the lack of some schools not having electricity, which was a barrier to internet connectivity.

In order to narrow the digital divide, the Committee strongly recommends that the Government should support schools in rural areas with the installation of alternative sources of energy in order to facilitate the utilisation of internet services in rural schools.

## **5.0. FINDINGS FROM THE CONSIDERATION OF THE 2024 BUDGET FOR HEAD 9 – TEACHING SERVICE COMMISSION**

The Committee was informed that the Teaching Service Commission was contributing to the Development Outcome on Human and Social Development in the 8NDP. The Commission had a mandate of the recruitment and placement of qualified teaching staff in underserved areas, managing promotions, and handling disciplinary matters, complaints, and appeal cases.

In the 2024 Budget, a total of K21 million had been allocated to the Teaching Service Commission, representing a 65 per cent increase compared to the 2023 allocation of K12.7 million. The Committee was informed that the Teaching Service Commission operated under two main programmes, the Teaching Service Human Resource Management and the Management and Support Services.

Specific findings under Head 9 were as outlined below;

### **5.1. Programme 5520: Teaching Service Human Resource Management**

The Committee was informed that the Commission had decentralised and delegated the functions of the recruitment and confirmation of district Human Resource Management Committees in all the districts. However, the delegation of functions had not been accompanied with financial resources. As such, the efficient operations of these Committee had been largely affected due to lack of resources to meet the costs of the sitting allowances for the committee members outside the public service.

### **5.2. Programme 5599: Management and Support Services**

The Committee learnt with dismay that the Commission only had six motor vehicles to facilitate the operations of its planned activities in the whole country. The Commission, therefore, relied on other Government institutions for support for its transport needs. The Committee was informed that three motor vehicles had been budgeted for in the 2024 Budget.

### **5.3. Cross Cutting and Emerging Issues**

#### **Lack of the Institutional Strategic and Implementation Plan**

The Committee was informed that the Commission's Strategic Plan was still in draft form, pending approval by Cabinet Office. According to the 8NDP, the strategic plan should have been ready four months after the launch of the 8NDP.

#### **5.4. Committee's Observations and Recommendations**

##### **i. Increase budget support to the Human Resource management Committees**

The Committee observes that the inadequate financial operational support given to provincial and district Human Resource Management Committees, adversely impacts the timely recruitment and confirmation of teachers and the overall workforce planning.

In this regard, the Committee strongly recommends that the Government should adequately support the Teaching Service Commission in order to fast track recruitments, appeals and confirmations.

##### **ii. Implementation of the Strategic Plan**

With regard to the absence of the strategic plan, the Committee recommends that the institutional plan should be finalised without further delay, if the Commission is to measure its effectiveness in the budgeting process and in the utilisation of resources.

#### **6.0 GENERAL OBSERVATION AND RECOMMENDATION**

The Committee observes with concern that the strategic plans of the two Ministries and Commission are all in draft form. This state of affairs affected the budget analysis exercise considerably, especially that not all output indicators are contained in the Estimates of Revenue and Expenditure

In this regard, the Committee recommends that, as a matter of urgency, the strategic plans of all three institutions should be implemented before the end of 2023.

#### **7.0. CONCLUSION**

The increase in the allocations to the Ministry of Education; the Ministry of Technology and Science and the Teaching Service Commission, reflects the Government's commitment to achieving the targets of the Human and Social Development and Economic Transformation and the Job Creation Development Outcomes of the 8NDP.

The committee was informed that there were numerous findings that needed improvement and attention by the government, one of which is the issue of Teacher upgrade. The Committee observed that there were many teachers who had been waiting to be promoted after upgrading their qualifications. The committee recommends that the process of promoting teachers must be upscaled and that the budget must have a component of upgrading teachers every year.

Notably, as well is the limb of monitoring and evaluation which requires strengthening in all the three institutions under consideration in order to promote evidence-based decision-making, equitable access to education and information communication technology and narrowing the rural urban digital divide.

