

Investing In People For Social And Economic Justice

ZIMBABWE OPEN BUDGET SURVEY REPORT 2021

September 2021

THE 2021 ZIMBABWE OPEN BUDGET SURVEY REPORT

Published by

Zimbabwe Coalition on Debt and Development
Number 9 Bargate Road, Mt Pleasant, Harare, Zimbabwe

Copyright © 2021 Zimbabwe Coalition on Debt and Development
ISBN - Print Version

Research Team

Edited by: Muchanyara Midzi

Consultant: Vincent Chakunda (PhD)

Design & Print by: Lightpress Print

This publication may be reproduced for non-commercial use in any form, provided due credit is given to the publishers and the work is presented without any distortion.

Email: zimcodd@zimcodd.co.zw

Website: www.zimcodd.org

Twitter: @zimcodd1

TABLE OF CONTENTS

LIST OF FIGURES	ii
LIST OF TABLES	iii
LIST OF ACRONYMS	iv
ACKNOWLEDGEMENTS	v
EXECUTIVE SUMMARY	vi
1.0 INTRODUCTION	1
1.1 Background and context of the survey	1
1.1.1 Justification for conducting the OBS at local government level in Zimbabwe	3
1.2 Methodology of the study	4
1.2.1 Survey Design	4
1.2.2 Sampling of local authorities	4
1.2.3 Data collection methods	5
1.3 Legal and Institutional Framework of National and Local Government Budgeting	6
2.0 PRODUCTION AND ACCESSIBILITY OF PRE-BUDGET POLICY DOCUMENTS	9
2.1 Public Knowledge and access to the budget strategy paper	9
2.2 Public knowledge and access to the Ministry of Local Government budget guidelines	10
3.0 CITIZEN ENGAGEMENT DURING THE PRE-BUDGET STAGE	12
3.1 Public knowledge of the national and local government budgeting process	12
3.2 Public participation in the national and local government budgeting process	12
3.3 Challenges faced in pre-budget consultations	14
3.4 Consideration of public input into the budget before enactment	14
3.5 Public awareness of budget presentation time	15
3.6 Submission of objections during the budget making process	16
3.7 Access to the executive budget	16
4.0 CITIZEN ENGAGEMENT DURING BUDGET IMPLEMENTATION STAGE	17
4.1 Access to documents highlighting government progress in implementing budgets	17
4.2 Transparency in the management of debt	19
4.3 Role of oversight institutions in ensuring compliance with budgeted expenditure	22
4.4 Public action against deviation from budgeted/planned activities	23
4.5 Role and impact of civil society in monitoring budget implementation	25
5.0 CITIZEN ENGAGEMENT IN POST-BUDGETING PROCESS	28
5.1 Public knowledge on the processes of auditing public institutions	28
5.2 Access to audited financial reports	29
5.3 Implementation of audit recommendations	30
5.4 Rating of government service delivery	31
5.4.1 Central government services	31
5.4.2 Local government services	32
6.0 RECOMMENDATIONS	34
6.1 National Government	34
6.1.1 Parliament of Zimbabwe	34
6.1.2 Ministry of Finance	34
6.1.3 Auditor General	34
6.2 Local Authorities	34
6.3 Civil society and non-state actors	35
REFERENCES	38

LIST OF FIGURES

Figure 1:	Transparency in Zimbabwe as measured by IBP in 2019	6
Figure 2:	Changes in the transparency score of Zimbabwe from 2012 to 2019	7
Figure 3:	Percentage distribution of respondents by local authority	9
Figure 4:	Distribution of respondents by age and education	10
Figure 5:	Distribution of respondents by gender and disability	10
Figure 6:	The National Government Budget Cycle	11
Figure 7:	Local Government Budget Cycle	12
Figure 8:	Public knowledge and access to the BSP	13
Figure 9:	Mode of accessing Budget Strategy Paper	14
Figure 10:	Public knowledge and access to MLG&PW budget guidelines	15
Figure 11:	Knowledge of national and local government budgeting processes	16
Figure 12:	Participation in pre-budget consultations	16
Figure 13:	Public Participation in Budget Process; 2019 Open Budget Survey	17
Figure 14:	Challenges encountered in pre-budget consultations	18
Figure 15:	Consideration of public views in the budget	18
Figure 16:	Awareness of budget presentation time	19
Figure 17:	Objections during budgeting	20
Figure 18:	Access to executive budget	20
Figure 19:	Access to in-year budget performance reports	21
Figure 20:	Documents Accessed	21
Figure 21:	Frequency of getting budget performance information	22
Figure 22:	Feedback sources	22
Figure 23:	Usefulness of the feedback	23
Figure 24:	Transparency of public and publicly guaranteed debt	24
Figure 25:	Public views on the effectiveness of oversight institutions	26
Figure 26:	2019 IBP views on effectiveness of oversight institutions	26
Figure 27:	Action against budget variances	27
Figure 28:	Other actions to be take when budget deviates from planned activities	27
Figure 29:	Financial irregularities and unauthorised expenditure in the AG's Report year ended 2018	28
Figure 30:	Variances of unallocated reserve transfers from treasury	29
Figure 31:	Impact of civil society on promoting budget transparency	29
Figure 32:	Challenges face by civil society in promoting budgeting transparency and public accountability	30
Figure 33:	Assessed competences of civil society in the budget cycle	30
Figure 34:	Possible intervention areas by CSO in the budget cycle	31
Figure 35:	Awareness of public auditing process	32
Figure 36:	Distribution of public awareness of the audit process by local authority	32
Figure 37:	Public access to audit reports	33
Figure 38:	Details of the audit report accessed	34
Figure 39:	Actions taken by the public in response to adverse audit opinion	34
Figure 40:	Challenges in implementing audit recommendations	35
Figure 41:	Rating of central government services	36
Figure 42:	Rating of local government services	37

LIST OF TABLES

Table 1:	Selected Sample Local authorities to be covered by the OBS	8
Table 2:	Estimated Local Authority Debt Stock as at 31 May 2021	25
Table 3:	Openness of Council Budget Process by Local Authority	40-41
Table 4:	Ranking of Local Authorities on Openness of Budget Processes	41

LIST OF ACRONYMS

AG	Auditor General
BSP	Budget Strategy Paper
CSO	Civil Society Organisation
GoZ	Government of Zimbabwe
IBP	International Budget Partnership
IFFs	Illicit Financial Flows
IMF	International Monetary Fund
MDC	Movement for Democratic Change
MLG&PW	Ministry of Local Government and Public Works
MoF	Ministry of Finance
MP	Member of Parliament
NGO	Non-Governmental Organisation
OBS	Open Budget Survey
OECD	Organisation for Economic Cooperation and Development
PFM	Public Finance Management
PBO	Parliamentary Budget Office
PFMA	Public Finance Management Act
RBZ	Reserve Bank of Zimbabwe
SAI	Supreme Audit Institutions
ZANUPF	Zimbabwe African National Union Patriotic Front
ZIMCODD	Zimbabwe Coalition on Debt and Development

ACKNOWLEDGEMENTS

Zimbabwe Coalition on Debt and Development (ZIMCODD) is grateful to the team of research consultants led by Dr Vincent Chakunda, Naome Rajah and Charles Mazorodze for carrying out the research and compiling this report. ZIMCODD commends the team's commitment in seeing this survey to the end. The ZIMCODD Executive Director, Janet Zhou is commended for providing leadership and oversight which guided the production of the third edition of the Zimbabwe Open Budget Survey. The insightful reviews and guidance from the Programmes Manager, John Maketo is greatly acknowledged.

ZIMCODD highly appreciates the meticulous review, inputs and value addition to this publication by David Robins and Andrés Ponce of the International Budget Partnership (IBP). We are also immensely grateful to Eustinah Tarisayi, the Senior Programmers Officer, Muchanyara Midzi, the Research and Evidence Officer and the entire research team at ZIMCODD for technical editing of the paper and overall coordination of this project and the launch of the report. We extend gratitude to the entire ZIMCODD team and all colleagues who contributed to and enriched this publication in various ways and at various stages of its production.

We are highly indebted to our partners who invest in Strengthening Transparency and Accountability in Public Finance Management in Zimbabwe. Without their support, this publication would not have been a success.

EXECUTIVE SUMMARY

This report presents the findings of the Zimbabwe Open Budget Survey for the year 2021. The survey focused on both the national and local government budgeting systems and processes. The survey was conducted in the ten provinces with one local authority selected per province. The local authorities that participated in the survey are Harare, Bindura, Bulawayo, Chinhoyi, Gweru, Gwanda, Marondera, Mutare, Masvingo, and Hwange. The objectives of the Open Budget Survey were:

- To gather opinions and perceptions regarding national and local government budgeting.
- To generate knowledge for promoting fiscal transparency and accountability.
- To promote needs-based budget processes that are inclusive and people centered.
- To contribute towards gender responsive budgeting through informed research.

A sequential mixed methods approach was deployed and data was generated using a questionnaire, key informant interviews and review of secondary data. The google forms application was used as the software for generating quantitative data. In-depth interviews were conducted with Members of Parliament (MPs), the parliamentary budget office (PBO), officials of the Ministry of Finance and Economic Development (MoF), Town Clerks, officials from Finance departments of councils, Mayors and chairpersons of finance committees of councils, representatives of Civil Society Organisations and Residents Associations. This resulted in the generation of data reflective of the diversity of the respondents.

A total of 3063 questionnaires were administered across the 10 selected local authorities, of these 50.60% of the respondents were women, while 49.40% were men, 9.86% of the respondents were people with disability, while 43.49% of the respondents were aged between 18 and 34 years. On level of education, 35.42% had secondary education, 36.83% had tertiary education, 16.39% had vocational training, 6.43% had primary education, while 4.93% had never been to school.

MAJOR FINDINGS OF THE OPEN BUDGET SURVEY

Public Knowledge and access to the budget strategy paper

The survey results revealed low public knowledge and access of the BSP. 5.19% (3% male and 2.19% female) of the respondents have knowledge of the BSP while 94.81% (44% male and 54.81% female) expressed ignorance of the BSP. 5.58% accessed the 2021 BSP while 94.42% did not access the BSP for the period under review. Whereas the survey could not get data on public access and knowledge of the BSP for 2020, the data available for 2019 show that public knowledge of the BSP in the 2019 survey was 1.8%. This presents a positive variance of 3.39% for the 2021 budget. The results of key informant interviews show that there are a number of possible reasons attributable to these changes. The first is the publication of the BSP on various media platforms, which improves public access to the BSP. In addition to that, the BSP is presented in Parliament and MPs have tried to improve online distribution and access to parliamentary Hansard. A member of the civil society interviewed attributed these changes to fairly robust attempts by civil society organisations to mobilise public awareness on budgeting and fiscal transparency and the current 'How far' campaign is a typical citizen movement towards governance transparency and accountability

Public knowledge and access to the Ministry of Local Government budget guidelines

The survey results showed that public knowledge and access to the Ministry of Local Government and Public Works (MLG&PW) budget guidelines was low. 90.01% of the respondents lacked knowledge of, and had not accessed the guidelines while 9.9% have accessed the guidelines. Of the 90.01%, 43% were male and 47.01% were female, while for the 9.9%, 5.3% were male and 4.6% female. Although the statistics remain low, they however represent a positive variance of 1.9% from the 2020 survey. The 2020 OBS survey results show that about 92% of the respondents had not seen the MLG&PW budget guidelines of which 43% were males and 49 were females. Of the 8% who had accessed the ML&PW budget guidelines, 3.2% were female and 4.8% were male. The increased access to the guidelines is largely because councils are sharing the guidelines with citizens in budget consultation meetings

Public knowledge of the national and local government budgeting process

The survey results showed that public knowledge of the national and local government budgeting is low. 87% (43.2% male and 43.8% female) and 70.2% (33% male and 37.2% female) of the respondents lacked knowledge on the national government and local government budgeting process respectively. 13% (7% male and 6% female) and 29.8% (16.2% male and 13.6% female) of the respondents had an appreciation of the national and local government budgeting process respectively. Key informants' views are that a budget is a technical document and budget knowledge is limited among the public. However, what is important is for technical staff to convert substantive service delivery issues as raised by citizens during budget consultations into budget issues.

Public participation in the national and local government budgeting process

The survey results show that 14.9% (7.8% male and 7.1% female) and 31.73% (18.1% male and 13.63% female) have participated in the national and local government budgeting respectively while 85.01% (45% female and 40.01% male) and 68.27% (35% female and 33.27%) have not participated in the budget making process. Participation in the budget making processes at both levels of government is generally low. Various reasons were proffered by both survey and key informants and these include the absence of a genuine opportunity for public participation. Respondents largely viewed the participation platforms as disguised avenues by both national and local government officials to gain legitimacy of the budgets as opposite to seeking public input into the process. On the basis of experiences from previous budgets, citizens felt that there is weak consideration of public input in the final budget leading to apathy. Other factors include an increase in budget variances (without supplementary budgets) due to market volatility which diminishes the value of the initial input during budget consultations.

