



**Civil Society for  
Poverty Reduction**



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# Submission on the National Planning and Budgeting Bill N.A.B NO. 22 OF 2019

**TO THE JOINT COMMITTEE ON NATIONAL ECONOMY, TRADE AND LABOUR  
MATTERS AND THE BUDGET COMMITTEE**

**BY**

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**ALLIANCE FOR ACCOUNTABILITY ADVOCATES ZAMBIA**

**POLICY AND GOVERNANCE CENTRE**

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**SAVE THE CHILDREN**



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action** ▶▶



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## 1. INTRODUCTION

Since 2009 the Republican Constitution<sup>1</sup>, including the current one, has made it a legal requirement that national planning and budgeting processes must be conducted within the framework of an Act of parliament<sup>2</sup>. In 2014 the Ministry of Finance, then responsible for national planning as well, launched the National Planning and Budgeting Policy (NPBP). The Policy in its objectives seeks to achieve integrated planning and budgeting, transparency, accountability and citizenry participation. Since 2014, stages of preparing national annual budgets and the 7<sup>th</sup> National Development plan have been guided by the NPBP. The policy however recognizes the need to re-enforce its implementation and monitoring through the enactment of a planning and Budgeting Law.

The 2014 National Planning and Budgeting Policy provides for citizen involvement in the planning and budgeting processes from national to provincial level. However, implementation of the policy has been weak and it has not addressed most stakeholder's concerns on inclusion and transparency in the planning and enactment of budgets in Zambia.

In 2019 government therefore tabled the National Planning and Budgeting Bill. This is an effective measure to address some of the enforcement challenges of the policy provisions. CSPR with the support of its network members undertook a study of the Bill and formed its position on the proposed law in response to an Invitation by the relevant Parliamentary Committee.

This submission constitutes 3 main parts; the strengths in the proposed Bill as the first section; the second section consists of the weaknesses and gaps in the provisions of the Bill. The last section of the memorandum contains recommendations to address the gaps identified and their accompanying submissions before concluding the submission.

## 2. OVERVIEW

The National Planning and Budgeting Bill will address the weaknesses and shortcomings in the implementation of the 2014 National Planning and Budgeting Policy. It further compliments the progressive clauses in the 2018 Public Finance Management Act.

The Civil Society Network acknowledges the relevance of such a Bill and would recommend, to the Committee, for its enactment once the necessary concerns and gaps have been addressed as proposed in the subsequent sections.

The overall gaps include:

- The absence of a clear composition of the Cluster Advisory Groups (CAGs) which threatens the participation of Civil society and private sector in the cluster or sector level coordination frameworks of national development planning;
- The inadequate integration of the budgeting cycle to the development planning process, especially on an annual basis;

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<sup>1</sup> 2009 Constitution Article 118 A- Amendment required Parliament to Enact a Planning and Budgeting Legislation which shall provide for matters that relate to medium and long-term development plans and budgets;

<sup>2</sup> The Constitution of Zambia (Amendment) of 2016, Article 205 on the Planning and Budgeting Legislation provides for public participation of citizens at all levels of government, in the formulation of financing frameworks, development plans and annual budgets

- The lack of clear functions for National Assembly when it comes to approval of the Development Plans; preparation of the annual and medium-term budgets;
- Limited integration of alternative civil society efforts in the mainstream planning and budgeting processes.

These general gaps will be specifically addressed in the next section through a detailed scrutiny of each provision in the Bill accompanied by recommendations or proposals.

### 3. DETAILED REVIEW OF THE NATIONAL PLANNING AND BUDGETING BILL N.A.B NO. 22 OF 2019

This section provides a detailed analysis of the provisions which need further refinement in the Bill in order to strengthen transparency, accountability and citizen participation in national development planning and budgeting. Further, it will address the gaps in the oversight function of National Assembly in the planning and budgeting processes of Zambia.

#### PART 1: PRELIMINARY PROVISIONS

##### Section 1: Short Title and Commencement

**Subsection 2:** 'currently reads The Minister in consultation with the Minister responsible for finance, may appoint different dates for the coming into operation of different provisions or Parts of this Act'

**Proposal:** should read: 'and shall come into operation on a date that the Minister may appoint by statutory instrument'; similar to the operative clause in the Public Finance Management Bill of 2018.