Ms Melesiana Phiri, MP  
**VICE CHAIRPERSON**

October, 2023  
**LUSAKA**

## **APPENDIX I - NATIONAL ASSEMBLY OFFICIALS**

Mrs Doreen N C Mukwanka, Acting Principal Clerk of Committees (SC)

Mrs Chitalu K Mumba, Deputy Principal Clerk of Committees (SC)

Ms Christabel T Malowa, Acting Senior Committee Clerk (SC1)

Mrs Edna K Zgambo, Senior Budget Analyst

Mr Sanford Mwiinde, Committee Clerk

Mr. McDonald Mwiinga, Research Officer

Ms Annette Malowa, Administrative Assistant

Mr Daniel Lupiya, Committee Assistant

Mr Muyembi Kantumoya, Parliamentary Messenger

## **APPENDIX II–LIST OF WITNESSES**

Ministry of Education  
Ministry of Technology and Science  
Teaching Service Commission  
University of Zambia Lecturers and Researchers Union  
Zambia National Educational Coalition  
Policy Monitoring and Research Centre  
Zambia Institute for Policy Analysis and Research



**REPUBLIC OF ZAMBIA**

**APPENDIX III (V) TO THE REPORT OF THE EXPANDED PLANNING AND  
BUDGETING COMMITTEE ON THE ESTIMATES OF REVENUE AND  
EXPENDITURE FOR THE FINANCIAL YEAR 1<sup>ST</sup> JANUARY TO 31<sup>ST</sup> DECEMBER,  
2024**

**COMMITTEE ON AGRICULTURE LANDS AND NATURAL RESOURCES ON THE  
SECTOR ESTIMATES OF REVENUE AND EXPENDITURE FOR THE FINANCIAL  
YEAR 1<sup>ST</sup> JANUARY TO 31<sup>ST</sup> DECEMBER, 2024,**

**FOR THE THIRD SESSION OF THE THIRTEENTH NATIONAL ASSEMBLY**

*Published by the National Assembly of Zambia*

## **FOREWORD**

The Committee on Agriculture, Lands and Natural Resources has the honour to present its Report for the Third Session of the Thirteenth National Assembly, on the Estimates of Revenue and Expenditure for the Financial Year 1<sup>st</sup> January to 31<sup>st</sup> December, 2024. The functions of the Committee are set out in Standing Orders No. 197 (a) and 198 of the National Assembly of Zambia Standing Orders, 2021. In accordance with Standing Order No. 198 (h), the Committee considered the 2024 Estimates of Revenue and Expenditure. Specifically, the Committee considered Head 53 – Ministry of Green Economy and Environment; Head 85 – Ministry of Lands and Natural Resources; Head 86 – Ministry of Fisheries and Livestock and Head 89 – Ministry of Agriculture.

The Committee held eight meetings to interrogate the Estimates of Revenue and Expenditure for the Heads under consideration. To help it interrogate the Estimates, the Committee sought both written and oral submissions from various stakeholders. The list of the stakeholders is at Appendix II. The Committee’s Report highlights the findings; and observations and recommendations of the Committee on each Head.

The Committee’s report is in four parts. Part I gives the Committee’s findings arising from the consideration of the Budget for Head 53 – Ministry of Green Economy and Environment. Part II outlines findings emanating from the consideration of the Budget for Head 85 – Ministry of Lands and Natural Resources, while Parts III and IV highlights the Committee’s findings from Head 86 – Ministry of Fisheries and Livestock; and Head 89 – Ministry of Agriculture, respectively.

The Committee wishes to thank the Honourable Madam Speaker for affording it an opportunity to consider the 2024 Estimates of Revenue and Expenditure for the four Heads of Expenditure. The Committee is also grateful to all stakeholders who tendered both written and oral submissions. It further appreciates the services rendered by the Office of the Clerk of the National Assembly during its deliberations.

Mrs Maureen Mabonga, MP  
**VICE CHAIRPERSON**

October, 2023  
**LUSAKA**



## **ACRONYMS**

FISP	Farmer Input Support Programme
FRA	Food Reserve Agency
8NDP	Eighth National Development Plan
CAADP	Comprehensive Africa Agricultural Development Programme
GDP	Gross Domestic Product
MTBP	Medium Term Budget Plan
GRZ	Government of the Republic of Zambia
CPs	Cooperating Partners
MOA	Ministry of Agriculture
MGEE	Ministry of Green Economy and Environmental Protection
MFL	Ministry of Fisheries and Livestock
MOL	Ministry of Lands
CATSP	Comprehensive Agriculture Transformation Support Programme

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## **1.0 COMPOSITION OF THE COMMITTEE**

The Committee consisted of:

Mrs Maureen Mabonga, MP, (Vice Chairperson); Mr Ackleo Banda, MP; Mr Yotam Mtayachalo, MP; Mr Mweemba Malambo, MP; Mr Andrew Tayengwa, MP; Mr Tyson Simuzingili, MP; Mr Michael Katambo, MP; Mr Peter Phiri, MP; and Mr Lusale John Simbao, MP.