Consideration of public input into the budget before enactment

The survey results show that the majority 60.92% (32.10% female and 30.82% male) and 69.84 (38.70% male and 31.14% female) of the respondents for the national and local government budget respectively, felt that their views are not considered in the preparation of the final budget. Those who felt that their views are considered in the preparation of the final budgets constitute 30.16% (17% female and 13.16% male) and 39.08% (24.71% male and 14.37%) for national and local government budgets respectively. This represent a positive variance from 2019 and 2010 surveys where 56.1% surveyed did not believe that their contributions during the pre- budget consultations sessions will be adopted in the budget by the central government and local authorities. Key informants revealed that attempts are made to incorporate public views into the budget. However, there is usually a disconnection between the input of the public and key strategic documents such as vision 2030, National Development Strategy 1, and strategic plans of council which the budget will be seeking to achieve. What it means is that the public should appreciate the strategic plan before budget consultations commences.

Public awareness of budget presentation time

The survey results showed that 12.21% (7.20% male and 5.01% female) and 6.90% (4.10% male and 2.80% female) were aware of the budget presentation time for national and local government budgets respectively. 87.79% (46.20% female and 41.59% male) and 93.10% (50% female and 43.10% male) were not aware of the budget presentation time for the national and local government budgets respectively. Key informants indicated that various media (both print, online and social media) is used to advertise budgets. However, due to increase in data costs, most citizens struggle to access the information.

Submission of objections during the budget making process

The results of the survey show that 6.5% (4% female and 2.5% male) and 28.53% (15% male and 13.53% female) of the respondents have submitted objections during the budget making process for national and local government budgets respectively. 93.50% (49% female and 42.50% female) and 71.47% (38% female and 32.41% male) either did not raise any objections or failed to lodge objections.

Access to the executive budget

The survey results shows low access to the executive budget. 27.55% (15% male and 12.55% female) and 35.91% (20.20% male and 15.71% female) of the respondents have accessed the budget for the national and local government units. 72.45% (40% female and 32.45% male) and 64.09% (33% female and 31.09% female) did not access the executive budget. Access was high (67%) among the age group 25-54 years. The executive budgets are readily accessible on internet and the 25-54 years group represent the most active users of internet and social media. It was also revealed that appetite for policy related information is high among this age group and hence an increased desire to access the budget and other policy documents in search for economic and socio-political opportunities. The cost of data to access the budget is the inhibiting factor as viewed by key informants.

Access to documents highlighting government progress in implementing budgets

The survey results show low availability and public access to in-year budget performance reports. The results revealed that 11.69% (6.20% male and 5.49%) and 21.22% (12% male and 9.22% female) of the respondents have accessed in year budget performance reports for the national and local government budgets respectively. 88.31% (46.20% female and 42.11% male) and 78.78% of which 40% are female and 38.78% are male (average 83.5%) have not accessed budget performance reports for national and local government. With the average 83.5% respondents who did not access budget performance reports, this presents a negative variance of 1.3% from the 2021 ZIMCODD OBS. 82.2% reported that they had never participated in a budget review process.

Transparency in the management of debt

The results of the survey reveals weak governmental accountability and transparency on debt related issues. From the survey results, 11.98% (6.20% female and 5.78% male) and 19.33% (11.12% female and 8.21% male) of the respondents for the national and local government respectively were satisfied with the transparency of the debt management systems and processes for the national and local government levels respectively. 88.02% (49.02% male and 39% female) and 80.67% (42% female and 38.67% male) of respondents expressed dissatisfaction with the debt management systems and process. Results from key informant interviews supported the popular view from the survey that public debt management system is opaque giving traction to the narrative of illegitimacy and odiousness of the debts.

Role of oversight institutions in ensuring compliance with budgeted expenditure

The results of the survey pointed to weak budget oversight institutions. 88.70% (46.20% male and 42.50% female) of the respondents and 89.4% (48.60% were male and 40.8% female) of the survey respondents for both national and local government respectively were of the opinion that oversight institutions are weak to provide sustainable oversight on budgeting and the use of public resources. Only 11.30% (5.20% male and 6.10) and 10.06% (4.07% male and 5.09% female) of the respondents felt that oversight institutions were effective. Key informant interviews revealed that there are capacity gaps amongst sub-national government policy makers to provide effective oversight on public expenditure. At the national level, the oversight role is largely affected by a combination of weak legislation and political parties' incongruence.

Public action against deviation from budgeted/planned activities

The results of the survey show that there is some level of public action against deviation with 24.83% and 25.18 having written petitions, 19.28% and 30.83% having submitted complains to the councillor or MP, 20.51% and 29.58% having sought clarification while 35.39% and 14.43% have done nothing. The results are presented in respective order for the national and local government levels. The results from key informant interviews reveals that unbudgeted expenditure has largely been incurred to finance politically 'sensitive' programs and hence posing a challenge to both Parliament and the public to curtail it.

Role and impact of civil society in monitoring budget implementation

The survey results show that (for both national and local government) the majority 67.50% (35.40% male and 32.10% female) of the respondents were of the view that civil society organisations were playing an important role in promoting budget transparency and the accountability of public institutions. However, 32.30% (18.20% male and 14.10% female) of the respondents were of the opinion that the role of civil society remains largely constrained due to a number of factors among them lack of resources, political manipulation, lack of capacity for research and evidence based lobbying and advocacy.

Access to audited financial reports

Survey results show that 16.98% (9.20% male and 7.78% female) and 11.17% (7% male and 4.17% female) of respondents have access to the audit reports for national and local government audits respectively. 83.02% (49% female and 34.02% male) and 88.83% (47.20% female and 41.63% male) of the survey respondents did not access the audit reports for national and local governments. This generally shows that the majority of the citizens do not have much knowledge about the status of the budget implementation process. Access to audited financial reports is highest among the age group 25-54 compared to the old-aged group. About 11.31% and 7.5% of respondents aged 25 to 54 years have accessed audit reports.

Conclusions and Recommendations

The following are some of the key recommendations of the survey:

- The study concluded that there is weak public input in the audit process. It is recommended that Parliament should develop formal mechanisms to members of the public or civil society organisations to testify during its hearing of the audit report.
- The study concluded that there is a growing trend towards accumulation of unbudgeted expenditure leading to budget variances. To bridge this gap, it is recommended that the legislature should be consulted before the executive spends any unanticipated revenue or reduces spending due to revenue shortfalls.
- The Ministry of Finance and Economic Development should timeously publish budget reviews online regardless of whether a supplementary budget is required or not. For example, the mid-year review should be published within three month of the mid-point of the fiscal year.
- In the context of low public input into the auditing process, the Auditor General should develop systems and mechanisms for the public to assist in the development of the audit program.
- As a way of promoting inclusivity, equity, transparency and accountability in policy making, local authorities should entrench the findings of the Open Budget Survey in council budgeting with the strategic purpose of promoting active and productive public participation in the budgeting processes.
- As a measure towards entrenching open budgeting the budget making processes, civil society should robustly popularise the results of the Open Budget Survey through engagement with policy and administrative structures of government at both national and sub-national levels.

1.0 Introduction

This report presents the findings of the 2021 Zimbabwe Open Budget Survey (OBS), which is the third successive OBS to be commissioned by the Zimbabwe Coalition on Debt and Development (ZIMCODD). The OBS is a global measure of public sector budgets based on the three pillars: budget transparency, public participation and budget oversight. The purpose of the current survey is to help understand national and local authority budgeting processes and suggest ways of increasing the participation of citizens throughout the budget cycle. On the basis of the findings of the OBS, ZIMCODD shall further develop civic education tools for promoting economic literacy at community level for better understanding of the budget making, budget allocation and budget implementation process to allow for increased citizen involvement and participation. Follow-ups on OBS exercises will serve to measure progress on an annual basis, thereby providing a reflection on how civic education interventions are influencing the budgeting process.

1.1 BACKGROUND AND CONTEXT OF THE SURVEY

The movement for greater fiscal transparency has been gaining traction in recent years. International financial institutions, credit ratings agencies, regional economic blocs, and civil society organisations (CSOs) have all taken up the cause on strengthening the case for fiscal transparency as a key governance issue and intrinsic public good (Calitz et al, 2009). The broader civil society convergence under the ‘How Far’ campaign is a classic example of a citizens’ coalition for enhanced transparency and accountability against evidence of public corruption and abuse of resources. The International Budget Partnership (IBP) was established in 1997 to promote civil society budget engagement in order to make budget systems more transparent, accountable, and responsive to the needs of poor people. Today, the IBP partners and allies are actively engaged in public budget processes in over 100 developing and transitional countries throughout Africa, Asia, Eastern Europe, and Latin America.

In 2006, the International Budget Partnership (IBP) launched the Open Budget Survey (OBS), which is now recognised as the only independent, comparative assessment of how countries in the world have adopted open budgeting. The purpose of the OBS is to assess the transparency of the budgets of national governments. Based on the survey, the IBP also pioneered the open budget index which is to date widely used to compare the transparency levels of country budgets and to more generally assess their commitment to open and accountable governance. The OBS can be used as a reflection to identify the three critical tenets of an open budget, which are transparency, oversight and public participation. Budget transparency under the OBS is assessed based on the amount and timeliness of budget information which governments make available to the public. On the other hand, public participation is based on the opportunities that governments are providing to civil society and the public to allow them to engage in decisions on how public resources are raised as well as spent. Oversight focuses on the involvement of formal oversight institutions, which include supreme audit institutions and legislatures in the budget process.

Budget transparency refers to the extent and ease with which citizens can access information about and provide feedback on government revenues, allocations, and expenditures. Budgets are key documents reflecting how scarce resources are allocated across competing demands. They lay out a government’s priorities in terms of policies and programs. This is particularly important for developing economies where fiscal planning is generally undertaken under conditions of severe and acute resource limitations. Opening up budgeting and democratisation of the fiscal planning processes at both national and sub-national government levels therefore allow citizens opportunities to contribute to policy formulation and the subsequent allocation of resources. Budget transparency while not a goal itself is a prerequisite for public participation and governmental accountability. Given the technical nature of budgets, transparency in budgeting requires the active dissemination of budget information to citizens in a timely and simplified manner.

Budget transparency, when accompanied with budget literacy becomes a fundamental tool of empowering the public to scrutinise the allocation of public resources across different priority areas, the probity of spending and hence reducing inefficiencies and corruption. Transparency in budgeting is thus a key pillar in building trust between citizens and government. A study by Sanjay et al (2013) revealed that, there is a positive correlation between budget transparency and human development outcomes, measured through a greater realisation of social rights and better credit ratings that lead to lower borrowing costs.

Zimbabwe has been grappling with a declining human development index (0.571 for 2020), compressed economy with a huge fiscal deficit, a debt crisis (estimated at around US\$23 billion) and a high poverty prevalence rate. Despite the negative socio-political and economic status, the country has shown a positive trajectory in terms of the rankings of the IBP as shown by the 2019 IBP transparency rating of 49 out of 100 and a global average of 45 (see figure below).



Figure 1: Transparency in Zimbabwe as measured by IBP in 2019

Source: IBP, 2019

The IBP transparency rankings for 2019 puts Zimbabwe at a comparative and competitive position and hence depicting a higher margin of transparency relative to other countries in the region (see figure below). Even though the IBP OBS process provides a global comparative context, this OBS survey for Zimbabwe by ZIMCODD provides a more nuanced analysis that is complemented by qualitative data. This study therefore deploys a sequential explanatory mixed methods approach to undertake the Zimbabwe 2021 OBS and use the findings to augment the IBP work.

From 2012, Zimbabwe has witnessed a marked improvement in its transparency rating from 20 in 2012 to 49 in 2019. As shall be seen in the report the results of this survey and the views from key interviews, this study questions the qualitative aspects of the IBP process and hence submit contrary perspectives that certain findings and ratings of the IBP may not correctly represent the actual issues in the practice of budgeting in Zimbabwe. The Figure 2 below shows changes in the transparency score of Zimbabwe. However, the positive changes are notwithstanding the challenges to public participation in the context of the COVID-19 pandemic, which has significantly affected opportunities for public participation.

