ZIMCODD to Host the 2014 SADC People’s Summit.

Grace Chikodzi-Kaseke
The Southern African People Solidarity Network (SAPSN) was formed in 2000 drawing on many years of layered cooperation between people’s organisations in countries of Southern Africa Development Community (SADC). The aim was to consolidate and deepen that cooperation in order to strengthen people’s organisations in all the countries of Southern Africa and to reinforce their combined influence and impact on inter-governmental economic and social policies and programmes, and the political practices of governments in the region. These aims have pursued through a wide range of SAPSN workshops, seminars, conferences, publications, research and campaigning activities over the years since 2000.

Organizing the People’s Summits which are held parallel to the Annual SADC Heads of State Summits is a significant and established part of SAPSN’s role. The gathering in of hundreds of representatives of mass movements, grassroots, and community based organizations (CBOs) and Non Governmental Organizations (NGOs) that work closely with them, has become a significant feature in the building of popular regional cooperation. Since the first summit held in Windhoek, Namibia, in August 2000, the range and numbers of popular organizations and activists gathering from all the countries of SADC has increased steadily. Some three hundred participants came to Musina. Lesotho in 2006. More than four hundred came to Lusaka, Zambia and Johannesburg. South Africa was graced by five hundred participants in 2008.

Zimbabwe will this year host the 2014 SADC People’s Summit ahead of the SADC Heads of State and Government meeting to be held in the resort town of Victoria Falls. More than 2500 participants from community based groups, social movements and civil society organizations from all corners of the region are expected to grace the event. The People’s Summit which is scheduled to be held on the 15th and 16th of August at the Zimbabwe International Trade Fair (ZITF) Grounds will bring together ordinary citizens from the regional bloc under the theme “Reclaiming SADC for People’s Development: SADC Resources for the SADC People”.

The People’s Summit is convened by the Secretariat with the SAPSN Focal member in the host country being the host organization. Zimbabwe Coalition on Debt and Development (ZIMCODD) as the SAPSN focal point for Zimbabwe will be hosting the 2014 event. ZIMCODD will be responsible for mobilizing local civil society and social movements to help address the challenges facing the nation ahead of the summit.

The summit brings together ordinary SADC citizenry who use the Summit to voice their concerns on issues that affect their day to day lives under the current globalization wave. The Summit deliberations will include, but not be limited to the SADC Peoples’ Declaration being submitted to the SADC Heads of State and disseminated throughout the SADC Focal points of the member countries in the region as we help operationalise the ideas and best practices for the SADC region.

DID YOU KNOW?
- According to Global Financial Integrity, Zimbabwe has lost a cumulative US$12 billion in the last 30 years through illegal financial flows while Africa lost an estimated US$1.4 trillion in the same period.
- The continent loses between US$30 – US$40 billion every year through illegal financial flows.
- Zimbabwe’s external debt is hovering around US$9.9 billion against the 2014 budget of US$4 billion.
- Amongst the 7 mining companies in Manicaland only Mbada Diamonds has managed to declare publicly, though not wholly its mining revenue.

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People must develop alternative water supplies — HARA

A glimmer of hope for Mutare residents

By Tinashe Gumbo

Zimbabwe is a resourceful country especially in the mining sector whose majority wallows in abject poverty. It is trailing other countries in terms of socio-economic development yet it could be in a position to finance the bulk of its needs from these resources.

The country has lost a cumulative US$12 billion in the last thirty years through illegal financial outflows ranging from secret financial deals, tax evasion and illegal commercial activities according to the Global Financial Integrity (GFI). This figure is part of an estimated US$1, 4 trillion that was lost by the African continent in the same period. Therefore the continent loses between US$30 and US$40 billion every year despite the inflows to Africa remaining very low. Africa has become a net lender of resources to the whole world.

Illicit financial outflows involve financial resources that are illegally earned, illegally transferred or illegally utilized. Zimbabwe has not been spared from this global and international challenge as it is estimated that cumulatively, Africa lost US$866 billion between 1970 and 2008 through illicit outflows. Estimates at country level indicate that losses in Southern Africa were mainly driven by Zimbabwe, South Africa and Angola among others. The transactions are alleged to be a result of under-pricing, overpricing, miss invoicing and making fake trades, often between subsidiaries of the same multinational companies.