## **2.0 INTRODUCTION**

The Committee considered the 2024 budgetary allocations to Head 53 – Ministry of Green Economy and Environment; Head 85 – Ministry of Lands and Natural Resources; Head 86 – Ministry of Fisheries and Livestock; and Head 89 – Ministry of Agriculture. The consideration of the 2024 Budget was conducted within the context of the Vision 2030, the Eighth National Development Plan (8NDP) and the Institutional Strategic and Implementation Plans. This was in line with section 26 of the *National Planning and Budgeting Act, No. 1 of 2020*, which provides for the following:

- 1) A ministry, provincial office, local authority and spending agency that receives an appropriation or appropriation -in-aid shall prepare a five-year institutional strategic and implementation plan within four months of the coming into operation of the National Development Plan.*
- 2) An institutional strategic and implementation plan shall specify how the ministry, provincial office, local authority and spending agency will contribute to the achievement of the development targets set out in the National Development Plan.*
- 3) An institutional strategic and implementation plan prepared in accordance with subsection (1), shall form the basis of medium-term and national budget estimates of a ministry, provincial office, local authority and spending agency.*

## **PART I**

### **3.0 FINDINGS OF THE COMMITTEE ARISING FROM THE CONSIDERATION OF THE 2024 BUDGET FOR HEAD 53 – MINISTRY OF GREEN ECONOMY AND ENVIRONMENT**

The Committee noted that in 2024, the overall budgetary allocation for the Ministry of Green Economy and Environment increased to K 812 million from K 774.7 million in 2023. This allocation would go towards the fulfilment of its mandate through the implementation of five programmes, namely: 2155 – Forestry Development and Management; 2156 – Green Economy and Climate Change; 2157 – Meteorological and Weather Services; 2158 – Environmental Protection and Management; and 2199 – Management and Support Services.

The Committee was informed that the budget allocation by programme indicated that the Green Economy and Climate Change Programme had the largest share of the Ministry’s budget at

K451.4 million translating to 55.6 per cent of the 2024 Ministry’s budgetary allocation, compared to the K330.7 allocated in 2023. An allocation of K157.4 million representing 19.4 per cent of the Ministry’s total budget was earmarked for the Environmental Protection and Management Programme in 2024. The Forestry Development and Management Programme had been allocated K141.8 million representing 17.4 per cent of the Ministry’s total budget. The Management and Support Services Programme had a budget provision of K35.8 million translating to 4.4 per cent, while the Meteorological and Weather Services Programme was allocated K25.9 million representing 3.2 per cent.

The Committee noted that the significant allocation towards the Green Economy and Climate Change Programme was to promote the transition of Zambia to a green economy. It found this move to be commendable.

### 3.1 SUBMISSION BY THE MINISTER

The Minister submitted that in order for the country to protect its environment, there was an earnest need for additional resources to programmes such as Forestry Development and Management; Meteorological and Weather Services; and Environmental Protection and Management. The table below illustrates the programmes to be implemented and the required additional resources.

#### Programmes to be Implemented by the Ministry

No	Programme	Sub Programme	2024 Allocation	Additional Resource Requirement
1	Forestry Development and Management	Purchase of equipment: vehicles to support provincial and district operations – forty-seven vehicles.	5,800,000	45,900,000
		Recruitment of 10,000 forest guards and 500 forestry officers; establishment of forest camps inside protected forests for the forest guards.	19,238,300	55,721,220
		Purchase of forest monitoring tools (hardware and software); rehabilitation of some provincial and district offices	1,600,000	35,000,000
2	Meteorological and Weather Services	Establishment of additional 120 Weather Observation Infrastructure (Automatic Weather Stations)	1,954,002	15,000,000
		Recruitment of fifty officers		5,000,000
		Purchase equipment	2,595,163	5,000,000

No	Programme	Sub Programme	2024 Allocation	Additional Resource Requirement
		(hardware and Software).		
		Procurement of vehicles for provincial offices.	1,000,000	12,000,000
		Rehabilitation of ten provincial offices.	1,739,023	15,000,000
3	Environmental Protection and Management	<b>Pollution Control (ZEMA)</b> Establish five additional provincial offices in Chinsali, Kasama, Mansa, Mkushi and Mongu with attendant equipment such as vehicles; monitoring tools (hardware and software). recruit 100 inspectors	109,748,407  3,313,342	140,000,000  20,000,000
<b>Total</b>			<b>145,988,237</b>	<b>348,621,220</b>