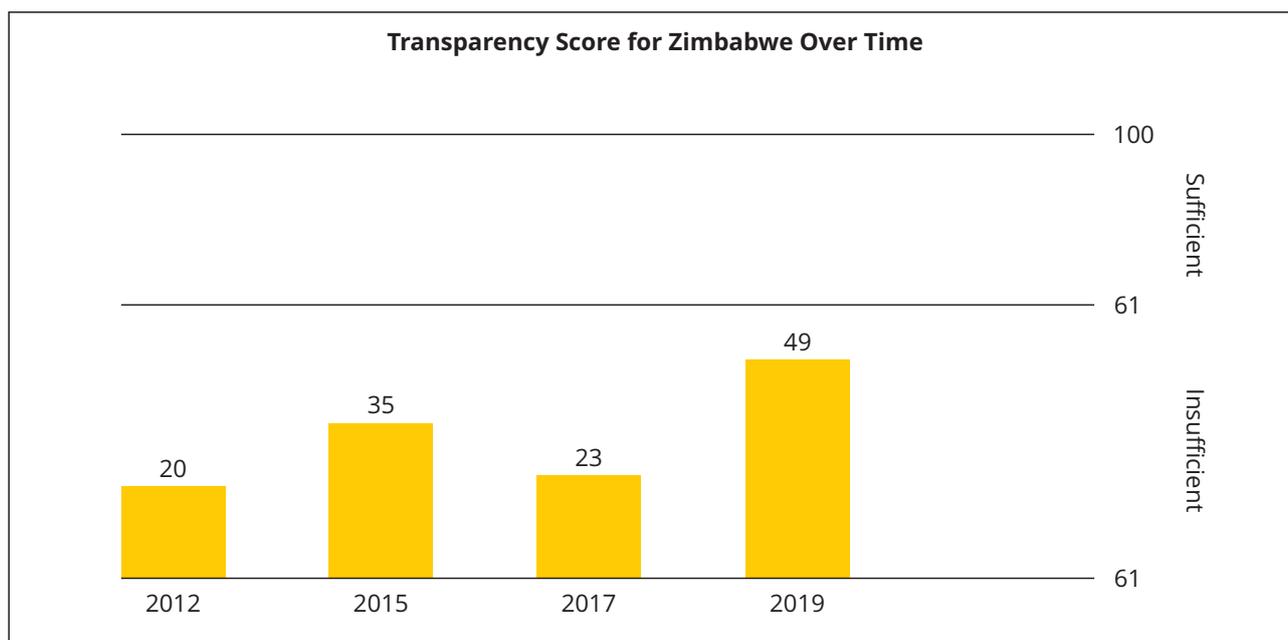


Figure 2: Changes in the transparency score of Zimbabwe from 2012 to 2019

Source: IBP, 2019

1.1.1 Justification for conducting the OBS at local government level in Zimbabwe

Transparent budgets and public financial management processes constitute a key pillar of good governance. However, while this has been increasingly recognised for national budgets, little attention has been paid to sub-national governments' budget. Conversely, a global trend towards devolution has elevated the importance of local government policy decisions and hence a greater focus on promoting and measuring budget transparency at the local level.

While budget transparency is critical at all levels, the possibilities of disseminating budget information to citizens and obtaining their feedback differ from the local to national level. For instance, the local level is much more amenable to public meetings for disseminating budget information for allowing direct interaction between policy makers and citizens. At sub-national levels, budget transparency not only allows policy makers to receive feedback while formulating policies and prioritising resources but can also reduce waste and corruption. Transparent sub-national government budgeting processes therefore allow government to reinforce the contract between the state and citizens.

In addition, the adoption of devolution in the Constitution as a strategic policy grid of the nation underpinned by Provincial and Metropolitan Councils and the enshrinement of Local Government increases the urgency and desirability of the reform of the public fiscal management system (Chigudu, 2020, Shumba, 2017, Zhou, 2012). The six objectives of devolution espouse wider political, economic and social ends to be achieved through diffusing powers and functions to sub-national institutions. Whereas devolution will increase the breath of local government functions, it is salutary to note that this is happening at the backdrop of the failure by these institutions and other public sector bodies and entities to abide by the best practises in public finance management as captured in the AG's reports (Shumba, 2017, Rusvingo, 2014, Mtomba, 2014). The panoply of the fiscal malpractices in the public sector includes non-adherence with procurement regulations; transfer of funds from Fund Accounts without Treasury concurrence; poor corporate governance practices in state enterprises and parastatals; failure by state enterprises and parastatals to honour statutory obligations among others. This requires active citizenship in the budget cycle to monitor public policy planning and expenditures for the development of local government areas.

1.2 METHODOLOGY OF THE STUDY

1.2.1 Survey Design

The study applied a sequential explanatory mixed methods design and data was obtained using a survey, in-depth interviews and the review of literature. The content of the data collection instruments was based on generally accepted good practice for public financial management. For example, the survey assessed the public availability of budget information by considering the timely release and contents of eight key budget documents that the national government issue at different points in the budget process. Many of these criteria applied in this survey are drawn from those developed by the IBP and other multilateral organizations, such as the International Monetary Fund's (IMF) Code of Good Practices on Fiscal Transparency, the Public Expenditure and Finance Accountability initiative (whose secretariat is hosted by the World Bank), the Organisation for Economic Co-operation and Development's (OECD) Best Practices for Fiscal Transparency, and the International Organisation of Supreme Audit Institutions' Lima Declaration of Guidelines on Auditing Precepts. Similarly, the criteria used to assess opportunities for the public to participate in the budget process was based on the Global Initiative for Fiscal Transparency's Principles for Public Participation in Fiscal Policy. The strength of such guidelines lies in their universal applicability to different budget systems around the world, including those of countries at different income levels.

1.2.2 Sampling of local authorities

A total of 10 local authorities were selected for the survey. The sampling was done in the inaugural survey in 2019. For purposes of continuity and in order to ensure comparability of results in the 3 years of the survey, there were no changes in the participating local authorities. One local authority per province was selected. This ensures the fair representation of study local authorities across the 10 provinces of the country. The table below show the local authorities selected for the study.

Table 1: Selected Sample Local authorities to be covered by the OBS

Province	Local Authority
Harare	Harare City Council
Bulawayo	Bulawayo City Council
Masvingo	Masvingo Municipality
Midlands	Gweru City Council
Matabeleland South	Gwanda Municipality
Matabeleland North	Hwange Local Board
Manicaland	Mutare City Council
Mashonaland Central	Bindura Municipality
Mashonaland East	Marondera Municipality
Mashonaland West	Chinhoyi Municipality

In these local authorities, respondents to questionnaires were drawn from high, medium and low density areas. The survey focused on households as the sampling unit. The sample size was calculated at 5% margin of error and 95% confidence level. Respondents were randomly selected for accurate representation of the larger populations in the sampled local authorities since each member of the larger population had an equal opportunity for selection. Key informants for the OBS were purposively sampled on the basis of the role they play in national and local authority budget processes. These key informants included among others key staff in the officials of the Parliamentary Budget Office, Ministry of Finance and Economic Development, local authority chief executive officers, directors of finance, mayors and councillors, representatives of civil society organisations working with women, young people and people with disabilities, as well as residents associations. Furthermore, at community level, people with disabilities, women, young people were purposively sampled for them to share their experiences with the budget consultation process.

1.2.3 Data collection methods

The survey primarily used the standard OBS questionnaire in conjunction with key informant interviews and analysis and review of official documents and reports (BSPs, MLG&PW budget guidelines, public consultation manuals, budget consultation reports, in-year budget reviews, audit reports etc). The questionnaire grows out of a number of important global trends that have spurred interest in the issue of public access to budget information and in opening budget processes to citizen participation. Among these trends is the wave of democratic openings in many countries during the 1990s, which focused attention on issues such as combating corruption, ensuring accountability for the delivery of public services, decentralizing government, and emphasizing community-led development. In addition, a series of financial crises during the 1990s drew the attention of international financial institutions to the importance of ensuring government transparency and financial accountability.

The target was to distribute 3 500 questionnaires in each local authority. A total of 3063 questionnaires out of the proposed 3500 were administered across the 10 selected local authorities, converting to 87.5% achievement of the proposed target. This represents a decline of 10.5% from the 2020 survey where 3439 questionnaires were administered out of the target 3500. The decline is largely attributed to the COVID-19 pandemic. In addition, the researchers established that enumerators particularly those drawn from civil society organisations had challenges in administering the instruments as explained by the delay in reaching the target. The distribution of the questionnaires by local authority is shown in the figure below.

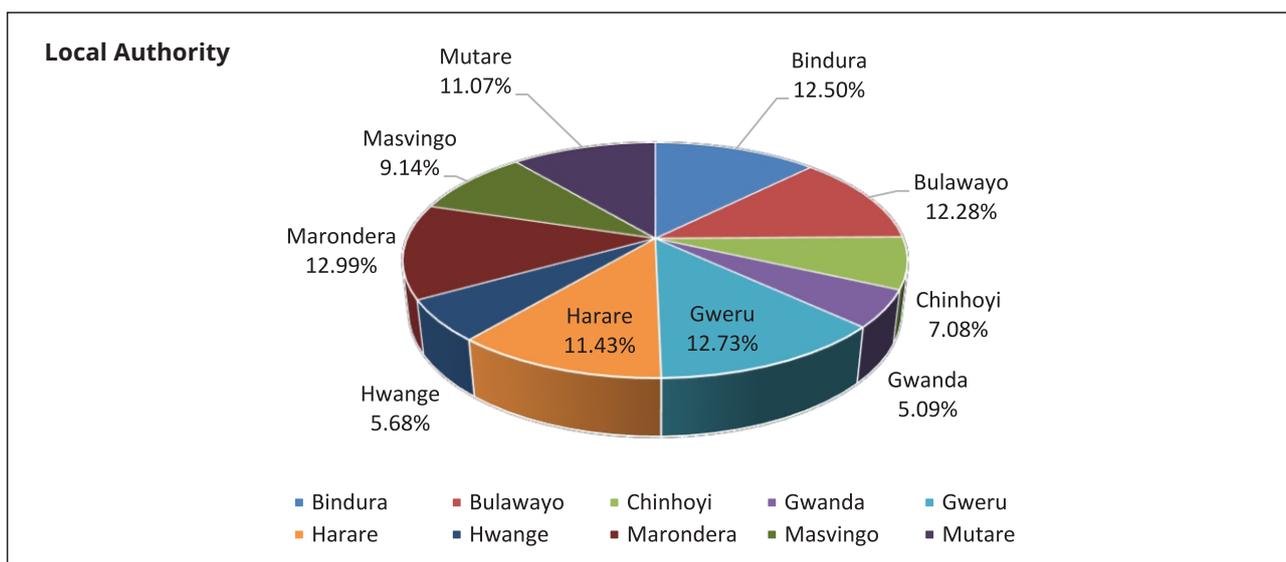


Figure 3: Percentage distribution of respondents by local authority

A total of 50.6% of the respondents were women, while 49.4% were men. This represents a change from the 2020 OBS where 53% of the respondents were women, with 47% being men. 9.86% of the respondents were living with disabilities. On level of education, 35.42% had secondary education, 36.83% had tertiary education, 16.39% had vocational training, 6.43% had primary education, while 4.93% had never been to school. The distribution of participants in the 2020 OBS showed that 11% of the respondents were people with disability, while 43% of the respondents were young people aged between 18 and 34 years. On level of education, 52% had secondary education, 35% had tertiary education, 9% had primary education, while 4% had never been to school. Compared to the 2020, the 2021 survey shows a marginal increase of youth participation from 43% to 43.49%. The figures 4 and 5 show the distribution of respondents across the variables explained here.

For qualitative data, representatives of the PBO, MoF, MLG&PW at national and local levels, the directors of finance and/or chairpersons of the finance committees, the town clerks, and civil society organisations that deal with issues of civic participation and budget issues at both national and local levels, including residents' associations and residents were interviewed. A key consideration was made to purposively sample men, women, young people, the elderly and people with disabilities for the survey.

