Post Budget Analysis

HEALTH
Availability of health services in critical is any society. Health services are a matter of life and death. In the 2017 budget, allocation towards health has increased by about 29%. However, the health budget only accounts for 8.9% of total budget, failing to meet the Abuja Declaration commitment of 11%. Of the total allocation to health, K726.8 million was allocated to procure-

Now according to the Auditor General’s Report (2015), K13.8 million of drugs had expired at medical stores, K5.31 million were unaccounted for, K23.1 million worth of medical equipment not delivered and a total of K383,557 of laboratory reagents had short self-life or were expired. The total coming to about K42.6 million, which is approximately 6% of 2017 budget. Besides, the 2017 health budget is 2.4% less than the 2015 budget. We cannot afford to lose 6% of the medical supplies next year.

Our question
- What measure have been put in place to ensure that money allocated for medical supplies is not wasted?
The 2017 budget shows that allocation towards citizen empowerment has drastically reduced from about K187.5 million in 2016 to only K35.2 million in 2017. This represents a decline of about 81.2% in allocation.

A functional citizen empowerment scheme is important especially in a time where lending rates are high. Empowerment of citizens is a pre-requisite for developing a home grown economy. If citizens are empowered, they will be able to bring a meaningful contribution towards development of the country.

It is for this reason that His Excellency started the Presidential initiative. This was to ensure that marketeers all over Zambia access funds vital for improving their business.

Therefore, when the initiative started, His Excellence gave 10% of his salary towards the fund. The Statutory Instrument (SI) 19 of 2016 puts the Presidential salary at ZMW 36,000.00. This meant that about K3600 per month was going toward Marketeers. However, in 2017 the his Excellency has cut his salary by 50%, bringing his salary to K1800. this means his contribution will only be 1800.

Our Question

- Why is government reducing the allocation towards Citizen Empowerment which can help create their own wealth and as such help develop a home grown economy?
FARMER INPUT SUPPORT LINE OVER FUNDED

Literature suggests that growth of the Agriculture sector in mainly driven by small-scale farmer in Africa. Therefore access to farmer input is cardinal if Zambia’s agriculture sector is to grow. The Farmer input support programme is the program that enables farmer access the farming inputs that are greatly needed for better yields. The FISP is 53% of the total 2017 agriculture budget. Under this program, government in the targets 1million small scale farmers (2017 budget speech). Each beneficiary under this program has to contribute K400. Therefore, it expected that the Ministry will receive a total of K400 million in 2017.

Now each beneficiaries Visa card will have to be credited will K2100 which means one million farmer will need a total of K2.1 billion. However, from the budget k 2.82 billion is allocated for input support, thus we see that the program is over funded by k724.34 million (why?)
Ministry of Fisheries and Livestock

The 2017 allocation towards the Ministry of Fisheries and Livestock has decreased by 9.2% from the 2016 allocation. However, under head 86/03 programme 1300 there is an allocation of K5 million towards the review of agricultural policies and legislation. This amount was only K510,430 in 2016.

Is this the best use of resources especially that the Minister of Finance pointed out the need for Zambians to tighten their belts.

On other hand, the allocation towards Fisheries developments fund has gone down by 50% that is from K5 million to K2.5 million.

REVENUE COLLECTION

The 2017 Budget gives an estimate of 64.5 billion kwacha in revenue collection. 72% will be finance from Domestic revenue while 27% from foreign grants and loans. However, estimates are not good if what is estimated to be collected is not close or above the figure that is actually collected. Using finding of in the 2015 Auditor General Report, a comparison is made between the under collection of 2015

<table>
<thead>
<tr>
<th>Revenue</th>
<th>2015 est</th>
<th>2015 UC</th>
<th>2017 est</th>
<th>2015 UC as % of 2017 est</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company Tax</td>
<td>3billion</td>
<td>36million</td>
<td>4.9billion</td>
<td>0.74%</td>
</tr>
<tr>
<td>Withholding taz</td>
<td>1.45billion</td>
<td>1.45billion</td>
<td>3.08billion</td>
<td>47.04%</td>
</tr>
<tr>
<td>Fines</td>
<td>14.7million</td>
<td>12.5million</td>
<td>2.23billion</td>
<td>0.56%</td>
</tr>
<tr>
<td>Licenses</td>
<td>4.5million</td>
<td>0.8million</td>
<td>1.6billion</td>
<td>0.05%</td>
</tr>
<tr>
<td>Judiciary</td>
<td>10.2million</td>
<td>8.99million</td>
<td>28.9million</td>
<td>31.08%</td>
</tr>
<tr>
<td>Ministry of Lands</td>
<td>105.5million</td>
<td>4.8million</td>
<td>897.6million</td>
<td>0.53%</td>
</tr>
</tbody>
</table>

UC=under collection and est=estimate

Our question

- Government failed to collect 1.4billion in 2015 in withholding tax, which represent 47.04% of 2015 estimate. What measure have been put in place now to ensure that money is collected in 2017?
Public Spending of Feeder Roads

Zambian farmer are mainly in rural areas, however, the roads in these areas are in a deplorable states and some are impassible during the rainy season. Feeder roads are important as they enable farmer get their products to the market. The Agriculture Budget is silent about spending on feeder roads. It only mentions rehabilitation of feeder roads in Loans and Investment expenditure. However, these feeder roads are all on the copperbelt which is unfortunate. A total K14.5 Million is budgeted for the rehabilitations of these feeder roads.
Alliance for Community Action

Established in 2013, Alliance for Community Action (ACA) is a Non-profit organization (NGO) that advocates for change in the way public resource are spent. ACA is a Zambian NGO working out of the Munali constituency in Lusaka city. It has adopted the Munali constituency as a microcosm of the national. The organisation targets all our efforts in the constituency with the aim of drawing lessons that will be used to advocate for change in the way public resources are managed in the nation.

Government Money is your Money!!!

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