### 3.1.1 JUSTIFICATION

#### i. **Programme 2155 – Forestry Development and Management Programme**

The Committee was informed that increasing the budgetary allocation to this Programme would effectively help to reverse the rampant levels of deforestation that the country was experiencing in the forestry sector. Deforestation levels had increased from 120,000 hectares in 1994 to 172,000 hectares per annum in 2021. To ensure effective management of deforestation, the Minister was of the view that the Ministry needed to embark on a one-off massive recruitment of forest guards, similar to the recent recruitment of teachers and health workers in 2022. This was because forest guards were the foundation of forest protection as they resided in communities located in protected forests. In addition, the forest guards and forest officers would require attendant equipment and office space.

#### ii. **Programme 2157 – Meteorological and Weather Services Programme**

The Committee was informed that Zambia had been experiencing devastating climate related disasters, which resulted in loss of human life and significant damage to property. The reactive rather than the proactive approach in dealing with disasters cost the Government billions of Kwacha with not much positive results. In this regard, there was need to support the Meteorology Department with additional funding in order to increase the network of the weather observation infrastructure. This was important because it would enable the Department to provide timely and accurate weather information that would be critical in averting climate change disasters.

#### iii. **Programme 2158 – Environmental Protection and Management Programme**

The Committee was informed that Zambia had embarked on an aggressive development pathway for a positive economic fortunes. This trajectory meant that there was an urgent

need to strengthen compliance and monitoring mechanisms of various mining operations countrywide. This required measures to reduce pollution and mining generated wastelands. It was, therefore, imperative to invest in strategic environmental assessments, environmental and climate evaluations, as well as the social impact assessments. Once implemented, the measures would enhance environmental sustainability and support creation of green jobs.

## **3.2 CROSSCUTTING ISSUES**

### **i. Constraints**

The Committee was informed that the Ministry faced a number of challenges that affected the smooth implementation of the budget such as inadequate financial resources, staff, and transport in the Ministry as well as inadequate ICT equipment.

### **ii. Legal Framework**

The Committee was informed that there was no legal framework in place to manage Climate Change effectively. However, the Committee was informed that the Bill on Climate Change was being finalised and it would include components such as management of Carbon Trading in Zambia. The Bill would be presented to the House before the end of 2023.

## **3.3 COMMITTEE'S OBSERVATIONS AND RECOMMENDATIONS**

The Committee notes the submissions from stakeholders and the Minister and makes the following observations and recommendations.

- i. While the Committee notes the allocation of K812 million to the Ministry of Green Economy and Environment, it is of the view that this provision is, generally, inadequate if the country is to transition to a green economy, as intended. In this regard, the Committee appeals to the Hon Minister of Finance and National Planning to increase the 2024 budget provision to the Ministry.
- ii. The Committee is concerned about the effects of Climate Change on local communities. In this regard, the Committee recommends that the Government should allocate more resources that will go towards the implementation of environmental protection programmes.
- iii. The Committee bemoans the absence of a legal framework to manage Climate Change effectively. In this regard, the Committee urges the Government to expedite the process of presentation of the Bill to regulate Climate Change issues, to Parliament for enactment into law.
- iv. The Committee agrees with the Minister that the budgetary allocation to the Forestry Development and Management Programme is inadequate, if the country is to effectively manage deforestation. In this regard, the Committee recommends that the Government should embark on a massive recruitment of forest guards.

## **PART II**

### **4.0 FINDINGS OF THE COMMITTEE ARISING FROM THE CONSIDERATION OF THE 2024 BUDGET FOR HEAD 85 – MINISTRY OF LANDS AND NATURAL RESOURCES**

The Committee noted that from 2022 to 2024, there was a notable increase in the total budget allocation for the Ministry of Lands and Natural Resources. The budget had more than doubled from K130.2 million approved in 2022 to K278 million in 2024, representing an increase of approximately 113.5 per cent. This amount would go towards the fulfilment of its mandate through the implementation of three programmes, namely: 2105 – Land Administration and Regulation; 2106 – Natural Resources Management; and 2199 – Management and Support Services.

The Committee was informed that the Natural Resources Management Programme had received significant increase in its budget allocation in percentage terms. The Programme allocation increased from K4.6 million in 2022, to K12.6 million in 2024. This marked an increase of approximately 17.4 percent. This suggested a renewed focus on managing natural resources, in order to respond to environmental challenges and the need for sustainable exploitation of these resources.