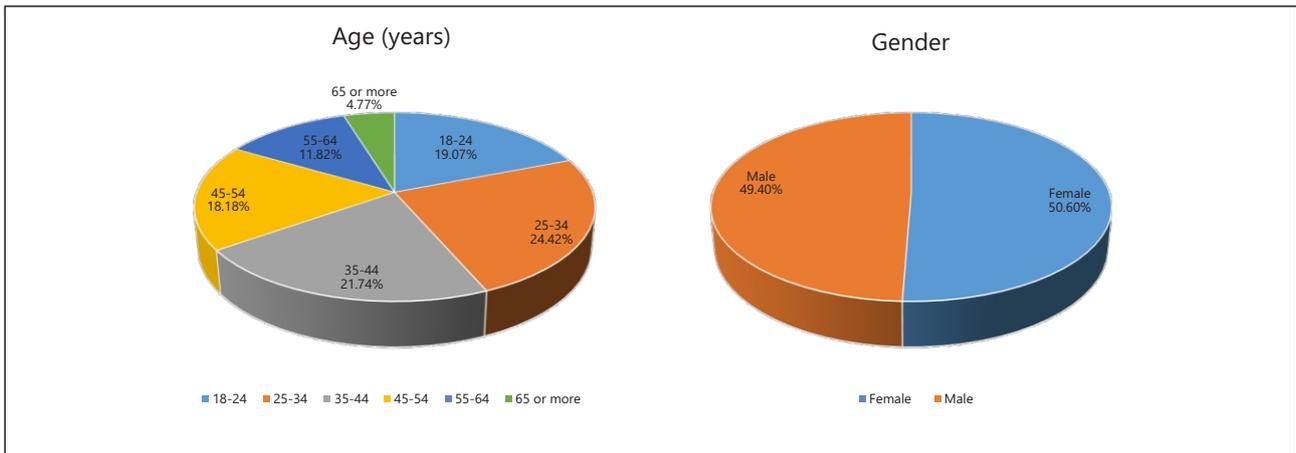


Figure 4: Distribution of respondents by age and education

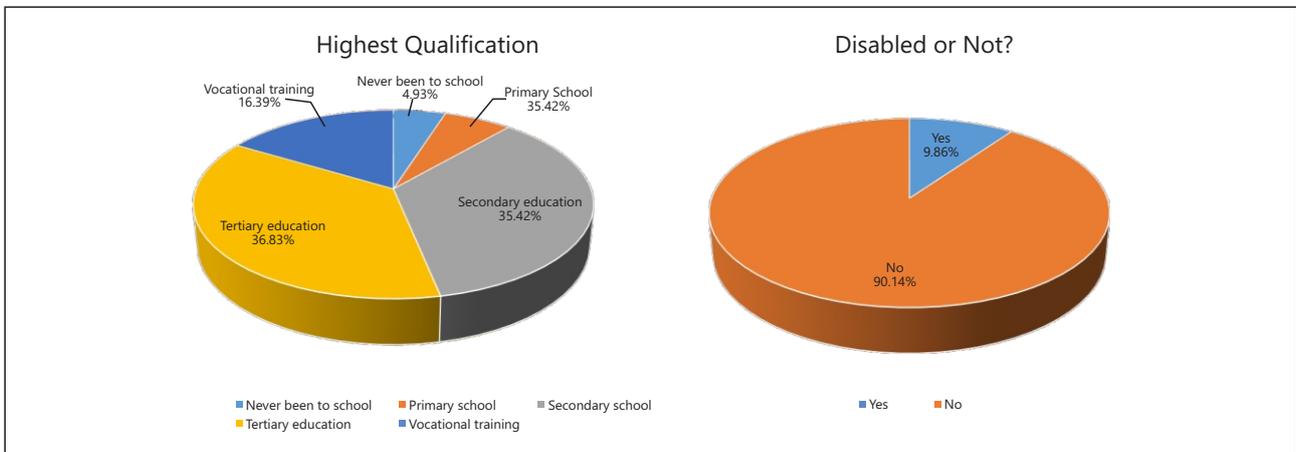


Figure 5: Distribution of respondents by gender and disability

Key documents reviewed include pre-budget statements for 2019 and 2020, 2019 Enacted budgets, 2019 and 2020 in-year reports, 2019 and 2020 mid-year review and end of year reports.

1.3 LEGAL AND INSTITUTIONAL FRAMEWORK OF NATIONAL AND LOCAL GOVERNMENT BUDGETING

A national budget is a legal process, governed by legislation as public expenditure by organs and departments of central government and sub-national governments must be done within the confines of the law. Public funds must not be used outside the provisions of the law and Parliament is mandated by the Constitution to oversee the utilization of those funds. Key legal frameworks governing public budgeting in Zimbabwe include the Constitution of Zimbabwe Amendment Number 20 of 2013, Public Finance Management Act Chapter 22:19, Urban Councils Act Chapter 29:15 and ministerial directives. The following are institutions in the budgeting process: Parliament, Cabinet, MoF, AG, development partners, civil society and the media.

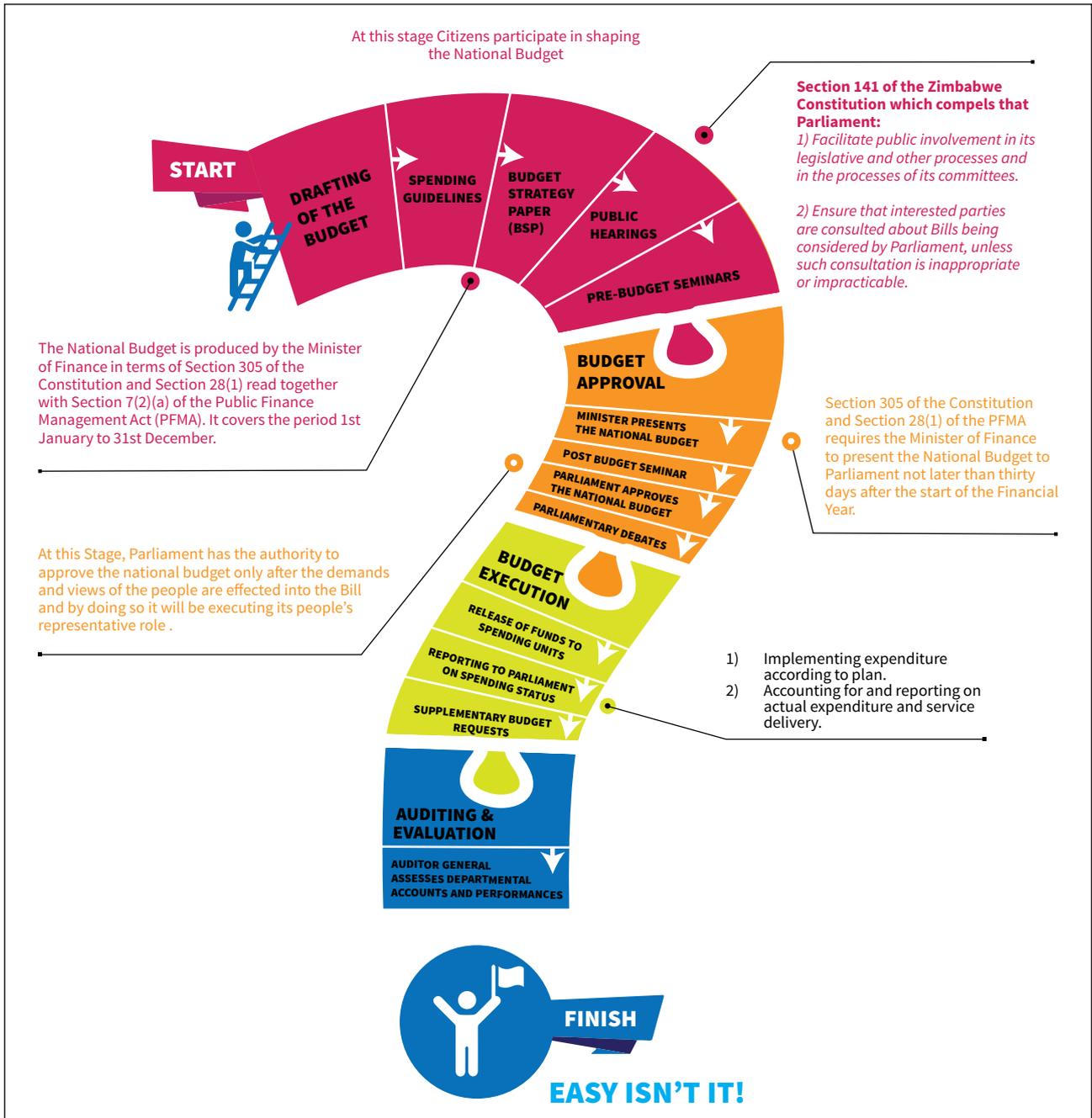


Figure 6: The National Government Budget Cycle

Source: Adapted from Citizen's Budget Guide (2019)

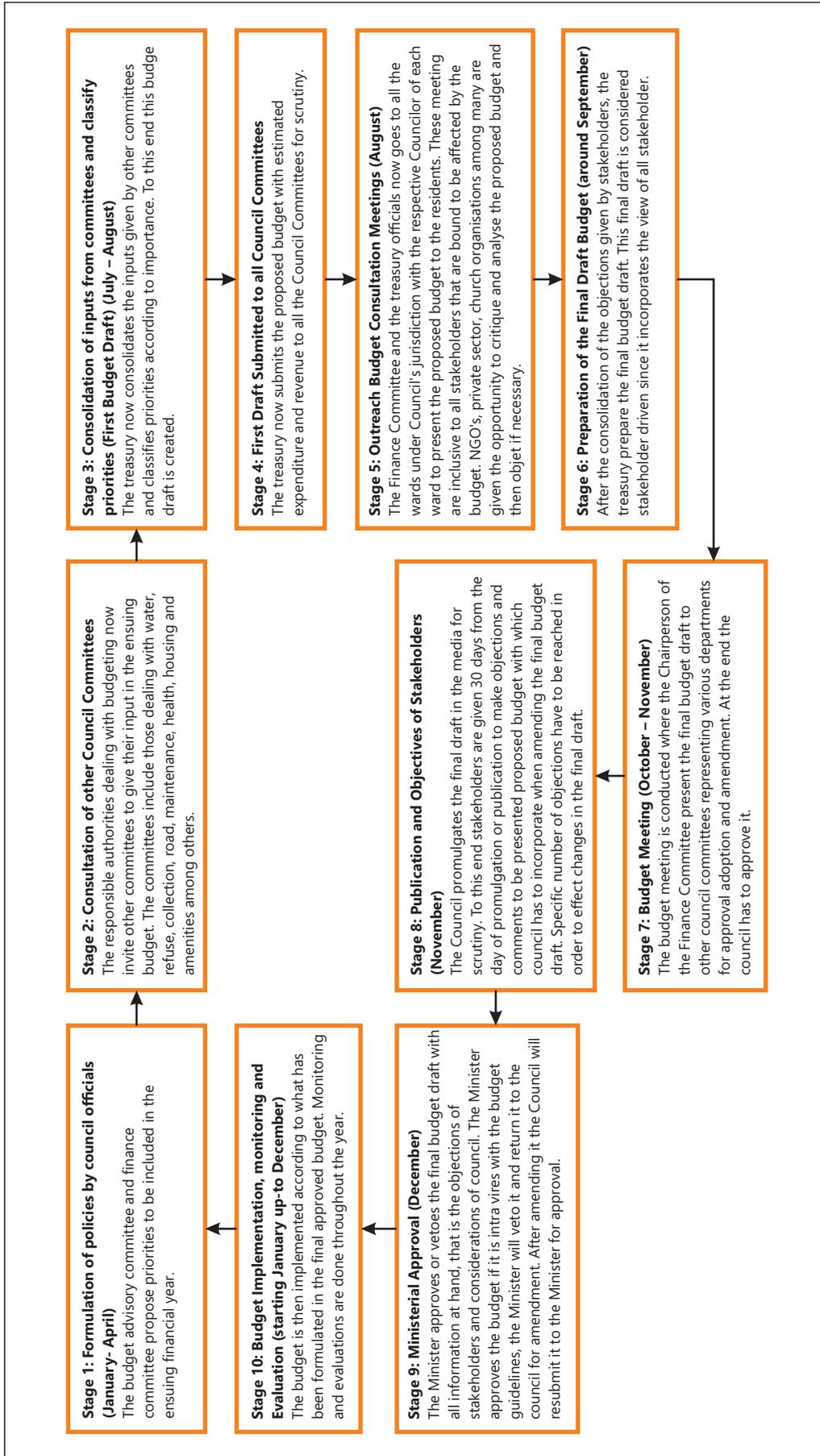


Figure 7: Local Government Budget Cycle

Source: Adapted from Kennedy Manduna, Tawanda Zinyama, Alfred G. Nhema (2015) Harare City Council's Participatory Budgeting Cycle

2.0 Production and Accessibility of Pre-budget Policy Documents

2.1 PUBLIC KNOWLEDGE AND ACCESS TO THE BUDGET STRATEGY PAPER

In order to facilitate citizen participation in budget process at national level, it is important that they get access to the budget strategy paper, as it generally guides the manner in which the budget would be structured. Thus, a citizen participating while conscious of the contents of the budget strategy paper is better positioned to contribute meaningfully in the engagement process, after having been privy to the guiding principles in advance. Key issues on the BSP and its utility are centred on timeous production, distribution for increased public access of the document and production of a simplified citizen version for the public to appreciate. Only 5.19% (3% male and 2.19% female) of the respondents had knowledge of the BSP while 94.81% (44% male and 54.81% female) expressed ignorance of the BSP. 5.58% accessed the 2021 BSP while 94.42% did not access the BSP for the period in question. Whereas the survey could not get data on public access and knowledge of the BSP for 2020, the data available for 2019 show that public knowledge of the BSP in the 2019 survey was 1.8%. This presents a positive variance of 3.39% for the 2021 budget. The results of key informant interviews show that there are a number of possible reasons attributable to these changes. The first is the publication of the BSP on various media platforms as shown in Figure 8 below which improves public access to the BSP. In addition to that, the BSP is presented in Parliament and MPs have tried to improve online distribution and access to parliamentary Hansard. A member of the civil society interviewed attributed these changes to fairly robust attempts by civil society organisations to mobilise public awareness on budgeting and fiscal transparency and the current 'How far' campaign is a typical citizen movement towards governance transparency and accountability.

