ECONOMIC POLICY, DEBT AND BUDGETING PROCESS IN ZAMBIA
BUDGET PROCESS

The budget is the most important economic policy tool for macroeconomic management and resource allocation for any government. It provides a comprehensive statement of the nation’s priorities. Over the years, the budget has evolved from being a simple accounting tool to a planning and governance document upon which the success or failure of government policy can be evaluated.
Budget Process

Auditing

Implementation

Legislative and Approval

Drafting

Budget Process
Macroeconomic Objectives

- Achieve Real GDP growth of 5%
- Attain domestic Revenue Mobilisation of at least 17.7% of GDP
- Limit overall fiscal deficit to no more than 6.1% of GDP on cash basis
- Maintain domestic borrowing to no more than 4% of GDP
- Build Foreign exchange Reserves to at least 3 months import cover
- Maintain Inflation between 6-8%

Seventh National Development Plan

- Agriculture
- Industrialisation
- Tourism
- Mining
Zambia Plus Economic Recovery Program

1. Enhance Domestic Resource Mobilization
2. Scale up Protection Programs
3. Raise levels of accountability and transparency
4. Minimize Unplanned Expenditures
5. Policy Consistency
Government proposes to spend K71.6 billion in 2018

Government has accessed US$50 million for on lending to SMEs. This will create dynamic SMEs that will contribute to growth and jobs.
According to Zesco Energy satiation is projected to normalize after two good rain season. This effectively means load shedding will end.
In the petroleum sub sector, fuel is still purchased by cargo shipments at spot price. Deals for bilateral trade remain positive.
In the petroleum sub sector, the Government will disengage from the procurement of finished petroleum products with effect from 1st March, 2017 to be undertaken by the private sector.

Government will refrain from using export bans to regulate agricultural markets.
Tax: Zambia is one of the countries with high corporate taxes in Sub Saharan Africa.
Pension reform in Napsa deduction of K225

Honorable Minister of Finance, 2018 Budget address
BUDGET PROCESS
Entry points

KEY ENTRY POINT
You can make tax and non-tax submissions

Call for submissions

Ministry of Finance
Ministry Consultations
Budget submission compiled

Parliament

Approval
Committee Review
Expanded budget review committee
Youths can also submit here

Minister of Finance
Budget presented in parliament
Water and Sanitation

Water Supply & Sanitation (K'million)

- 2015: 540.99
- 2016: 283.64
- 2017: 391.7

Water up to K564 million

Education

Education (K'million)

- 2015: 9433.33
- 2016: 9143.21
- 2017: 10641.93

Education up K11.5 billion
Health

Health (K'million)

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<th>Year</th>
<th>Value</th>
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<tbody>
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<td>2015</td>
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Health up to k6billion

Social Protection

Social Protection (K’million)

<table>
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Social down to k2.3 billion
A LITTLE HISTORY OF MONEY

Romans
Romans used gold and copper for coins

World war Two
IMF is formed for global monetary stability. Global currency anchored in dollar

Zambia
Proposing gold reserves

USA
United states backed the dollar on one to one with gold

USA
US president Richard Nixon Decoupled dollar from gold
Zambia loses revenue through unvouched for expenditure. This underscores the need for public finance reforms and the corresponding bills and acts to be legislated.
THANK YOU