The budget allocation for the Management and Support Services Programme increased substantially from K25.2 million in 2022, to K63.2 million in the 2024 National Budget. This increase translated to 150.8 per cent of the Ministry's total budget. This growth suggested a significant investment in the Ministry's operational and administrative capabilities, potentially indicating an expansion of its activities or a focus on improving its internal efficiencies.

The budgetary allocation to the Land Administration and Regulation Programme had increased from K100.5 million in 2022 to K202.3 million in 2024, representing an increase of 101.5 per cent over the three years. This substantial growth indicated the emphasis placed on land administration, which was due to increased land transactions, urbanisation, or infrastructural developments.

#### **4.1 CROSSCUTTING ISSUES**

##### **i. Unrealistic Revenue Targets**

The Ministry highlighted that they were given unrealistic revenue targets. The Ministry was of the view that there was need to review the targets and to develop a mechanism for formulating realistic targets. The table below shows the targets given to the Ministry and the and outturns made.



**(For MPSAs that collect No-tax Revenue)**

Source	2021		2022		2023 (July)
	Target	Outturn	Target	Outturn	Target
Forestry Revenue	60,600,054.54	109,382,013.07	-	-	-
Registration and Document Fees	39,734,657.01	42,166,583.76	55,018,531.99	25,754,022.36	55,200,600.00
Survey Fees	11,241,319.14	8,828,818.97	12,322,445.01	9,992,635.83	14,000,078.00
Consent Fees	3,409,439.96	3,177,941.58	4,786,530.00	3,225,541.31	45,000,340.00
Consideration Fees	218,475,200.98	62,952,824.88	118,036,253.28	99,251,635.54	130,024,196.00
Preparation Fees	1,619,449.93	6,938,140.58	9,045,299.06	2,019,862.82	2,300,056.00
Interest on late Payments	2,980,659.20	7,527,408.42	9,664,147.63	5,141,652.60	7,500,300.00
Ground Rent	54,676,051.91	33,301,267.97	75,529,905.00	41,675,115.23	79,000,123.00
Rent on Government Property	-	-	-	60.00	-
<b>Total</b>	<b>392,736,832.67</b>	<b>274,274,994.23</b>	<b>284,408,111.97</b>	<b>187,060,445.69</b>	<b>292,525,387.00</b>

**ii. Institutional Framework**

The Ministry of Lands and Natural Resources did not have a Sector Strategic Plan in place. However, the Committee was informed that the Plan had been submitted to Cabinet Office for approval. The Committee was therefore, unable to analyse how the Ministry's budget for the 2024 financial year was aligning with the Ministry's Strategic Plan.

**4.2 COMMITTEE'S OBSERVATIONS AND RECOMMENDATIONS**

The Committee supports the allocation of K272 million to the Ministry of Lands and Natural Resources and, therefore, urges the Expanded Planning and Budgeting Committee to recommend to the House the approval of the budget. In supporting the budget for Ministry, the Committee makes the observations and recommendations outlined below.

- i. The Committee notes that through the Non- tax revenue provision, the Ministry has the potential to generate more revenue. In this regard, the Committee recommends that the Ministry should enhance public sensitisation programmes on the importance of online payment systems for the Ministry to achieve its revenue targets.
- ii. The Committee observes that the Ministry does not have a Strategic Plan and wonders how programmes have been implemented in the absence of the Pan. In this vein, the Committee urges the Ministry to expedite the process of developing the Ministry's Strategic Plan without any further delay.

## **PART III**

### **5.0 FINDINGS OF THE COMMITTEE ARISING FROM THE CONSIDERATION OF THE 2024 BUDGET FOR HEAD 86 – MINISTRY OF FISHERIES AND LIVESTOCK**

The Committee learnt that the Ministry of Fisheries and Livestock had been allocated a total of K1.1 billion in the 2024 Estimates of Revenue and Expenditure. This allocation represented an increase of about K76 million compared to the 2023 budget allocation for the Ministry. This allocation was set to cover personal emoluments, goods and services, transfers, and assets across the Ministry's programmes. The programmes to be implemented in the Ministry included 2130 – Livestock Production and Productivity Improvement; 2131 – Fisheries Production and Productivity Improvement; 2132 – Animal Health Services; 2136 – Technical Services; and 2199 – Management and Support Services.