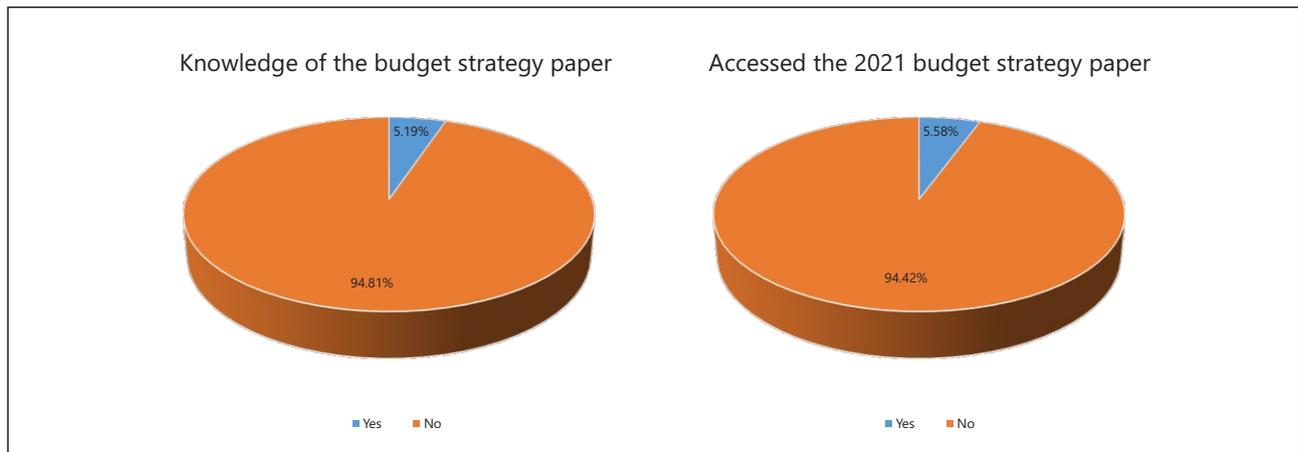


Figure 8: Public knowledge and access to the BSP

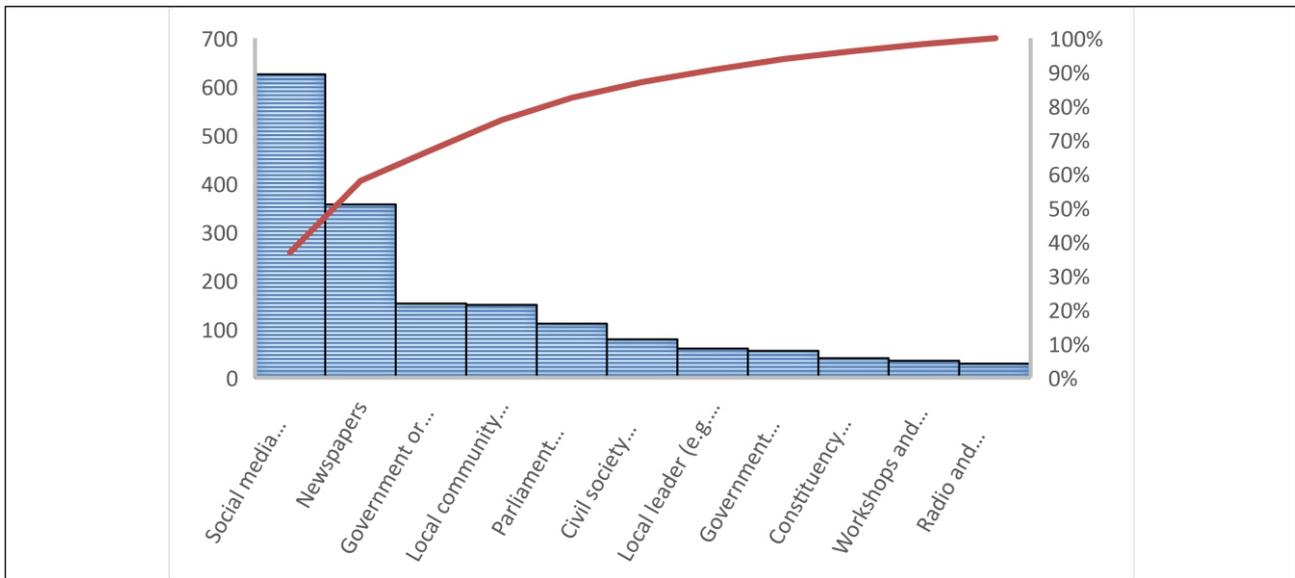


Figure 9: Mode of accessing Budget Strategy Paper

The GoZ (2021) defines a BSP as a strategic paper in the annual budget preparatory process, issued to enhance understanding among stakeholders of the broader macro-fiscal issues that will guide prioritisation of budget allocations. The GoZ further submits that the BSP is meant to facilitate stakeholders' participation and debate on budgetary and macro-economic policy issues. The objective is to build consensus on specific issues to be addressed under the budget. Fundamentally, the BSP forms the basis for discussions with stakeholders on proposed national policies, strategies and budgetary allocations for a forthcoming financial year including identifying issues to be addressed in the coming budget and beyond. The OECD (2010) views that the BSP serves as an important instrument for encouraging debate on the impending budget aggregates and how they interact with the economy thus serving to create appropriate expectations for the budget itself. The BSP therefore provides the public with a way of understanding the link between policies and budget allocations.

2.2 PUBLIC KNOWLEDGE AND ACCESS TO THE MINISTRY OF LOCAL GOVERNMENT BUDGET GUIDELINES

The survey results showed that 90.1% of the respondents lacked knowledge of, and had not accessed the MLG&PW budget guidelines while 9.9% have accessed the guidelines. Of the 90.1%, 43% were male and 47.01% were female, while for the 9.9%, 5.3% were male and 4.6% female. Although the statistics remains low, they however represent a positive variance of 1.9% from the 2020 survey. The 2020 OBS results show that about 92% of the respondents had not seen the MLGPWNH budget guidelines of which 43% were males and 49 were females. Of the 8% who had accessed the MLPWNH budget guidelines, 3.2% were female and 4.8% were male. The increased access to the guidelines is largely because councils are sharing the guidelines with citizens in budget consultation meetings.

Interviews with council officials revealed a paucity of knowledge of the guidelines among the policy makers. Seven out of 10 councillors interviewed expressed knowledge, 'that there are some guidelines from the ministry on budgeting' but lacked depth on the content and utility of the guidelines to council budgeting processes. The perspective in most councils (8 out of 10) is that the guidelines are a generalised prescription on 32 urban councils, which operates in diverse socio-economic environments, and this naturally diminishes their value. Councils under the opposition MDC strongly emphasised that directives are a perpetuation of centralisation and the entrenchment of ZANUPF stronghold on opposition-controlled councils. One councillor interviewed submitted that since 2013 central government have issued directives to orient local government towards devolution projects which are centrally created and hence contrasting the very essence of devolution.

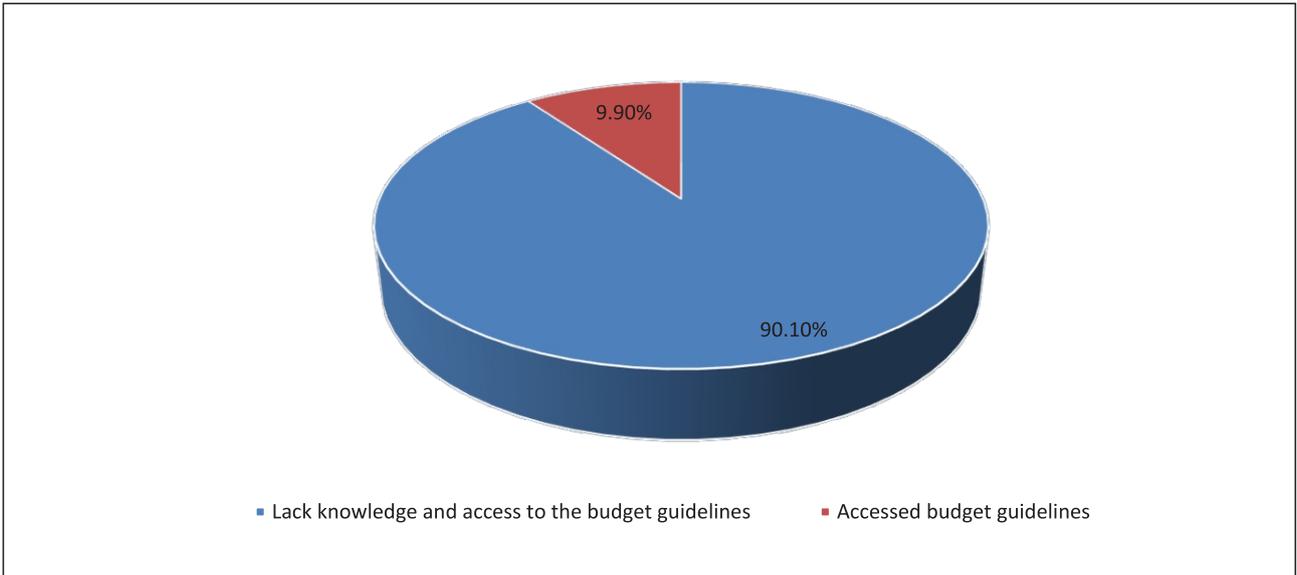


Figure 10: Public knowledge and access to MLG&PW budget guidelines

With low public knowledge and access to the guidelines, challenges emanate in regulating and giving a context to budget consultation meeting. Interviews with officials of Residents Associations revealed that the public input into the budget is not informed by the guidelines but substantive service delivery challenges

3.0 Citizen Engagement During the Pre-budget Stage

3.1 PUBLIC KNOWLEDGE OF THE NATIONAL AND LOCAL GOVERNMENT BUDGETING PROCESS

The survey results showed that 87% (43.2% male and 43.8% female) and 70.2% (33% male and 37.2% female) of the respondents lacked knowledge on the national government and local government budgeting process. 13% (7% male and 6% female) and 29.8% (16.2% male and 13.6% female) of the respondents had an appreciation of the national and local government budgeting process respectively.

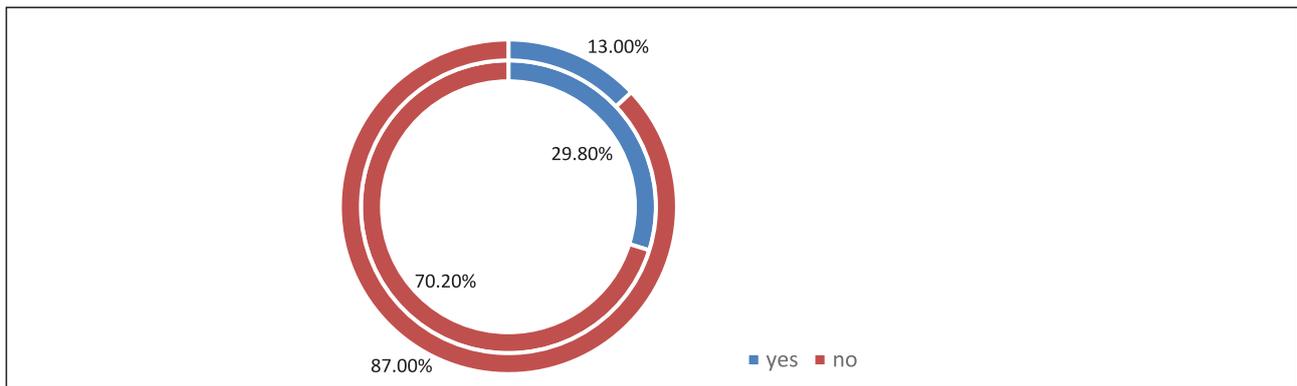


Figure 11: Knowledge of national and local government budgeting processes

On the contrary, interviews conducted with town clerks, directors of finance and leaders of residents associations in particular demonstrated that this category of respondents is fully informed of the budget processes at national and local government levels. These results therefore present information asymmetry where residents who are expected to pay taxes, rates and service charges for services rendered do not fully appreciate the budget process. This is in line with various studies that identify weak public knowledge in the policy planning processes of both national and local government institutions (Muchadenyika, 2017, ZIMCODD, 2020). This applies across a number of policy areas, which include development of blue prints, strategic plans and budgets. In the context of weak public knowledge, it brings into question the basis of public input into the budget making process.

3.2 PUBLIC PARTICIPATION IN THE NATIONAL AND LOCAL GOVERNMENT BUDGETING PROCESS

The survey results show that 14.9% (7.8% male and 7.1% female) and 31.73% (18.1% male and 13.63% female) have participated in the national and local government budgeting respectively while 85.01% (45% female and 40.01% male) and 68.27% (35% female and 33.27%) have not participated in the budget making process (see Figure 12 below). However, given limited access to both the BSP and MLG&PW budget guidelines, the quality of public participation and input in the budget making process remains contestable.

