



Republic of Zambia  
**MINISTRY OF FINANCE**

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**BUDGET SUBMISSIONS IMPRESSIVE**

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**Lusaka, 3 September 2020** - The Ministry of Finance wishes to place on record its appreciation for the intervention recently made by His Excellency the President of the Republic of Zambia, when he called on the business community to engage us and make their submissions as we develop the 2021 -2023 Medium Term Expenditure Framework, and the 2021 national budget.

The open-door and inclusive stance demonstrated by the Republican President has helped this Ministry to ensure that stakeholders and interest groups that may have earlier been left out due to lapse of time, have now participated in proposing developmental, tax, and non-tax measures for the 2021 National Budget and the 2021 to 2023 Medium Term Expenditure Framework.

During the consultation period from May to August 2020, various stakeholders such as umbrella business associations, industry captains, professional bodies, interest groups, and individuals, made submissions to the Ministry of Finance. The number of submissions received as at 31 July 2020 was one-hundred-forty-five (145) but by 31 August 2020 rose to three-hundred-eighty-two (382). The breakdown, according to tax type, is as follows:

- i) Two-hundred-twenty-five (225) proposals were on customs and excise;
- ii) Ninety (90) proposals were on direct taxes;
- iii) Fifty-five (55) proposals were on Value-Added-Tax (VAT); and,
- iv) Twelve (12) proposals bordered on non-tax revenue.

The response from the public is impressive because the submissions are generally in line with our commitment to promote an open, inclusive, participatory, and transparent preparation process that promotes citizen ownership of the national budget. Most submissions are also in line with the Governments development thrust and paradigm. The bulk of the proposals focussed on agriculture, agro-processing, manufacturing, tourism and mining sectors.

According to Part XVI, Article 202 (1) and (3), of Constitution of Zambia (2016), the Minister of Finance is mandated to prepare and present the National Budget (estimates of revenue and expenditure) before the National Assembly, not later than ninety (90) days prior to the commencement of the next financial year for Parliamentary approval on or before 31<sup>st</sup> December. In this regard, the Minister of Finance Dr BWALYA NG'ANDU is expected to deliver the 2021 National Budget on Friday, 25 September, 2020. In his speech, the Minister will address issues related to the global and domestic economy, macro-economic objectives, policies, and strategies for 2021, and the 2021 national budget.

In the intervening period, the inter-ministerial Tax Policy Review Committee (TPRC) comprising experts in direct taxes, mining matters, customs and excise, and value added tax; and the inter-ministerial Non-Tax Policy Review Committee (NTPRC) comprising experts from all revenue generating ministries and agencies, will be finalising their assessment of proposals and recommendations to arrive at the best possible revenue generation measures for the 2021 National Budget.

The Minister remains focused on preparing and presenting the national budget on 25 September 2020. All officials that are involved in the budget preparation process have been directed to deeply reflect on the assignment and implement well-structured engagement programmes with development partners, ministries, provinces and agencies - so that inputs, assumptions and scenarios are analyzed in a critical, innovative, professional, and diligent manner in order to produce a budget that takes care of the socio-economic well-being of the people of Zambia.

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The Ministry of Finance will also be engaging the Clerk of the National Assembly and Smart Zambia Institute, to explore ways in which the usage of ICT resources could be optimised for budget presentation and post budget processes and events.

At this point, we wish to address the misinformation by unknown people which has been circulated on various media platforms alleging that the World Bank has halted BUDGET SUPPORT to Zambia. To start with, Zambia DOES NOT get budget support from the World Bank. At this point, we have also NOT YET APPLIED for budget support from the World Bank; therefore, halting, rejection, or stoppage is not applicable.

What we currently get from the World Bank is project support. The facility is intact and the disbursements are flowing. Starting in June 2020, the World Bank has availed Zambia a new window under IDA 19. In this regard, the indicative planning and budgeting allocation for the period 2021 to 2022 is US\$600 million across all eligible sectors in the current country partnership framework for the period 2019 to 2023.

Ministry of Finance will continue to engage frequently, local and external partners in order to improve information exchange on matters of mutual socio-economic interest.

**Issued by:**  
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**MINISTRY OF FINANCE**

**ADDITIONAL NOTES:**

*In May 2020, the Ministry of Finance announced the commencement of preparations for the 2021-2023 Medium Term Expenditure Framework (MTEF) and the 2021 National Budget. To ensure broad-based consultations, the public, private sector players, and non-state actors were invited to make proposals on tax and non-tax policies for possible inclusion in the 2021 National Budget.*

*The measure was taken in the spirit of ensuring that the consultations on the 2021 National Budget were broad and in line with the Government's Policy of streamlining taxation and creating an enabling environment for business; employment creation; wealth generation; and, a sustainable future for all.*

*A considerable proposal submission period ending on 31 July 2020 was initially set but later extended to 31 August 2020, so that all citizens, including the youth, women groups, the private sector, and all other stakeholders and interest groups, participate in the formulation of the 2021 Budget.*

*In July 2020, stakeholder engagements for the 2021 National Budget commenced at provincial level. A total of five (5) Provinces were visited between 15 and 21 July 2020. These are, Luapula, Muchinga, Northern, Eastern, and Central Provinces. However, as the daily Covid-19 cases began to escalate, it became necessary to adjust the stakeholder engagement method from the interactive town-hall version, to virtual and electronic based consultative meetings for the remaining provinces.*

*In response to our initial call for proposals which ended on 31 July 2020, we received one-hundred-and-forty-five (145) quality submissions from umbrella organisations, institutional stakeholders, single-standing private businesses, civil society, and numerous individuals and citizens. The submissions now stand at 382.*