

Press Statement

24th June, 2024.

Ensuring Equity: The Preferential Option for the Poor in the K42 Billion Supplementary Budget No.1 of 2024

The Jesuit Centre for Theological Reflection (JCTR) acknowledges the Zambian government's proactive steps in proposing a K42 billion supplementary budget, presented by the Minister of Finance and National Planning, Honorable Situmbeko Musokotwane, on 21st June 2024, to address the devastating effects of the ongoing drought. The Centre recognises the urgency of the situation and commends the government for prioritizing critical areas to mitigate the impact on vulnerable populations like the elderly, women, persons with disabilities, and child-headed households among other vulnerable groups. However, the success of these interventions depends on effective targeting and implementation.

The JCTR as an organisation whose mission is to improve justice and equality for all, particularly the poor and vulnerable, has examined the Supplementary Budget from a critical social justice standpoint and offers the following observations and recommendations.

The allocation of K5.2 billion to the Social Cash Transfer program, including a K200 increase (from K200 to K400) for existing beneficiaries and extending coverage to an additional 1.2 million households, addresses a long-standing and critical need. This measure is essential for providing immediate financial relief to the most vulnerable, ensuring their basic needs are met. It further addresses long-standing calls from many stakeholders to increase the transfer amount and expand coverage, thereby preserving human dignity. By doing so, it paves the way for households to achieve meaningful relief which might help them to graduate from chronic poverty. However, JCTR urges the government to ensure transparent and efficient distribution mechanisms to prevent delays and corruption.

The expansion of the school feeding program from K105 million to K392 million, now including secondary schools in 37 drought-affected districts, is significant for learners benefiting from the 2022 Free Education policy. This initiative will address immediate nutritional needs, support educational attendance and performance, and overcome challenges hindering the full benefits of free education. Monitoring the implementation of this program is crucial to ensure it effectively and timely reaches all targeted schools and children.

The allocation of K2 billion for the "cash for work" programme is commendable, with the potential increase to K3.5 billion. This initiative will provide essential employment opportunities in drought-affected areas. Nevertheless, JCTR emphasises the importance of fair, just and equitable selection processes for participants to avoid exclusion of the most vulnerable populations. Additionally, the programme should include capacity-building components to ensure sustainable development and skill acquisition.

The K125 million allocation to the Ministry of Small and Medium Enterprise Development for business development and financing programs is a positive step towards economic recovery. JCTR encourages the government to ensure that these funds are accessible to a diverse range of Small and

Medium Enterprises (SMEs), particularly those led by women and youth, to promote inclusive economic growth.

The Centre notes through the presented supplementary budget the commitment to continue purchasing local maize and importing deficits through the FRA, along with investments in livestock infrastructure and disease control, is essential for food security. JCTR recommends that these efforts be complemented with support for sustainable agricultural practices and diversification to build long-term resilience against future droughts. Ensuring adequate food reserves is vital for preventing hunger and stabilising food prices.

While the allocation of K300 million for dam rehabilitation, borehole drilling, and water purification chemicals is necessary, JCTR expresses concern about the sufficiency of these funds given the scale of the water crisis across many districts in Zambia. We also note the water and sanitation K6.8 million allocations under the Office of the President – Southern Province. It is our hope that these resources be transparently managed with clear accountability mechanisms. Access to quality water remains critical, and further investments may be required to meet the growing needs and demands for water usage.

At the same time, the drastic reduction in the Girls Education and Women Empowerment and Livelihoods (GEWEL) Project from K900 million to K169 million is deeply concerning. The education and empowerment of women and girls are fundamental to long-term societal development. JCTR calls on the government to reconsider this reduction and explore alternative funding sources to sustain and expand these vital programs. While drought relief efforts are pressing, safeguarding allocations for such initiatives remains imperative.

The substantial increase in external debt servicing from K1.3 billion to K14.6 billion, and the allocation of K15.2 billion to dismantle fuel procurement arrears, highlights the fiscal pressures facing the government amidst impending restructuring efforts. JCTR urges transparent discussions on the sources of savings from cost-cutting measures and advocates for prioritising social sector spending to mitigate adverse impacts on vulnerable populations. Moreover, the allocation of \$30 million to settle ZESCO's arrears for power imports from Mozambique underscores the critical need to efficiently invest in effective measures to address the country's power deficit. This allocation is pivotal in addressing the severe impact of load shedding on small businesses and frustrating efforts of citizens. To ensure transparency and accountability, detailed information on the use of funds must be provided, with regular audits and public reports becoming imperative. These measures are crucial for upholding public trust and ensuring that allocated resources effectively reach their intended beneficiaries.

While immediate relief is crucial, it is equally important to focus on long-term strategies that build resilience against future droughts and other climate-related shocks. JCTR urges the Government to integrate sustainable agricultural practices, water management systems, and climate adaptation measures into the future planning and budgeting.

JCTR acknowledges the Government's commitment to addressing the immediate and long-term impacts of the drought through the Supplementary Budget No.1 of 2024. However, JCTR stresses the need for transparency, accountability, and inclusive participation in the implementation of these measures. Continued dialogue with Civil Society Organizations, community leaders, and other stakeholders will be crucial to ensuring that these funds are used effectively and equitably to support Zambia's most vulnerable populations. We remain committed to collaborating with the government and other partners to achieve sustainable development and social justice for all Zambians.

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