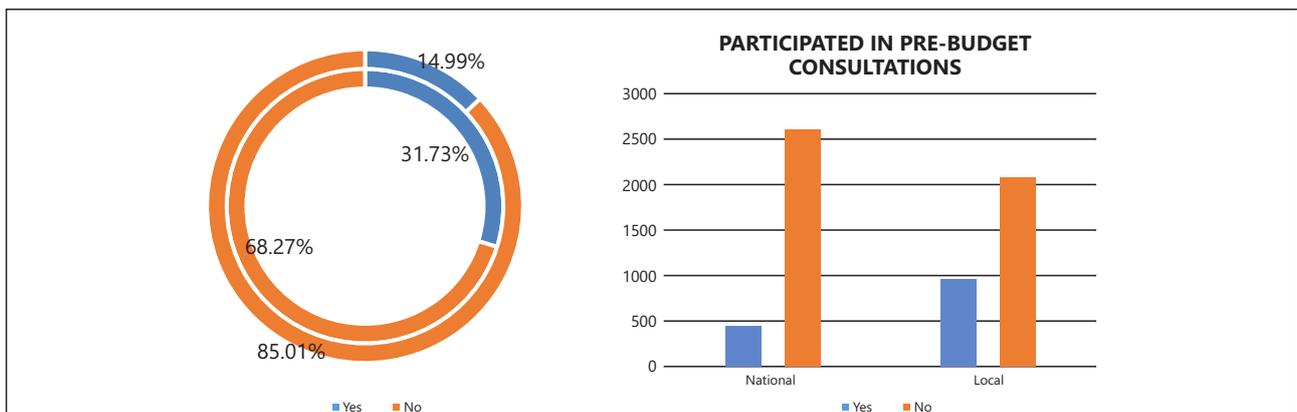


Figure 12: Participation in pre-budget consultations

An analysis of the participation of the youth in budget consultation meetings show that attendance and participation among this category is acutely low. Survey results show that youth participation in national and local government budget consultation stood at 5% and 6.2% for national and local government budgeting respectively. The reasons for such low attendance are varied from lack of interest (17%), lack of information on such meetings (23%), lack of appreciation of the importance of such meetings (30%), inconvenient venues and times for the meetings (13%). 17% of the respondents stressed that they were in the informal sector where competition is cut throat and generally have no time for such meetings. Available empirical evidence shows that the level of youth participation in budgeting is very low, particularly in Sub-Saharan Africa. Whereas the factors are wide, it is important for governments to create opportunities for extensive youth participation in governance. Encouraging though is that civil society is beginning to create spaces for the youth to identify opportunities for their participation in governance. A case in point is the Social and Economic Justice Activism Academy (SEJAA), organised by ZIMCODD. SEJAA seeks to explore mechanisms to improve youth participation in budgeting, public expenditure tracking, monitoring public service delivery, lobbying and embarking on advocacy campaigns. While these are important local initiatives, at the continental level, the African Youth Charter has been lobbying governments to “facilitate the creation or strengthening of platforms for youth participation in decision-making at local, national, regional and continental levels of governance” (African Youth Charter, 2006).

Residents associations and other civil society organisations that participated in the study as key informants concurred that the platforms for public participation in both national and local government budget making processes do not offer genuine opportunities for the public to productively input into the proposed budget. With specific cases of Gwanda, Marondera, Gweru, Hwange and Masvingo councils, officials of the residents’ associations indicated that the proposed budget is shared on the day of the meeting usually a few minutes before the meeting or during the course of the meeting.

However, the IBP (2019) OBS results showed that Zimbabwe’s performance on public participation have steadily improved relative to other countries in the region which still provide very few opportunities for the public to participate and engage in the budget process. Countries such as Namibia, Lesotho and Swaziland are on the extreme as they do not provide the public with the opportunity to participate in the budget process with a score of zero. Against a global average of 14, Zimbabwe scored 33, showing a positive variance of 24 from the 2017 score of 9. Zimbabwe’s positive development from a score of 9 to 33 out of 100 in 2017 and 2019 respectively on public participation in budget process on the International Open Budget Index is an indication that there has been marked improvement on opportunities for the public to engage in the budget process. What this also means is that Zimbabwe surpassed countries that performed better in 2017, among them, South Africa, Botswana and Zambia. (see Figure 13 below).

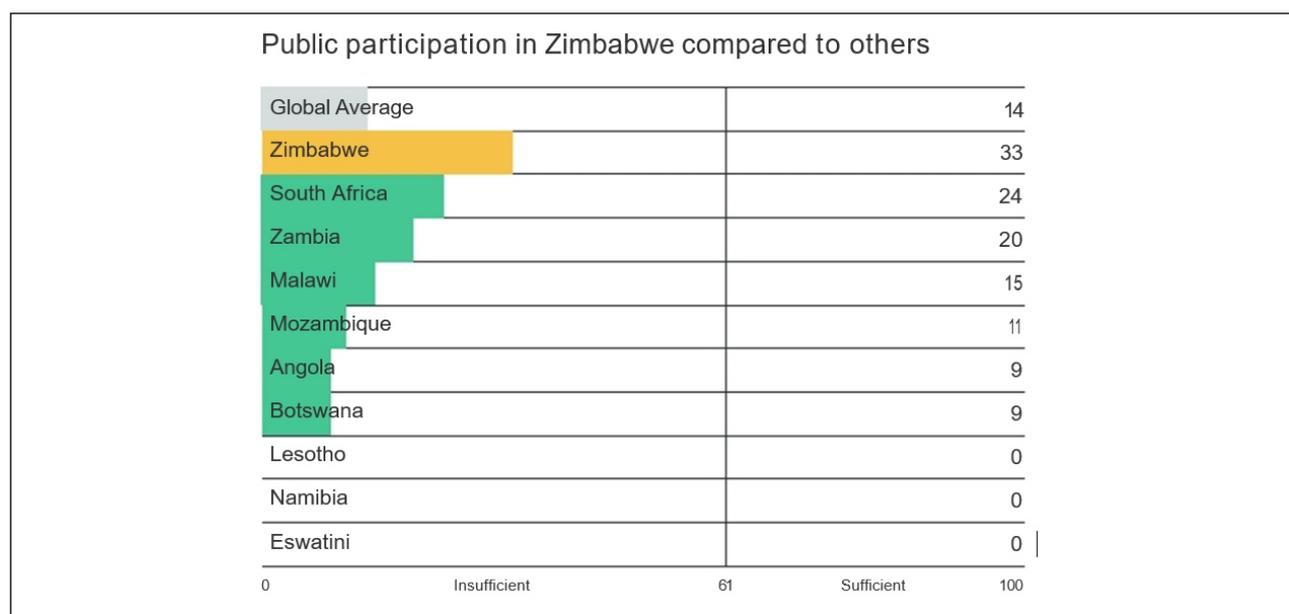


Figure 13: Public Participation in Budget Process; 2019 Open Budget Survey

Source: Open Budget Survey 2019

3.3 CHALLENGES FACED IN PRE-BUDGET CONSULTATIONS

The survey identified lack of sufficient notice of the meetings, use of very technical budget and financial language and the failure by authorities to produce citizen versions of the budget documents, use of venues that are not disability friendly, limited opportunities to make contributions, political interference and other logistical challenges (see Figure 14 below).

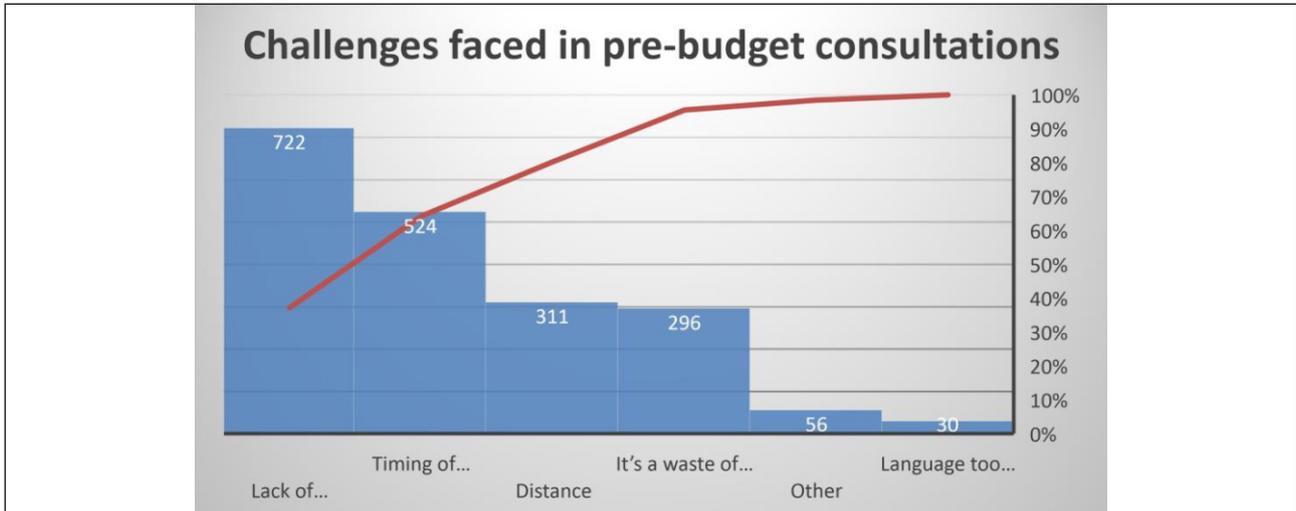


Figure 14: Challenges encountered in pre-budget consultations

Evidence show that for the national budget, there is one central venue per each local authority outside Harare. This means all representatives and interested parties should converge at that venue and make their submissions. However, previous experiences are that the meeting time is usually not enough to give sufficient coverage to the issues of residents. MPs who participated in the study acknowledged the various challenges but highlighted that it was difficult to give an opportunity to all stakeholders to input. They thus advised citizen convergence and submission of stakeholders' collective positions as a way of allowing wider representation as opposed to individual submissions.

3.4 CONSIDERATION OF PUBLIC INPUT INTO THE BUDGET BEFORE ENACTMENT

The survey results show that 60.92% (32.10% female and 30.82% male) and 69.84 (38.70% male and 31.14% female) of the respondents for the national and local government budget respectively, felt that their views are not considered in the preparation of the final budget. Those who felt that their views are considered in the preparation of the final budgets constitute 30.16% (17% female and 13.16% male) and 39.08% (24.71% male and 14.37%) for national and local government budgets respectively. This represent a positive variance from 2019 and 2020 surveys where 56.1% surveyed did not believe that their contributions during the pre- budget consultations sessions will be adopted in the budget by the central government and local authorities.

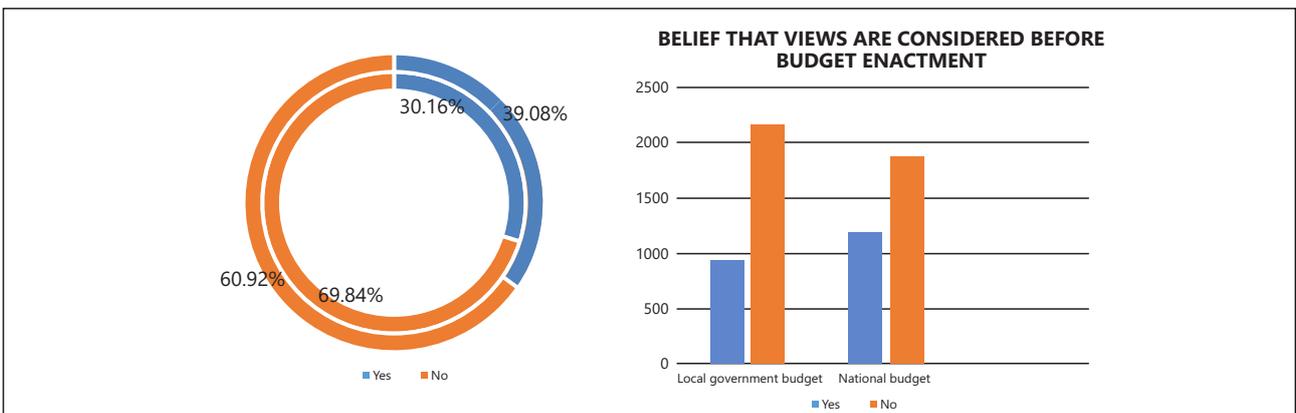


Figure 15: Consideration of public views in the budget

The views of key informants presented two strands in relation to this theme. Key informants drawn from civil society, Residents Associations and the academia were of the opinion that there is low consideration of public views in the consolidation of the final budget. Residents Associations argued that the consultations do not provide a genuine opportunity for public input into the budget and there have equally been no evidence to ensure that the input generated from the consultations is considered. In relation to the national budget, MPs and the academia noted a centrist approach where budget priorities are generated by the executive and little variations of such priorities are then noted after consultation. In the particular context of devolution, the executive decides on allocations to sub-national governments using an ad hoc approach without the input of sub-national governments or communities. On the contrary, an official from the parliamentary budget office and the MoF stressed that indeed the input of the public is considered in the preparation of the final budget. The same was echoed by executive and non-executive officials of councils who indicated that the input of the public is well represented in the budget of council. Muchadenyika (2017) submits that participation in the budget process is also dependent on the citizens' knowledge on their ability to influence the process. Citizens who believe that their views would be taken into account are likely to participate compared to those that do not.

4.5 PUBLIC AWARENESS OF BUDGET PRESENTATION TIME

Effective participation in a budget process also requires citizens to be aware of the time frames of the budget process. This would enable the citizens to effectively prepare for the participation and spare some time from their busy schedules to facilitate their participation. The survey results showed that 12.21% (7.20% male and 5.01% female) and 6.90% (4.10% male and 2.80% female) were aware of the budget presentation time for national and local government budgets respectively. 87.79% (46.20% female and 41.59% male) and 93.10% (50% female and 43.10% male) were not aware of the budget presentation time for the national and local government budgets respectively. From these statistics awareness is higher for the national budget compared to local government budgets.