In comparison to the 2023 National Budget, the Ministry's budgetary allocation had grown modestly. According to the 8NDP, the Government intended to expand the livestock and fisheries sub-sectors, and a significant growth in funding to this agenda would have been expected. The most significant increase had been in the allocation to the Transfers which had increased from K9.8 million in 2023 to K28.2. These amounts would be in turn used to service Grant Aided Institutions.

The Committee applauded Government's efforts to enhance production and productivity in the fisheries sub-sector by promoting the establishment of fish hatcheries and sustainability of capture fisheries. During its interaction with the stakeholders, the Committee noted that there was no specific legal framework to regulate fish production and productivity. In light of this, the Committee implored the Ministry to put in place a legal framework that would regulate aquaculture fish farming, if the Ministry was to see an increase in fish production.

Further, the Committee during its interaction with the stakeholders observed that the country did not have a fully functional vaccine plant in the country. The Committee stated that unlike other countries in the region, Zambia had been importing vaccines because it did not have a vaccine plant that would produce vaccines to be used locally and beyond.

#### **5.1 CROSSCUTTING AND EMERGING ISSUES**

##### **i. Prolonged Procurement Processes**

The Ministry bemoaned the prolonged procurement processes which delayed the procurement of goods and services and actual execution of the construction, rehabilitation and consultancy services.

##### **ii. Delayed Funding**

The Committee was informed that the funds provided in the 2023 National Budget were not disbursed in accordance with the funding profiles and work plans (misalignment of funding and expenditure profiles). This, in turn, affected the timely implementation of activities.

iii. **Lack of Human Capacity**

The Committee was informed that the Ministry faced capacity challenges with regard to handling the electronic Government Procurement (e-GP) both from the procurement practitioners and the general public; disease surveillance; and animal identification and traceability. The Committee was informed that a well-trained workforce was essential for the success of the programmes in the Ministry.

vi. **Diversion of Funds**

The Stakeholders submitted that in 2023, K100 million was allocated to the Ministry to develop a vaccine plant, but it had not yet been constructed. However, the Ministry submitted that funds to develop the vaccine plant were still available and that development of the vaccine plant was a three-year plan. Therefore, the K100 million was meant to be used for feasibility studies and the funds would be used as intended.

v. **Fish Farming**

Stakeholders submitted that the allocation towards fish farming was not adequate to support the control of illegal, unreported and unregulated fishing practices. Additionally, the allocation towards fish production was not adequate if the Government's aim of improving fish production and productivity was to be achieved. There was need to increase the allocation to this important programme so that the Ministry could successfully construct and complete aquaculture parks, rehabilitation of laboratories as well as livestock service centres.

## 5.2 COMMITTEE'S OBSERVATIONS AND RECOMMENDATIONS

The Committee supports the allocation of K1.1 billion to the Ministry of Fisheries and Livestock and urges the Expanded Planning and Budgeting Committee to recommend the approval of the budget proposal. In supporting the budget provision for the Ministry, the Committee makes the observations and recommendations set out hereunder.

- i. The Committee supports the allocation of K498.8 million to the livestock sector with a view to unlocking potential by improving animal health, animal identification and traceability as well as livestock breeding programmes. However, the Committee expresses concern at the inadequate capacity and the revelation by the Ministry that it has faced system challenges in the execution of its mandate. In this regard, the Committee recommends the Government to consider revising the procurement regulations. Further, there is need to build capacity of the officers responsible for animal health and livestock breeding programmes.
- ii. The Committee observes that K169 million has been provided for the Fisheries Production and Productivity Improvement Programme. The Committee is of the view that this allocation is not adequate to fully implement the measures needed to increase fish production, as well as aid the Ministry in increasing fish stocks through successive fish bans. In this regard, the Committee recommends that the Ministry of Finance and National Planning should consider increasing the budgetary allocation to this essential programme to enable the Ministry improve fish production.

- iii. The Committee bemoans the absence of a legal framework that speaks to fish farming. In this regard, the Committee urges the Government, as a matter of urgency, to put in place a legal framework that will be a fundamental aid to revamping fish farming in the country.
- iv. The Committee notes an absence of a fully functional vaccine plant in the country, thereby making it difficult to produce its own vaccines. In this regard, the Committee recommends that the Government should ensure that a vaccine plant is constructed as soon as possible.