Corruption has also contributed to resource losses in Zimbabwe. It is more than just bribery to a public official but it ultimately undermines faith in the rules and systems that are supposed to promote the public interest. Tax evasion should be considered as a form of corruption as it allows sections of society to bypass accepted norms and provides one set of rules for the rich and well-connected people and another set for everyone else. Politicians and corruption in the Zimbabwe Revenue Authority (ZIMRA) also affect the effectiveness of the institution in its role of revenue collection as some Zimbabwe Revenue Authority (ZIMRA) officials are suspected to be accepting bribes in return for reduced tax payment with some Chief Executives paying themselves huge salaries that are not subjected to the tax system.

The taxpayers’ resources have also been used to service the country’s external debt at the expense of the vital social services like health, education and service delivery. Zimbabwe’s external debt is currently hovering around US$9.9 billion.

Zimbabwe offers various tax incentives to attract international companies including the extractive industries. They include tax exemptions and tax holidays, tax deferrals, de-facto control of some national infrastructure, ultra-low royalty rates and excessively generous access to water and land among other natural resources. In most cases, this is done without any consideration to human and environmental impact with contracts usually negotiated and signed between the multinational companies and the governments without the involvement of the ordinary citizens and their parliametary representatives.

ZIMRA administers these tax incentives which have imposed the tax burden on the shoulders of the ordinary taxpayer.

The issue of tax collection by countries has led to yet another challenge the world over that is the problem of secrecy jurisdiction, commonly known as tax havens. A tax haven is a country that offers foreign individuals and businesses little or no tax liability in a politically and economically stable environment. It also provides little or no financial information to foreign tax authorities. Individuals and businesses that do not reside in a tax haven can take advantage of these countries’ tax regimes to avoid paying taxes in their home countries. It is suspected that Zimbabwe is also losing a lot of potential taxes through this as the various multinational companies especially in the mining sector have not been transparent in their dealings. Examples of the countries that offer low tax rates thereby enabling the tax haven tag are Mauritius, Seychelles, Switzerland, Cayman Islands, Luxembourg and Jersey.

The informal economy often involve unrecorded, unaccounted for and statistically difficult to verify activities making it challenging to include the informal sector into the system of national accounts. Zimbabwe’s unXed or under taxed small to medium enterprises remain outside the tax bracket. The government estimates that there is more than US$7, 4 billions that is circulating outside the mainstream economy. ZIMRA is struggling to include the informal sector into the official tax remittance system. Most productive activities that are taking place in the sector go untaxed. The government needs to give incentives like property rights protection, provision of proper space for doing business, infrastructural development and financial and services support as a way of motivating the informal sector to voluntarily pay tax.

Figure 2: Mabvuku residents hard hit by water shortages

Israel Mabhoo

WATER has become a scarce commodity in many suburbs in Harare, with some parts such as Mabvuku, Tafara, Kuwadzana and Budiriro going for weeks without adequate supply, a situation that has compelled the Harare Residents Alliance (HARA) to make calls for people to develop alternative water supplies which are safe for consumption, since Harare City Council has failed to address the water situation in Harare and the dormitory town of Chitungwiza.

The organisation questions the current press reports that Harare’s potable water is now safe for consumption and calls for more independent water bodies to test the water and publish their findings.

The organisation is against the commodification of water at individual and industrial levels saying if continued without any redress would reflect negatively on the Council’s ability to supply water to all its areas under its jurisdiction.

The growing trend of making water-a resaleable commodity as witnessed by other firms which are now selling bulk water to residential and industrial units is against the people.

The water taskforce, which is a grouping of residents associations also bemoaned the Harare City Council’s unfair billing which they said has to be transparent and called on the council to decentralise its billing system as ratepayers and residents were losing a lot of money by having to travel to Rowan Martin Building to have their accounts updated.

Continued on page 3
Clarity Shibanda

Social movements and residents of Bulawayo’s Cowdy Park’s suburb have rejected the proposal by the Bulawayo City Council (BCC) to introduce pre-paid water meters, labelling the move a violation of their fundamental right to water.

Addressing policy makers and residents who had convened to commemorate the World Water Day held in Cowdy Park on Saturday, ZIMCODD regional board member Mr. Percy Mudzingwa accused Bulawayo Environment Secretary, Mr. (BUPRA) representative’s failure to consult residents on the proposed water metering “as a pilot project to kickstart in the Hlulani Khale area.”