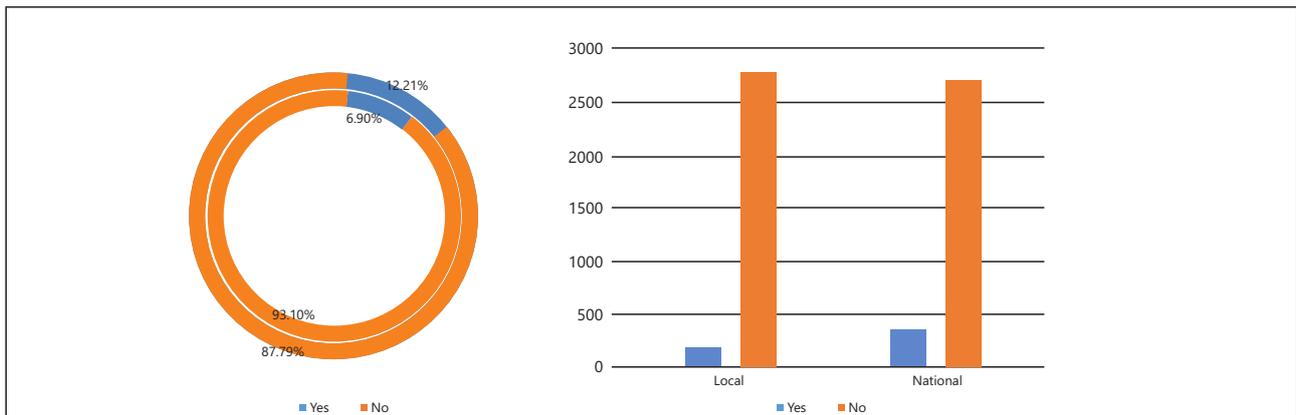


Figure 16: Awareness of budget presentation time

Results from key informant interviews show a higher appreciation of the budget presentation times for both national and local governments with only 5% of the respondents indicating that they are not aware. Those who were not aware were councillors in relation to the national budget (3.4%) and 1.6% who lacked data on budget presentation time for local government budgets. The national government budget presentations are widely advertised in various platform such as Zimbabwe Television (ZTV), radios government websites and social media. This increase the coverage and citizens are fairly aware. On the contrary, the publication of local government budget presentation is subdued leading to a paucity of knowledge. A random check of council websites shows that councils have not uploaded such important information. A number of councils still rely on hailers to advertise budget meetings. An academic interviewed indicated that councils lack robust strategies of marketing public information and hence coverage of key programs is weak.

Results from the 2019 and 2020 OBS show that an average of 7% of the public was aware of the budget presentation times for both the national and local government budgets. This is generally low and such results bring into question the 2019 IBP transparency index of Zimbabwe of 49 out of 100. The general implication is that Zimbabwe does not provide much information to citizens to enable them to participate meaningfully in the budget process.

3.6 SUBMISSION OF OBJECTIONS DURING THE BUDGET MAKING PROCESS

The results of the survey show that 6.5% (4% female and 2.5% male) and 28.53% (15% male and 13.53% female) of the respondents have submitted objections during the budget making process for national and local government budgets respectively. 93.50% (49% female and 42.50% male) and 71.47% (38% female and 32.41% male) either did not raise any objections or failed to lodge objections. Objections are an important avenue through which citizens can raise issues.

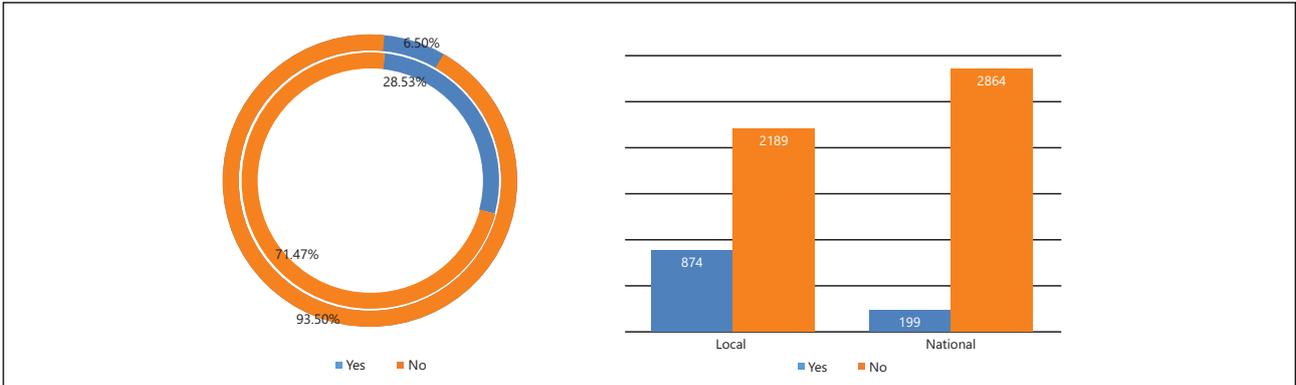


Figure 17: Objections during budgeting

3.7 ACCESS TO THE EXECUTIVE BUDGET

Public access to the executive budget give value to the essence of participation in pre-budget consultations. The survey results show that 27.55% (15% male and 12.55% female) and 35.91% (20.20% male and 15.71% female) of the respondents had accessed the budget for the national and local government units. 72.45% (40% female and 32.45% male) and 64.09% (33% female and 31.09% male) did not access the executive budget. Access was high (67%) among the age group 25-54 years. This is attributed to the increased publication of the budget on internet of which this age group is the active in the use of internet. There was reduced access (11%) among the age group above 54 years attributed to the reduced use of internet and the limited stock of hard copies. For the age group 18-25, the study established moderate access (23%) attributable to use of budget content for learning purposes as the majority are tertiary level age group (see figure below).

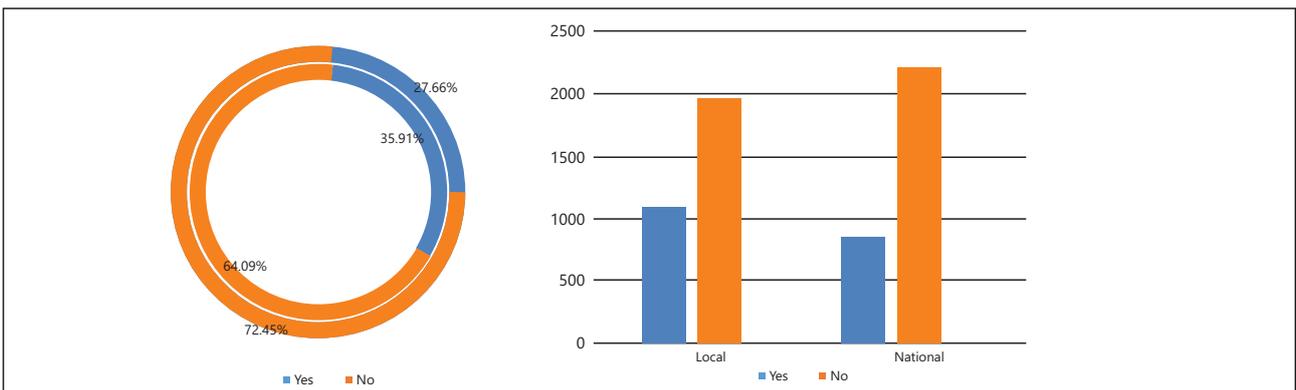


Figure 18: Access to executive budget

Key informant interviews revealed that residents view the budget as an executive document for public sector managers which they use in financing service delivery areas as they may decide. Contrary to this, there is growing evidence of local and national governments not only increasing the accessibility of budgets but developing and publishing a citizen version of the budget. Whereas, the national government produces a citizen version of the budget, evidence shows that none of the studied local authorities has a citizen version of the budget. Bilge (2015) summed that government is accountable to the people for the use of public funds and hence making the budgets publicly available is one way to provide an account.

4.0 Citizen Engagement During Budget Implementation Stage

4.1 ACCESS TO DOCUMENTS HIGHLIGHTING GOVERNMENT PROGRESS IN IMPLEMENTING BUDGETS

Access to budget documents is a key attribute for active public participation in the budget cycle. To enhance transparency and public accountability public officials should allow unfettered public access to key documents. This in turn closes the budget information gap and increases the quality of public input in the cycle. The survey results showed that 11.69% (6.20% male and 5.49%) and 21.22% (12% male and 9.22% female) of the respondents have accessed in year budgets performance reports for the national and local government budgets respectively. 88.31% (46.20% female and 42.11% male) and 78.78% of which 40% are female and 38.78% are male (average 83.5%) have not accessed budget performance reports for national and local government. With the average 83.5% respondents who did not access budget performance reports, this presents a negative variance of 1.3% from the 2021 ZIMCODD OBS. 82.2% reported that they had never participated in a budget review process.

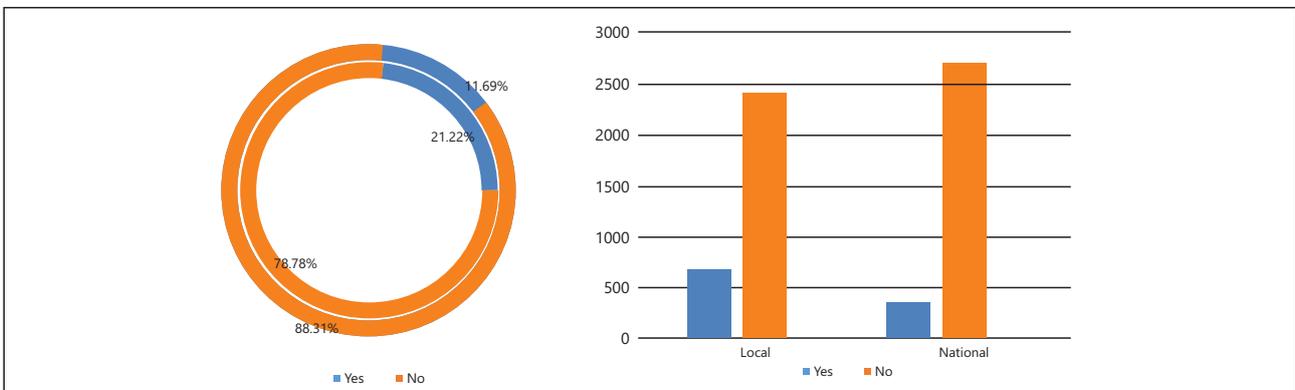


Figure 19: Access to in-year budget performance reports

Interview results show that both the national and local government budget review processes remain significantly closed. There are very limited avenues for public participation in the review of the budget. In most instances, which is common in local authorities, once the budget is enacted, council rarely comes for budget performance review meeting. The respondents cited various reports received which include executive budget documents/statements/reviews, Auditor General Reports, blue book, consultative reports, internal audit reports, financial reports, fiscal policy reports, council minutes (see Figure 20 below).

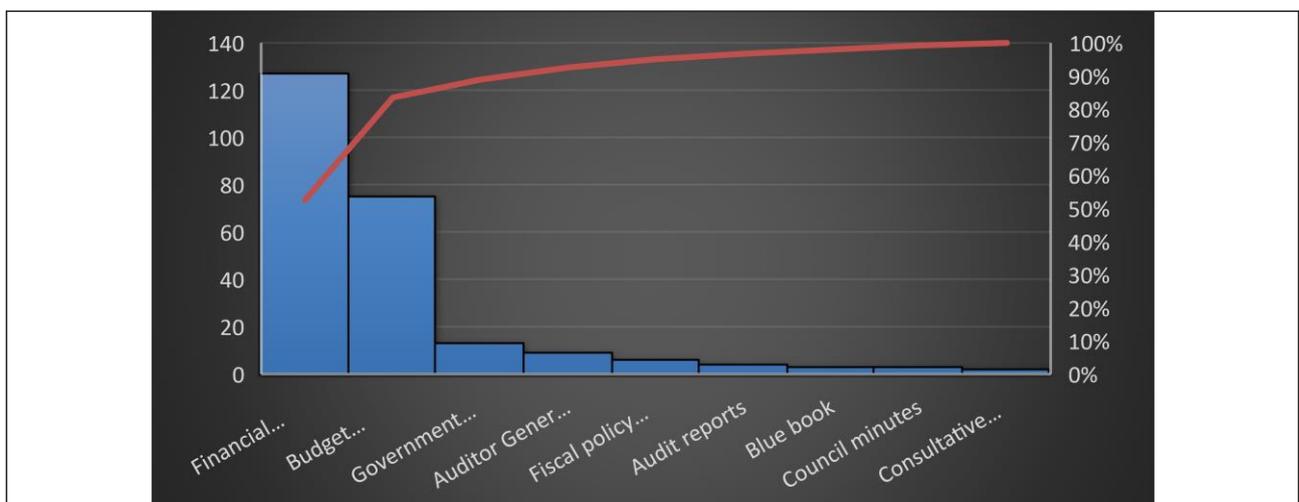


Figure 20: Documents Accessed

The survey assessed the frequency of receiving feedback and the ranges included monthly, quarterly, bi-annually, annually and all of the above (see Figure 21 below). The annually category had the highest frequency (487). Interviews with key informants revealed that there is generally a paucity of information as government at both national and local level are failing to regularly publish key budget information. One key informant regarded this as deliberate withdrawal of information to weaken the quality of public and eventually shut the doors on public input.