## **PART IV**

### **6.0 FINDINGS OF THE COMMITTEE ARISING FROM THE CONSIDERATION OF THE 2024 BUDGET FOR HEAD 89 – MINISTRY OF AGRICULTURE**

The Ministry of Agriculture had been allocated a total of K12.8 billion in the 2024 Estimates of Revenue and Expenditure. This represented an increase of about K1.4 billion compared to the K11.3 billion allocated in the 2023 National Budget. This translates to 12.6 per cent increase. The allocation was set to cover personal emoluments, goods and services, transfers and assets across the Ministry's programmes. The programmes to be implemented under the Ministry included: 2141 – Agriculture Development and Productivity; 2142 – Agribusiness Development and Marketing; 2143 – National Food Reserves Management; 2144 – Agriculture Standards and Regulation; and 2199 – Management and Support Services.

The Committee was informed that the annual trends had shown a significant increase in the Ministry's budgetary allocation, with the most significant jump being between 2021 and 2023. This was in line with the Government's goal of increasing production and productivity in the agricultural sector, as outlined in the 8NDP. The allocation between 2023 and 2024 had significantly seen more funding allocated to Goods and Services, as well as Assets.

The Committee was informed that Zambia was party to the Malabo Protocol of 2014, which provided that State Parties should allocate a minimum of 10 per cent of public resources to agriculture. During the period 2021 to 2023, the Government of the Republic of Zambia made progressive steps towards the allocation of a minimum of 10 percent of the national budget to agriculture, however, the allocation was still below the Malabo agreement.

The Committee was further informed that there was a marginal increase in the agriculture sector's budget as a proportion of the total national budget, once the budgets for the Ministry of Fisheries and Livestock are also included in the calculation of the total budget to the sector as shown in table 1.

**Table 1 Allocations to Ministry of Agriculture and Ministry of Fisheries and Livestock 2022 to 2024**

<b>Year</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
MOA Budget (ZMW)	7,336,328,903	11,325,109,654	12,752,109,812
MFL Budget (ZMW)	730,448,391	997,894,943	1,073,909,662
National Budget (ZMW)	172,987,077,535	167,321,733,563	177,891,868,893
% of National Budget	<b>4.7</b>	<b>7.4</b>	<b>7.8</b>

## **6.1 CROSSCUTTING AND EMERGING ISSUES**

### **i. Delays in the Procurement Process for Goods and Services**

The Committee was informed that the procurement process for goods and services impacted their work negatively because goods could only be procured at headquarters, provincial and district levels.

### **ii. Inadequate Staffing Levels**

The Ministry stated that inadequate staffing levels at national and sub national levels, affected the Ministry's ability to effectively execute its mandate and implement the activities funded in the budget.

### **iii. Budget Skewed Towards Farmer Input Support Programme, Food Reserve Agency and Personal Emoluments**

The Ministry submitted that one of the constraints affecting the execution of its budget was the skewed nature of the budget towards FISP, FRA and personal emoluments. This resulted in an inadequate budgetary allocation to other key programmes such as research and development, extension services and training colleges.

### **vi. Credit Window**

The Committee was informed that in order to enhance farmers' access to finance, the Government in collaboration with cooperating partners had allocated K186 million towards the establishment of a financing and credit window for small-scale farmers. The Credit Window was a loan facility aimed at supporting small-scale farmers, emergent farmers, and public service workers with affordable financing to procure inputs, equipment and irrigation systems, among other things. The Committee was concerned, however, about how effective and easily accessible it would be for the uneducated and rural population.

### **vii. Farmer Input Support Programme**

The Committee was informed that FISP was marred with poor targeting, low productivity and administrative inefficiencies, and a tenuous total output, and yet it still dominated the sector investment of the Ministry's budget. Additionally, extension officers were not adequate, which also contributed to the poor management of the Programme. Stakeholders also expressed concern that some small-scale farmers who had benefited from the Programme had not graduated from it so as to give room to new beneficiaries. However, the Committee was informed that the graduation process only started being implemented in the 2022 to 2023 farming season and that each beneficiary would only be part of the Programme for three years.

viii. **Crop Diversification**

Stakeholders submitted that the Ministry was not harnessing the opportunity for Zambia to become a major maize producer despite the good environment for the crop to flourish. Crop diversification was not the most profitable for the country and hence the need to focus on maize production. However, the Committee was informed that crop diversification was a requirement that Zambia had to fulfil by virtue of being part of the African Union. The Committee learnt that the African Union had ascertained the crops that Zambia could grow in light of its climatic conditions. As such, Zambia was expected to grow crops such as maize, soybeans and wheat.

ix. **Comprehensive Agricultural Transformation Programme**

The Comprehensive Agricultural Transformation Programme (CATSP) was a policy framework which aimed at promoting efficiency in the distribution of subsidised farming inputs, increase uptake of improved technologies and farming practices, enhance extension service delivery, promote irrigation and agricultural mechanisation and farm block development. The implementation of the CATSP was scheduled for the 2022-2023 farming season, but experienced a delay. However, it had been officially confirmed that the Programme would be launched before the end of 2023. The Programme would also promote participation of the private sector, thereby creating synergies for increased productivity within the whole agricultural value chain.

