



Concept Note and Terms of Reference

Policy Brief on the Legislation Impacting on Public Finance Management (PFM) in Zimbabwe

Introduction and Background

The Zimbabwean government has been failing to service its public debt since the early 2000s due to lack of adequate financial resources. COVID-19 has necessitated further borrowing to fight the health crisis, procuring the COVID-19 vaccine and to stimulate the economy. By end of 2020 public debt was estimated to be 78.7%¹ of GDP which is both above the SADC threshold of 60% and the 70% that is set in the Public Debt Act. The citizens have been expressing dissatisfaction with the management of public finances in Zimbabwe especially during emergencies like Cyclone Idai, COVID-19 that have been characterised by scandals that involve senior government officials. This has raised concern on whether, the legislation has sufficient provisions to safeguard transparency and accountability during such emergencies. Effective response to address immediate and long-term effects of the pandemic largely depends on good public financial management.

It is against this background that the AFRODAD and ZIMCODD in 2019 produced a policy brief on alignment of legislation impacting on public finance management in Zimbabwe. The brief highlighted that non-alignment of the PFM legislation to the Constitution contributed to a series of fiscal leakages and lack of proper frameworks allowing parliament oversight in public borrowing which limit citizen participation in budget processes. A strong public financial management system is essential for effective and sustainable economic management and public service delivery. Poor public financial management systems represent a major constraint on their ability to turn high-level policy ambitions into real-life outcomes. The adoption of the Constitution of Zimbabwe Amendment (No. 20) Act in 2013 created an enabling foundation upon which a strong public finance management system should be premised. However, eight years after its adoption, legislation impacting on public finance management, primarily the Public Finance Management Act [Chapter 22:19] which is the principal Act regulating public finance management in Zimbabwe has not been aligned to the Constitution. This non-alignment has contributed to a series of fiscal leakages as evidenced by the annual reports published by the Auditor General and limited effective oversight by the Parliament and citizens alike in key spheres of public finance management such as public procurement and public debt management. The lack of alignment between the supreme law of the land (the Constitution)

¹ National Budget Statement 2021.
http://www.zimtreasury.gov.zw/index.php?option=com_phocadownload&view=category&download=343:2021-national-budget-statement&id=65:2021-budget&Itemid=790

and the public finance management legislation has also resulted in the lack of proper frameworks allowing for Parliamentary oversight in public borrowing and limited citizen participation in budgetary processes. Thus, creating avenues for the State to contract loans in violation of constitutional provisions and the Public Debt Management Act. The management of public finances is a key determinant of the quality and soundness of governance a country has.

Legislation impacting public finance therefore become critical in this regard. As such the Public Finance Management Act is a key piece of legislation that needs to be well crafted to withstand opportunities for corruption. There is need to make it expensive for the individuals who abuse public resources by putting in place mechanisms that increase the probability of detection and sanction, as well creating a conducive and enabling environment that encourages citizen participation and parliamentary oversight in public finance management. On 31 March 2021, the government gazetted the Public Finance Management Amendment Bill 2021² which seeks to amend the Finance Management Act Chapter 22:19 to align it to the Constitution as well as strengthen Parliamentary oversight over the use of public funds to curb corruption.

The Scope of the Assignment

Policy briefs jointly produced by AFRODAD and ZIMCODD are an important advocacy tool in influencing a positive policy change for a conducive policy environment. The purpose of the policy brief is to review and assess the Public Finance Management Amendment Bill 2021 with a view of identifying gaps and best practices that should be beaded to the bill to ensure full alignment with the Constitution.

The consultant will be expected to execute the following tasks:

- Unpack the Public Finance Management Bill 2021
- Identify further gaps in the PFM Bill which are vital in strengthening Zimbabwe's public finance management system.
- Critically analyse the PFM Bill, highlighting the major concerns and gaps
- Proffer recommendations that enhance the Bill and transparency and accountability in Zimbabwe.

Expected Outputs

1 Policy Brief (maximum 8 pages)

Timeframe

Draft Policy Brief to be submitted on the 12 May 2021.

Final submission of the Policy Brief by 23 May 2021.

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² <https://gazettes.africa/archive/zw/2021/zw-government-gazette-dated-2021-03-31-no-42.pdf>

Qualifications and Experience

AFRODAD and ZIMCODD is looking for a person (s) with knowledge and a clear understanding of legislation impacting on public finance management in Zimbabwe. The individual must be in possession of a University graduate degree in Law, Economics or Social Sciences with experience of public finance management work. A minimum of 4 years of professional experiences in undertaking similar or related task; adequate familiarity with broad Policy and Legal frameworks in Zimbabwean PFM systems; a clear understanding of legislation impacting PFM in Zimbabwe and excellent writing and oral communication skills in English language.

To Apply

All those interested should send a CV, expression of interest (Eoi) with budget (US\$) and time frame to afrodad@afrodad.org. The deadline for submissions is 02 May 2021. Only successful applicants will be contacted.