**Justification:** In its current format the clause gives too much discretion to the Minister to decide which provision of the Act to effect at their own appointed time. Considering the integrated nature of planning and budgeting the provisions must be effected in their entirety at the same time.

##### Section 3: Principles relating to national planning and budgeting

**Subsection 1 (b):** planning processes including fiscal responsibilities and functions are **undertaken** in accordance with the subsidiarity principle;

**Proposal:** The word **undertaken** must be replaced with devolved.

**Justification:** None of the principles make direct reference to decentralization or devolution as the 2014 National Planning and Budgeting Policy does. This is an opportunity to reinforce fiscal decentralization through the NPB Bill.

**Subsection 1 (h):** input into the national planning and budgeting process at all levels of Government shall be systematic and synchronized

**Proposal:** insert the word inclusive after systematic

**Justification:** The term 'Inclusive' will ensure that groups such as children, Youth, Women and persons with disabilities are entitled to participate in the planning and budgeting processes...

## **PART 2: INSTITUTIONAL FRAMEWORK FOR DEVELOPMENT PLANNING**

### **Section 4: National Development Coordinating Committee**

**Subsection 2 (a):** *The National Development Co-ordinating Committee consists of —(a) the Minister, as Chairperson;*

**Proposal:** Secretary to the Cabinet must be made Chairperson of the NDCC instead of the Minister.

**Justification:** The NDCC is the apex body made up of technocrats who oversee the day to day implementation of the NDPs and also other non-state actors. Thus, the STC would be more qualified to chair this committee instead of a cabinet Minister who is also expected to advise cabinet and also report to the Republican President.

**Proposal 2:** Since IDC is also part of the composition of the NDCC, the parastatal company must be removed from the list of stakeholders to be nominated on the NDCC.

**Justification:** This will be problematic because of the many parastatals in Zambia who may want to participate in the NDCC and the selection criteria may also prove to be a challenge. considering Many parastatals are represented by IDC and individual parastatals can be invited under provisions of Subsection 4 of this section of Section 4.

### **Section 8: Functions of Provincial Development Coordinating Committee**

**Subsection 1(b):** *...dissemination of the National and Provincial Development Plans to the general public, within the Province, not later than two months after the coming into effect of the National Development Plan*

**Proposal:** this function must be expanded to include dissemination of the Annual Progress Reports and Mid Term Reviews

**Justification:** The Chairpersons of the PDCC participate in the NDCC, but there is no clear channel through which they disseminate the progress on the Plan to the lower structures. The Progress Reports and other review reports are also not disseminated up to District level due to lack of a clear mandate on who is responsible.

### **Section 13: Cluster Advisory Groups**

**Subsection 1:** *The Minister, in consultation with the Minister responsible for finance and the Secretary to the Treasury, may constitute Cluster Advisory Groups for the purpose of facilitating the participation of non-state actors in the national planning and budgeting processes.*

**Proposal (i):** The provision must include a list of who will be appointed to the Cluster Advisory Groups to maintain consistency in the format as it has under the NDCC and PDCC.

**Justification:** Non-State Actors currently seat on the CAGs and precedence has also demonstrated that CSOs were active on the former Sectoral Advisory Groups (SAGs). Civil Society and other non-state actors cannot be expected to effectively participate in the NDCC if the Bill does not explicitly include them on the CAGs which deal with the day to day implementation and monitoring of the NDPs.

It also goes against the principles of participatory and integrated multi sectoral approach to national development planning.

**Proposal (ii):** The term ‘may’ should be replaced with shall in paragraph 1

**Justification:** The existence of the CAGs must transcend development plans and should not be at the discretion of the Minister. The NDPs cannot be implemented without the Advisory Groups.

## **PART 4: NATIONAL PLANNING PROCESS**

### **Section 17: Preparation of the Long-Term National Development Plan**

**Subsection 1 (d):** *...on cabinet approval, submit the Long-Term Development Plan to the National Assembly for approval.*

**Proposal:** Parliament must have strong oversight during the formulation stage by scrutinizing the proposed Long-Term Development Plan in consultation with stakeholders. The relevant Committee should produce a report with recommendations on the draft plan after consultations.

