





The following are our submissions:

PILLAR ONE

Non-Tax Reforms

- PMRC urges Government to rationalize spending on road infrastructure projects and focus on Public Private Partnerships (PPPs) to finance these projects given the widening fiscal deficit.
- PMRC recommends that Government assesses performance of State Owned Enterprises (SOEs) with the view to hive off non-performing ones and recapitalize and restructure those that have a good business case and those that provide critical social services.
- PMRC further recommends that Government gives full details of operations and status on the agricultural and industrial credit
 guarantee scheme because Small and Medium Enterprises (SMEs) which are the backbone of Zambia's economy require
 financing (ease lending conditions).
- As proposed in the PMRC 2019 budget expectations and in view of the previous budgets commitments to establish 3 farm blocks, PMRC still proposes that Government must focus on establishing one farm block to completion as opposed to spreading resources out on 3 farm blocks. In doing so, Government can draw lessons and consequently attract private sector investment for other farm blocks to be replicated in other parts of the country. The same must be done for the aquaparks.
- Government must invest more in agriculture, livestock infrastructure and research to further enhance the efforts made in diversification of the agriculture sector.
- Government must prioritize tourism marketing to key source markets with the potential to earn Zambia increased arrivals.
 Infrastructure spending must be focused to enhance Meetings Incentives Conventions and Exhibitions (MICE) approach to increase revenue for the country.
- Government must solicit additional support to enable agriculture extension officers to be more effective and cover large areas. (motorbikes, vehicles, technology etc.).
- Government needs to revise the electricity act to allow for more players in the sector and ensure the cost of service study is completed urgently to provide the necessary information for reform in the power sector.

Tax Reforms

- There is need for a clear roadmap on the implementation of the Sales Tax in January 2020 with specific emphasis on how Sales Tax cascading effects and increased likelihood of tax evasion will be minimized. Government has an alternative to maintaining the VAT regime and curbing VAT refund loopholes which are purely administrative.
- There should be removal of all barriers of entry for local private sector into the Multi Facility Economic Zones (MFEZ) to promote increased number of Zambian owned businesses operating in the MFEZ.
- In view of promoting Zambian owned companies as specified by the Company Act, there is need for the removal of certain import duties within priority sectors (agriculture and manufacturing).
- Tax payer education campaigns need be enhanced to encourage compliance.

Debt

- With regards to debt, PMRC urges Government to provide an update on how effective the measures put in place to reduce
 the level of debt have been, including postponement of the contraction of pipeline debt, cancellation of some contracted
 loans that were yet to be disbursed, refinancing of selected bilateral loans and cessation of the issuance of guarantees and
 letters of credit.
- Government should allocate sufficient resources towards dismantling of domestic arrears. Payment of arrears will ensure that there is enough liquidity for Micro, Small, and Medium-Sized Enterprises which form the backbone of the economy.
- PMRC urges Government to strongly consider debt restructuring and re-financing of the Eurobonds and focus on concessional lending to bridge financial deficits. This will enable Government to free up resources for economic development and social services.
- With relation to Agriculture, we call for scaling up of the Famers Input Support Program with more priority being given to the E-voucher as opposed to Direct Input Supply (DIS) so as to promote agriculture diversification.

Domestic Resource Mobilization

- With regards to domestic resource mobilization, PMRC expects the Government to give an update on the operations of the development funds that have been created in recent years and on the progress towards achieving their intended mandate as special purpose vehicles in implementation of Government programmes (Fisheries Development Fund, Youth Development Fund, Skills Development Fund and the Tourism Development Fund).
- It is our hope as PMRC that Government will give a clear road map on the future of the administration Konkola Copper Mines in the budget.
- In view of the pending proposed Sales Tax regime, PMRC hopes the budget could give a clear roadmap on how the process will be carried from consultations to introduction of the tax regime with timeliness.
- Government must review all border operation concessions and prepare to run these borders 100% to maximize revenue collection. In further developing border crossing points we expect Government commitment towards partnerships with donors and development partners that will result in reduced costs towards infrastructure development and increased stake for Government to increase revenue collection.

PILLAR TWO

- Government needs to fully implement the electronic Social Cash Transfer (SCT) to reduce operational and administrative
 costs. Government needs to further increase the number of beneficiaries. (Further increase the number of beneficiaries
 from 700,000 to cover more people living under the poverty line with specification of persons with disabilities, the aged and
 children.)
- Commitments on the Food Security Pack must reflect an increase in the number of household beneficiaries under this program from 80,000 to 120,000 as stated in the 7NDP
- There should be adequate funds towards the effective implementation of the National Health Insurance Act with an emphasis on information sharing on the details of the implementation procedures.
- Government should outline measures to improve allocation and disbursement of funds towards pension funds.

PILLAR THREE

- Government must commit to providing ICT equipment in the rural areas to alleviate challenges faced by pupils from the rural
 areas in terms of access and use of ICT and lab equipment for learning.
- Increase funding towards rural sanitation and allocate significant resources for feeder roads in rural areas.
- Government needs actualize fiscal decentralization to councils.

- Prioritization of the rural roads rehabilitation and construction to facilitate movement of agricultural produce to the markets.
 Increased allocation to a five five-year Improved Rural Connectivity Project to facilitate the rehabilitation and maintenance of selected rural roads.
- There should be an increase of access to electricity for rural communities in the country, Government has been implementing
 the rural electrification programme and needs to report progress made towards the attainment of 50% rural connectivity
 earmarked for 2030.

PILLAR FOUR

In view of the current financial status, PMRC recommends that while Government has an obligation of paying debt, the budget should endeavor to address the following to ensure human development is enhanced in the country:

- In the health sector the budget should give an update on the status and implementation of the National Health Insurance Scheme.
- In view of the current fiscal constraints, Government should invest in rehabilitation and expansion of existing health facilities and adequately funding human resource deployment to improve access and provision of quality healthcare services especially in rural areas.
- In order to ensure continued quality education amidst removal and reduction in fees for secondary schools and colleges government should consider increasing the budget allocation to the education sector in the 2020 budget.
- In the midst of changing climatic conditions as alluded to in the presidential speech which is having adverse effects on water supply and accessibility. The 2020 budget should focus on investing in modern water technology to increase access to water and sanitation services to all while building climate change resilience in all sectors.

PILLAR FIVE

- The budget should give an update on the status of the implementation of the National Financial Inclusion Policy and explicitly stipulate the strategy which provides a framework for coordinating the efforts of both public and private sector players towards the achievement of an effective financial inclusion.
- Government must provide an update on the implementation of the Decentralization Policy, stating the rate at which the
 devolution of functions is being done.

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