



Investing in People for Social and Economic Justice

Concerns over COVID-19 resources

Legislators and members of the civil society have registered their concern on the porous nature of Zimbabwe's public finance management system calling upon the government to exercise transparency and accountability in managing resources earmarked for the fight against COVID-19.

Speaking during a virtual Public Finance Management Indaba organised by the Zimbabwe Coalition on Debt and Development (ZIMCODD) yesterday, Honourable Tendai Biti, Chairperson of the Public Accounts Committee bemoaned failure by legislators to undertake their constitutional oversight role since the announcement of the lockdown arguing that this gives room for the Executive to flaunt constitutional provisions on public finance management.

"As Members of Parliament, we are concerned that we have not been sitting and this allows the Executive to do whatever they want. The plethora of Statutory Instruments that have been gazetted so far on COVID-19 alone is worrying. The parliament is the only body that should make laws so closing parliament in times of disaster is worrying", charged Biti whilst emphasising that Zimbabwe has sufficient money but the only problem is how that money is spent and that Zimbabwe is not facing a resource shortage issue but poor governance. On the role of Parliament in ensuring fiscal transparency, Honourable Temba Mliswa who is also a member of the Parliamentary Portfolio Committee on Public Accounts lamented lack of implementation of the recommendations from Office of the Auditor General and denounced legislators for passing on budgets without taking stock on the extent to which recommendations in the Auditor General's Report have been implemented.

"We have the Auditor General's Office that has always been doing phenomenal work in terms of exposing corruption in Zimbabwe. The only problem is that citizens and legislators are not eager to implement these recommendations. Why do we pass budgets when we know that particular ministries have not implemented the recommendations?" said Mliswa who argued that the government is good at publishing the resources received but more needs to be done in terms of where the resources have been channelled. The Norton legislator called upon civil society organisations like ZIMCODD to tighten their screws and work with Parliament in pushing for the implementation of recommendations from Mrs Chiri's office.

Zimbabwe has to date mobilised close to US\$330 million from various sources, however citizens are worried that with the levels of corruption and looting in the country these resources might not fulfil their intended purposes as some opportunists see the disaster as an opportunity to fatten their pockets. The recent US\$7 million grant offered by the World Bank to Zimbabwe exposed the huge public mistrust in the government of the day. Citizens have since taken to social media calling upon the financial institution to disburse the funds through an independent development partner and not the government itself as they fear abuse and diversion. This is a clear indication that citizens have no

confidence in the country's state of affairs in as far as the expenditure of public resources is concerned especially in disaster contexts due to allegations of the abuse of resources earmarked for cushioning Cyclone Idai victims in 2019.

Speaking in the same meeting, Tafadzwa Kuvheya, a revenue Transparency Consultant said that, *“COVID 19 has not only tested Zimbabwe’s public finance management system but has also exposed the gaps that exist within the system emphasising that an effective public finance management system helps governments to respond effectively to disasters.”*

She made the remarks whilst highlighting that an effective public finance management system in disaster context is one that speaks to the eight principles which are accountability, transparency, responsiveness, efficiency to ensure fair value for money, flexibility, gender sensitivity, reliability and resilience to revitalise the social and economic environment so that it is able to withstand future disasters. Looking at the current public finance management in Zimbabwe, the framework falls short of the majority if not all of the above-mentioned principles. Furthermore, participants at the Indaba bemoaned how the government is failing to effectively respond to COVID-19 as if this is the first-time disaster struck the country. Lessons must have been drawn from the recent Cyclone Idai to put in place a resilient and corruption free public finance management system. On the same note, Mucha Mundopa, the Executive Director of the corruption watchdog, Transparency International Zimbabwe, had this to say,

“The word disaster has become synonymous with corruption in Zimbabwe where a few individuals take the opportunity to loot. We have had cholera and Cyclone Idai but surprisingly nothing was done in terms of plugging out corruption. We are calling upon the government to produce and publish a distribution matrix of the COVID-19 resources to ensure transparency and accountability.”

Clarion call was made for government departments to religiously follow the procurement procedures. Pursuant to that, responsible authorities were urged to plug loopholes in the procurement process and publish the names of the companies that supplied COVID-19 resources as well as undertaking public disclosure of beneficial owners of the procurement processes. This must be coupled by the establishment of an online database where public procurement contracts are disclosed because such information is necessary for accountability especially in an environment where corruption is on the rise. The calls are made at a time when the bulk of the resource leakages from the public coffers in Zimbabwe are evident in public procurement due to noncompliance of public procurement procedures, regulations and rules. Precautionary measures must therefore be taken to guard against ‘tenderpreneurship’ in which some individuals and companies win government tenders without going through the open contracting processes as provided for in Public Procurement and Disposal of Public Assets Act of 2017. The Zimbabwe Power Company scandal in which a payment of US\$4.9 million was paid to Pito Investments for transformers never delivered dating as far back as 2010 as revealed in the [2018 Auditor General’s Report](#), bears testimony to this. Sakhile Sifelani, Executive Director of the Women in Politics Support Unit echoed the same sentiments saying,

“Zimbabwe suffers from a foundational and ideological challenge and this is the lack of understanding of what public good really mean and the notion of public good no longer exist in Zimbabwe. Public sector reforms has remained an outstanding national issue and it was also one of the agenda items for the new dispensation but surprisingly it has fallen off the agenda. We need these reforms as soon

as yesterday. Let's do an effective and efficiency audit on how long public entities and bodies take to execute their responsible mandates to ensure that we reform the sector."

In his inaugural address, former American President Ronald Reagan had this to say "Government is not the solution to our problem; government is the problem." These simple but strong words have indeed manifested in Zimbabwe where most of the country's social and economic challenges faced by citizens are a result of poor governance compounded by corruption and disrespect of the constitution. This was also brought to light by the Zimbabwe Environmental Law Association Executive Director, Mtuso Dliwayo during the Indaba when he highlighted that Zimbabwe does not have to depend on donations in times of crisis given the vast mineral resources the country is endowed with. The minerals must have been solving the challenges faced by the country, however the government is failing to manage these resources efficiently and prudently which has seen the natural resource sector being characterised by illicit financial flows and rampant corruption. Corruption is a cancer in Zimbabwe and it has hindered the country's efforts to achieve sustainable development.

Recommendations

1. The government must abide by the public procurement rules in line with the Public Procurement and Disposal of Public Assets Act of 2017. Measures must be put in place to plug loopholes in the procurement process. This must be coupled with the establishment of an online database on which names of companies that supplied COVID-19 resources are published and undertake public disclosure of beneficial owners of the procurement processes.
2. The Minister of Finance and Economic Development must bring before parliament the ZW\$18 billion stimulus package for debate and approval. Considering the tight fiscal space, the government must not only announce the gross amount but rather disclose the source of funding for the stimulus package.
3. Upon resuming its sitting, the Parliament must order for a forensic audit over all resources donated to ensure transparency and accountability.
4. The government must avail resources to the Civil Protection so that it utilizes them in a manner that relevantly responds to the situation on the ground. The finances must be cascaded to the provincial level so that urgent and necessary actions are taken at local level.

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