**Justification:** The Bill will address inadequacy of parliament’s role in the approval and adoption of long-term development plans which eventually inform the Budget. It will also enable Members of Parliament to understand the necessary legal reforms required for the effective implementation of the development plans.

### **Section 19: National Development Plan**

**Subsection 1:** *The Minister, in consultation with stakeholders, shall initiate the preparation of a national development plan, which shall operationalise the national long-term development plan.*

**Proposal:** The Minister shall provide a roadmap for the preparation of the next NDP in the last quarter of an Election Year; which should be budgeted for in that year’s Estimates. The actual preparation should start no later than First quarter following an election year and conclude before the National Budget of that year is laid before parliament.

**Justification:** This gives an opportunity to a newly elected governing party to align the plan to the party manifesto. It also reduces the lapses that previous NDPs have faced in their implementation.

### **Section 21: National Development guidelines**

**Subsection 2 (b):** *...effective participation of non-state actors at all levels in the national development planning....;*

**Proposal:** The provision should include... ‘and consideration of their alternative or shadow plans and submissions’

**Justification:** This will give credence to the alternative plans produced and platforms created by CSOs to promote the voices of citizens in the planning process.

### **Section 25: Development of Implementation Plans**

**Subsection 2:** *The provincial and district level implementation plan shall be developed within two months of the National Development Plan.*

**Proposal:** The national level (Volume 2) implementation plan of the NDP must also be included to this list

**Justification:** The National Implementation Plan of the NDP is finalized after Volume 1 of the Plan has been launched; it should therefore be also included on the list of implementation plans with a clear process of its development.

### **Section 26: Institutional strategies and implementation plans**

**Subsection 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.*

**Proposal:** The Four months for the preparation of the strategic plans by all the MPSAs at the same time would bring about challenges. Thus, this must be increased to 6 to 12 months.

**Justification:** Due to resource constraints (finance and human), it would be overwhelming for all MPSAs to have their strategic plans in place within 4 months of the NDP being launched.

### **Section 28: Annual monitoring and evaluation of the national development plan and budget**

**Subsection 1:** *The Minister shall, in each year, cause the monitoring, evaluation and reporting of progress with regard to the implementation;*

**Proposal:** replace evaluation with review because evaluation of the plan happens at 3 intervals. Thus, evaluation should have a separate sentence (additional) which should indicate those intervals.

**Justification:** Self explanatory

**Subsection 2:** *A ministry, province, and district shall prepare monitoring and evaluation periodic reports outlining the status.*

**Proposal:** the clause should include ‘...through the established structures prescribed under part 2 of this Act.

**Justification:** This will safeguard the participation of non-state actors in the monitoring processes.

## **SECTION 29: ANNUAL PROGRESS REPORT**

**Subsection 1:** *The Minister, in consultation with the Minister responsible for finance and the Secretary to the Treasury shall, on or before the last Friday of May of each year, table before the National Assembly the annual review of the National Development Plan.*

**Proposal:** The provision must prescribe that the APR to be tabled before National Assembly should be of the previous financial year. It should also include the approval of the APR by the NDCC before it goes to National Assembly.

**Justification:** This provision is already in place in the 2014 National Planning and Budgeting Policy. However, there are always major lapses in the timeliness of the Reports. Thus, specifying the period which is supported to be reported on to parliament will address the current gap in the publication of APRs.

## **SECTION 30: MID TERM REVIEW OF NATIONAL DEVELOPMENT PLANS**

**General Comment:** The Bill does not specify the steps to be undertaken in the MTR of the NDPs

**General Proposal:** The Bill must outline the guidelines of the MTR which the Minister should follow when initiating and conducting the Mid Term Review.

**Justification:** This is necessary to guide all stakeholders on how the Mid Term Review will be undertaken and it also helps in planning and accountability.