“We are rejecting the proposal by the Council to introduce water meters, a tool used under private contract in order to secure profits for the shareholders, not the access to water by us. “Most of us are living under the poverty datum line, which has been exacerbated by the closure of many industries; hence pre-paid water meters will put us at risk of contracting water borne diseases since we won’t afford to buy water due to lack of funds”.

With prepaid water meters, consumers will have to buy credit units, in which failure to do so would result in one being disconnected. The Council argues that the installation of water meters had the potential of increasing the city’s annual revenue base to $41 129 million annually from the current $29 157 million as well as improving the consumer metering and billing system.

ZIMCODD and likeminded organizations argue that the country’s vast natural resources must fund the deteriorating social services such as water in the spirit of the constitution and international conventions.

YOUR RIGHTS IN THE CURRENT CONSTITUTION OF ZIMBABWE

Social and Economic Rights

Section 64: Freedom of profession, trade and occupation

Section 65: Labour rights

Section 73: Environmental rights

Section 75: Right to education

Section 76: Right to health care

Section 77: Right to food and water

Section 80: Rights of women

Section 81: Rights of children

Section 82: Rights of the elderly

Section 83: Rights of persons with disabilities

PUBLIC FINANCE MANAGEMENT

Section 209: Principles of public finance management

Section 209: Parliamentary oversight of state revenues and expenditure

Section 303: Limits of state borrowings, public debt and state guarantee

Section 301: Allocation of revenues between provincial and local tiers of government

Section 302: Consolidated Revenue Fund

Section 303: Withholdings from Consolidated Revenue Fund

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The Minister of Finance complained that in 2013 no dividends from diamond sales were remitted into the state coffers. Out of the seven mining companies namely: Anjin Investments, Diamond Mining Company, GyeNyme, Jinan Mining, Private Limited Kasena Engineer Resources and Mhada diamonds, it is only Mhada Diamonds that has managed to declare publicly its mining revenues.

Tax evasion has led to poor performance of the government. Taxpayers funds have to be redirected from developmental projects towards employing expensive foreign tax experts to train tax officials to curb such tax evasion. The government’s capacity to provide social services has been crippled. Thus tax evasion is undermining development and exacerbating inequality and poverty in Zimbabwe. They disadvantage smaller domestic firms and ordinary taxpayers who comply.

ZIMCODD believes that domestic resource mobilisation is more sustainable and predictable than foreign aid that comes with conditions and perpetuates Zimbabwe’s indebtedness. It is therefore critical for Zimbabwe to work towards improving its domestic revenue collection strategies. The country’s tax laws continue to suffer from loopholes that facilitate tax evasion despite the new amendments to the Inland Revenue Act.

On Tuesday 24 June 2014, ZIMCODD facilitated the election of a new rural livelihoods assembly committee in Matobo dominated by small scale irrigation farmers who mainly grow maize and vegetables.

The committee which is chaired by Chelesani Mdlongwa comprises of all members of whom 2 are men and 5 are women.

Matobo farmers face challenges of unfair trade practices and have expressed dismay over the Grain Marketing Board (GMB) which sets low buying prices with no regard for input costs. They also bemoaned lack of capital to purchase inputs as they grapple with the difficulty in accessing government donated inputs.

During an open workshop farmers expressed dismay over authorities who were sending students away for not paying school fees. They managed to engage with the authorities to reconsider the matter of sending children home for non-payment of fees.

Farmers welcomed the new partnership with ZIMCODD and said they are looking forward to the Khamanga Emuvha / Chveka meeting with their political representatives at Matobo ward 19 Councilor, Henry Ncube also graced the event.

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Zimbabwe cotton sector on the brink of collapse

While a Zimbabwean civil servant earns around $500 monthly which they feel cannot cover food, electricity, water, school fees and transport bills, in an economy where one hardly has surplus to save you will find out that there are others who are not only finding it hard to save but cannot even meet day to day expenses and are in debt. While the civil servant crisis foul over $500 a month the small local holder cotton grower is forced on a meager +/-$400 the whole year.

Cotton farmers sparked outrage at low crop prices saying it was better to either diversify or quit farming altogether. At a farmer's stake holders workshop hosted by the Zimbabwe Coalition on Debt and Development (ZIMCODD) the social and economic justice coalition whose vision is sustainable socio-economic justice in Zimbabwe through a viable and sustainable agriculture. Farmers spoke on producer prices not matching breakdown costs, a lot of money is used up at the beginning and even though prices do not trigger farmers to match these, the farmers are not aware how the international market operates.