## **6.2 COMMITTEE'S OBSERVATIONS AND RECOMMENDATIONS**

The Committee supports the allocation of K12.752,109,812 billion to the Ministry of Agriculture and, urges the Expanded Planning and Budgeting Committee to recommend to the House the approval of the budget. In supporting the budget for the Ministry, the Committee makes the observations and recommendations set out hereunder.

- i. The Committee welcomes the establishment of credit windows as a means to increase agricultural production and productivity. The Committee is, however, concerned that some beneficiary-farmers may not understand what is expected of them to fully benefit from the programme. In this regard, the Committee recommends that the Ministry should conduct sensitisation programmes in the local communities on how they can successfully access resources through the credit windows.
- ii. The Committee is concerned that despite large amounts of money being allocated to the Farmer Input Support Programme (FISP), intended goals have not been achieved because of poor management system. The Committee, therefore, recommends that the Ministry should, as a matter of urgency, improve the management of FISP in order to prevent the misuse of farming inputs that were being accessed through the Programme.

The Committee, further, recommends that the Government should expedite the ongoing reforms relating to FISP in order to enhance implementation, and rationalise Government expenditures on the programme.

- iii. The Committee observes that Zambia has the potential to become a major maize producer in the region. Despite the good intentions behind the crop diversification programme, the

Committee recommends that farmers should be supported to grow more maize, which the majority of small-scale farmers are accustomed to.

- iv. The Committee observes that the Government has put in place a Comprehensive Agriculture Transformation Support Programme. It is, however, concerned that the programme is being implemented at a slow pace. The Committee appreciates the significance of the programme in guiding resource allocation in the agricultural sector. In this regard, the Committee recommends that the Government should fully operationalise the Comprehensive Agriculture Transformation Support Programme by end of 2023.

## **7.0 CONCLUSION**

In conclusion, the Committee recognises the link that exists among all the ministries under its purview and the need to allocate sufficient resources to each sector. The Committee appreciates the importance of having a holistic budget that would prioritise the green economy, environment and lands and natural resources sectors. The Committee understands that the improvement in these vital areas would not only secure the environment but also enhance the resilience and sustainability of the agriculture, livestock and fisheries sectors. In addition, the Committee notes the need to put in place measures that would ensure that existing programmes such as FISP are implemented effectively so as to achieve the desired goals.

Finally, the Committee cannot over emphasise the significance of a strong legal framework that would create a basis for the efficient and smooth implementation of the programmes outlined in each sector.

Mrs Maureen Mabonga, MP  
**Vice Chairperson**

October **2023**  
**LUSAKA**

## **APPENDIX I - National Assembly Officials**

Mr Charles Haambote, Principal Clerk of Committees (FC)

Mrs Angela M Banda, Acting Deputy Principal Clerk of Committees (FC)

Mr Misael Kateshi, Principal Clerk (PBO)

Mr Sylvester Kaonga, Senior Research Officer

Ms Chitalu R Mulenga, Senior Committee Clerk

Ms Rachel Mumba, Committee Clerk

Mr Moses Chuba, Committee Clerk

Ms Eneless Njobvu, Administrative Assistant

Mr Muyembi Kantumoya, Committee Assistant



## **APPENDIX II- Witnesses**

Minister of Agriculture-  
Minister of Fisheries and Livestock  
Minister of Lands and Natural Resources  
Minister of Green Economy and Environment  
Ministry of Green Economy and Environment  
Ministry of Fisheries and Livestock  
Ministry of Lands and Natural Resources  
Ministry of Agriculture  
Zambia Institute for Policy Analysis and Research  
Policy Monitoring and Research Centre  
Jesuit Centre for Theological Reflection  
Southern African Centre for Constructive Resolution of Disputes  
Jesuit Centre for Theological Reflection  
Indaba Agricultural Policy Research Institute