**Subsection 2:** *The ministries shall, when preparing the annual and mid-term review of the National Development Plan, include the assessment of the impact of any unplanned projects on the implementation of the National Development Plan and annual budget*

**Proposal:** The term 'annual' should be deleted as this section is for MTR of the National Development Plans. It is also difficult to assess impact on annual basis. The term 'unplanned projects' should also be removed because the goal is to have as few of them (unplanned projects) as possible when planning. Unless the term 'project' is redefined.

**Justification:** Self explanatory

## **Section 31: Evaluation report**

**Subsection 1:** *(1) The Minister shall cause to be produced a final evaluation report of the plan two years after the expiry of the plan.*

**Proposal:** The provision must be expanded to include what is to be considered in the Evaluation Report and its relevance since a new Plan would have already been developed on the basis of the Mid Term Review Report as guided under Section 30 subsection 3 of the Bill.

**Justification:** Self explanatory

## PART IV: NATIONAL BUDGETING PROCESS

### **Section 34: State and non-state actor's submission of budget policy proposals**

**Subsection 1:** *A state or non-state actor may, by the last Friday in April of each year, submit to the Minister for consideration, revenue or expenditure policy proposals for the forthcoming financial year.*

**Proposal:** the term 'or' must be replaced with 'and'

**Justification:** This will make it a must that non state actors are expected to provide proposals on both the revenue and expenditure arm of the Budget.

### **Section 35: Public consultation on green paper**

**Subsection (1)** *The green paper on the Medium-Term Budget Plan shall be published for public consultation by the second Friday of July each year.*

**Proposal:** The Bill must prescribe that these Consultations should be in form of Meetings from national up to provincial level with members of the Public. The provision must also list the composition of the public as citizens, civil society and private sector etc.

**Justification:** This will address the current shortcomings in the way Ministry of Finance holds public consultations on the national Budget and also give it credibility, but also guarantee citizen participation.

**Subsection 3:** *The Committee referred to in subsection (2) may consult any state or non-state actor on any issue on the green paper.*

**Proposal:** replace the term 'may' with 'shall'

**Justification:** The Committee must always engage their citizens to better represent their position on the Green Paper because the beginning of the Budget Preparation process.

## 4. GENERAL COMMENTS

### **GAPS AND WEAKNESSES IN THE BILL**

1. The Bill has failed to address the challenges faced by Ward Development Committees in participating in the National Development Planning and Budgeting Processes. This top down provision of only starting from the DDCC delinks the role of communities in the planning and budgeting process.
2. The Bill does not also give a clear entitlement of access to planning and budgeting Information and documents to citizens in a timely manner; It thus inadequately addresses the challenge of access whereas, it partially enhances availability of information;
3. In the Bill the Budgeting process has been prescribed in an isolated cycle without any clear linkage or integration with the planning processes through the NDCC or CAGs. Whereas, there is consultation by the Minister responsible for planning under PART 3 of the Bill; the Minister responsible for Finance does not consult with Minister of National Development Planning throughout Part 4 of the Bill.

4. The Bill does not set out any punitive action for failure to abide by the content of the Bill.
5. There is no explicit provision that addresses the exclusion challenges which act as barriers for disadvantaged groups such as children, youth, women and the disabled to participate in national development planning and budgeting.

## **GENERAL RECOMMENDATIONS**

1. The Bill must prescribe means through which the Minister responsible Finance must Report to the Committee on what the Civil Society Organisations and Private Sector submitted as both revenue and expenditure proposals to either the nation or the committee. This can be in form of a section in the Green Paper or the Budget.
2. The Bill must require the publication of the Citizen's Budget together with the Budget Speech by the Ministry of Finance.
3. The Bill does should prescribe the Budget Enactment process; specifically, when it is referred to the Expanded Budgets Committee and the stakeholder engagement processes which follow therein;
4. The Bill should outline penalties for failure by public official or controlling body to abide by the contents of the Bill like the Public Finance Act prescribes.
5. The Bill must make provision for the involvement of special groups such as children, youth, women and disabled in the national development planning and monitoring processes. The entitlements must also extend to the budget formulation process in fulfilment of Zambia's global commitments to these special groups (e.g. the UN General Comment No.19 of 2016; UN Convention on the Rights of Persons with Disabilities).