He spoke on how their association works to help other farmers improve, *we* go to farmers to practice free farming, it will however take time for farmers to engage in free farming because of poverty as they are dependent for inputs* he said.

Female farmers have their own unique challenges apart from the common ones. Eliza Mhlanga Kuchera from Chipinge spoke on the challenges women are faced with when they have no support from male members. She highlighted that women are faced with a lot of challenges which hinders their capacity to farm.

Mhlanga Kuchera from Chipinge spoke on the various challenges they face which include being barred from holding community based meetings in their communities as they are not registered, she also highlighted how the current $0.40c pegged price for cotton is peanuts as it doesn't even cover costs.

"Cotton farming is making us poor, we cannot see any future for our school or even access health facilities" she said.

Munanganjro highlighted how farmers are not engaged in the pegging of prices, and are unaware how the international market operates as the price is just announced to them by the cotton buyer with no room for negotiation, he urged Government to follow up on companies through intermediary boards like the Agricultural Marketing Authority (AMA) and monitor the pricing of cotton. It is too late to start doing so, he noted that farmers have been used to subsidized cotton and many of them have been registered as free farmers to ask for a fee in order to sell their produce, being told to practice contract farming which according to farmers doesn't benefit them as the payment is earned is returned to companies to pay for borrowed inputs taken at the beginning of the farming season.

Farmers feel they are being cheated out of their monies as they are given expired chemicals which don't kill pests.

The Zimbabwean Civil Servant crisis is an indication that the cotton farm is in the red.

ZIMCODD High School Debates roll into action

Clarity Shibanda

The Zimbabwe Coalition on Debt and Development (ZIMCODD) launched the high schools and tertiary institutions debates and public speaking gala in 2011 in Bulawayo and Chipinge and Bulawayo held annually. The debate engages students in high schools and tertiary institutions on issues pertaining to public finance matters and economic rights. It is a platform designed to enable students to debate on policy matters and develop their capacities to analyze policies and offer alternatives.

Public speaking and public speaking gala is falling under the ZIMCODD's Civic Participation and Economic Development (CPED) which seeks to build on and strengthen the mobilization of citizens from grassroots level and champion socio-economic development. To that end, debates are a platform, students are involved in evidence based research in the selected topics under the organization's Policy, Research and Advocacy Program (PRAP).

The advocacy element is key in making the necessary engagements with policy makers. All the issues raised are subsequently consolidated into a communique presented to policy makers to influence the policy making from the bottom.

The 2014 debate and public speaking gala was held in Harare themed as: The utilization of the United Nations' Sustainable Development Goals and Economic Development. The case for debt management, Extractive Industries and Tax Justice. The debates were infused with elements of social and economic justice in the Zimbabwean context.

He has among being the leading water campaigner in Malawian community where water is a scarce commodity. Rose was a vibrant representative of the Harare Water Taskforce which was convened by ZIMCODD and comprises of the Harare Residents Alliance (HARA), Chitungwiza Residents and Ratepayers Association (CHERRA), Community Water Alliance (CWA) and the Combined Harare Residents Association (CHIRA) for helping farmers engage with policy makers. All the issues raised made it possible for more farmers to engage in free farming because of poverty as they are dependent for inputs* he said.

Cephas Gwaygwaya

He is amongst a pool of SEJAs who have used his experience as a ZIMCODD member to fight for the rights of families displaced by mining companies in Chadzidza. Gwaygwaya is the current chairperson of the Andrena Transau Relocation Development Trust.

ZIMCODD’s Social and Economic Justice Ambassadors (SEJAs) ‘Success Stories

Dorothy Bhebhe is one of ZIMCODD’s founding members who was also the organization’s Southern Region Chairperson. Her vibrant gender activism as the Executive Director of Ubuntu Women’s Information Access Centre (WIACS) and ZIMCODD SEJA saw her being elected as Bulawayo Metropolitan Province (MP) in 2013. Mrs Bhebhe has so far been part of various activities under ZIMCODD’s ‘Look Back Cheuva’Khanganla Emuva platform to discuss development issues for her community. We believe MalibheBhebe will continue representing the organization in its fight for social and economic justice in parliament.

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