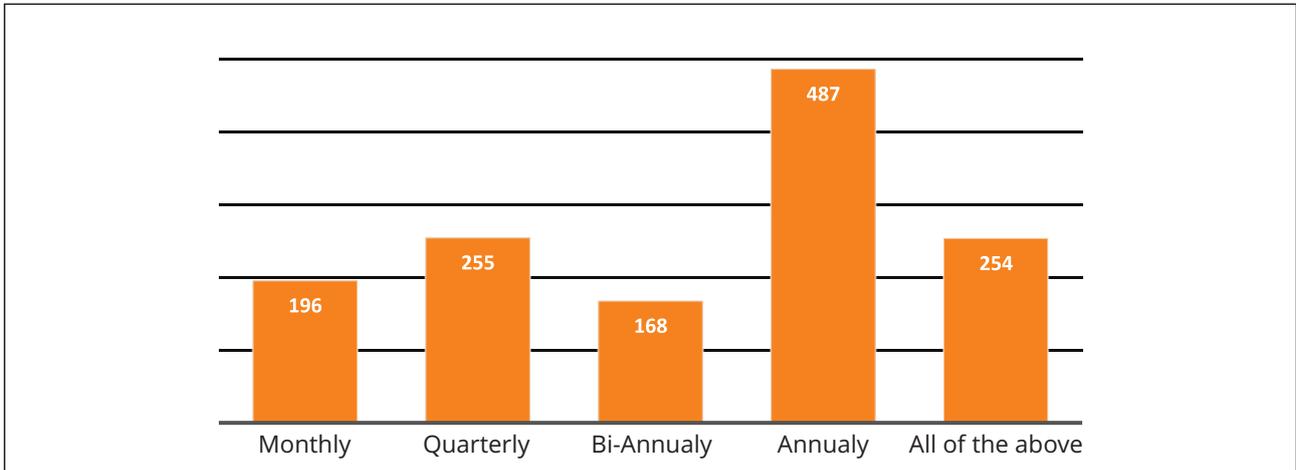


Figure 21: Frequency of getting budget performance information

There is need to increase the frequency of public information especially in the context of the increased usage of social media and online platform. Governments should seek to increase visibility by creating active online platforms for sharing budget information with citizens regularly .

The survey respondents were asked about the media channels they are using to access budget review information. The responses ranged from social media platforms such as WhatsApp, newspapers, radio and TV stations, government websites and local CSO channels (see Figure 22 below).

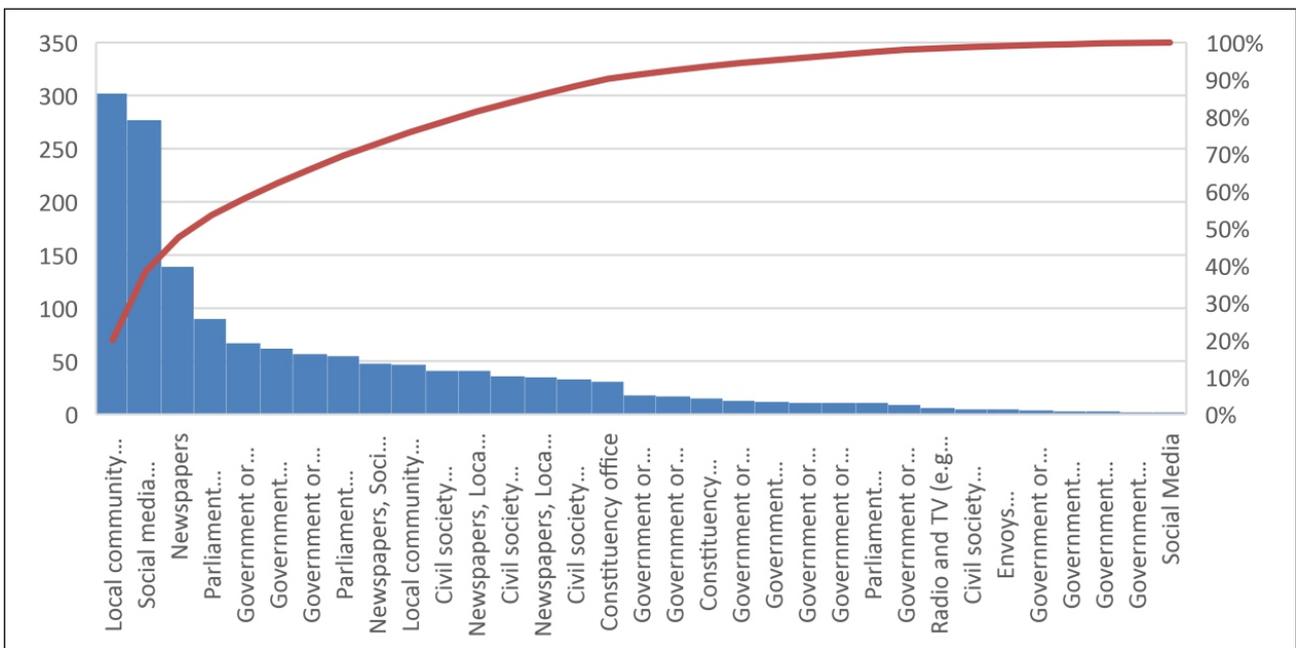


Figure 22: Feedback sources

Interviews with key informants revealed that there is need to guarantee the credibility of information. Some of the social media platforms have previously proved to be unreliable sources of information for policy planning. It is therefore imperative for government to use official websites and constantly update them for the benefit of the citizens. However, a review of the websites for the purpose of this survey revealed that there are very few if any updates given constantly. Whilst the website of the MoF is relatively active in updating the public about the budget at various cycle, other line ministries, which in actually essence are dealing with actual expenditure, are not updating the citizens on the expenditure against budgets allocated to them. This had led to the accumulation of budget variances without the approval of Parliament. For local authorities, the websites are rarely updated, and where such updates are given, they will not cover key budget review documents such as financial statements, audit reports and other budget performance documents.

The survey respondents were asked about the utility of the budget feedback they are getting. This is particularly important as the feedback forms the basis for active engagement between the government and citizens. The responses are presented in Figure 23 below.

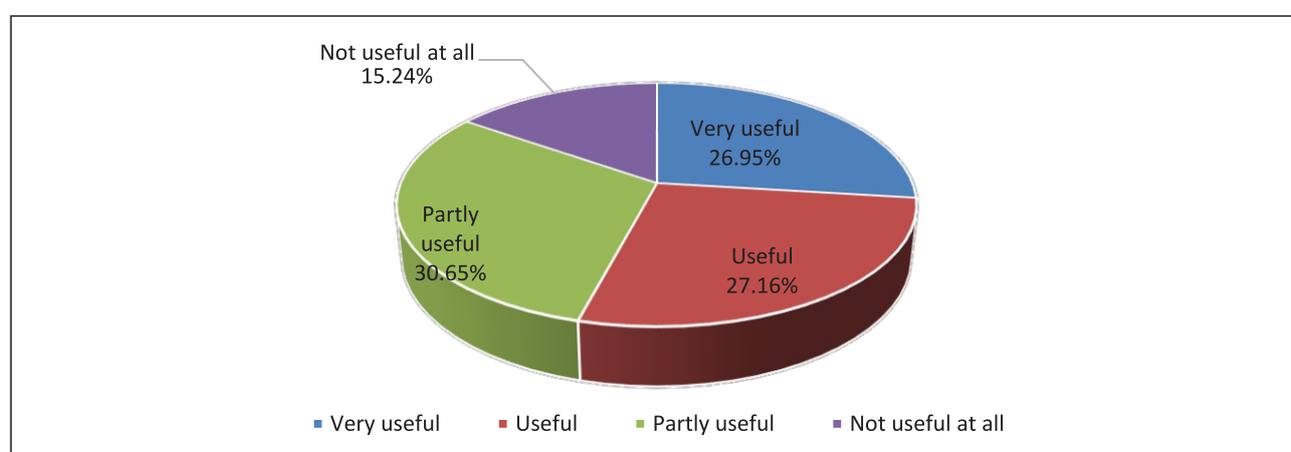


Figure 23: Usefulness of the feedback

Key informants raised a number of issues over the quality of the feedback the public is getting. Fundamental information such as financial statements for local authorities, independent audit evaluations, commission reports are rarely posted. Moreover, it is such information that is important for active citizen engagement during the budget cycle.

4.2 TRANSPARENCY IN THE MANAGEMENT OF DEBT

Zimbabwe is reeling under the effects of a debilitating debt crisis. Arguments have been made over the odiousness and illegitimacy of the debt emanating from an opaque debt contraction and expenditure process. As such, debt transparency and accountability remains a key feature in PFM in general and budgeting in particular. From the survey results, 11.98% (6.20% female and 5.78% male) and 19.33% (11.12% female and 8.21% male) of the respondents for the national and local government respectively were satisfied with the transparency of the debt management systems and processes for the national and local government levels respectively. 88.02% (49.02% male and 39% female) and 80.67% (42% female and 38.67% male) of respondents expressed dissatisfaction with the debt management systems and process. The results therefore indicate a large propensity towards citizen dissatisfaction and hence weak frameworks for accountability in debt management.

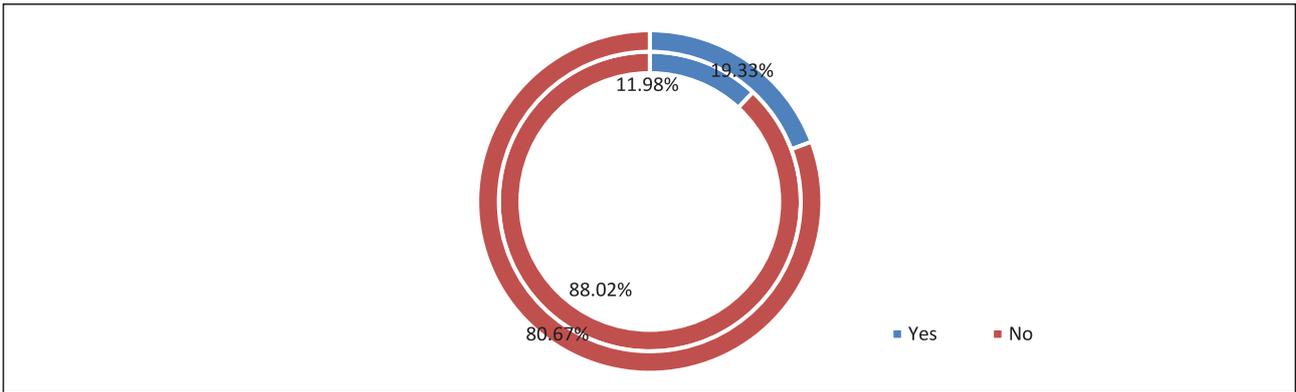


Figure 24: Transparency of public and publicly guaranteed debt

Members of civil society and the academia interviewed were of the opinion that there is lack of transparency and accountability in the management of the public debt. They argued that a combination of a huge debt stock, declining fiscal space and rampant abuse of borrowed funds has led to the contraction of the financing for government service delivery.

In the same context, local authorities have not been declaring their debt to local citizens. The study faced challenges in accessing officially reliable and dependable public debt information on key areas such as the conditions and tenure of the loans, repayment terms and interests from the policy document issued by the public debt management office. The Debt Management office is a department under the Ministry of Finance and the release of debt related information is sanctioned by the minister. However, studies have shown the increasing indebtedness of Zimbabwe to China with most loans contracted in exchange of mineral rights (ZIMFACT, 2020). Because of the challenges in accessing debt information from relevant authorities, this study relied on unpublished local government data (the author had not been granted authority to cite the authors).

Table 2: Estimated Local Authority Debt Stock as at 31 May 2021

Local Authority	Creditors	Creditors Debt (ZW\$)	Debtors
Chirumanzi RDC	ZEDTC, ZINARA, ZINWA, ZIMRA	\$6,000,000	Not disclosed
Hwange local Board	ZIMRA, TELONE, ZINWA, ZETDC, NRZ, Workers	\$100,000,000	\$200,000,000
Gweru	ZETDC, ZIMRA, LAPF, Zimdef, TelOne, NSSA, First Mutual, Nyaradzo, Cimas etc.	\$222,728,811	\$759,657,662
Kwekwe	Government, commerce, industry	\$405,181,744	\$258,251,115 (rates)
Insiza	Pension for staff and former workers and other service providers	\$6,000,000	\$65,000,000 (stands, taxes)
Epworth		\$13,000,000	Not disclosed
Kariba	ZESA, TELONE, ZINWA, CIMAS, ZNFPC, NSSA, ZIMRA, LAPF, salaries	\$97,638,726	Not disclosed
Marondera	ZESA	\$40,000,000	Not disclosed
Chinhoyi	NSSA, ZIMRA, ZESA, TelOne, Champlex, salaries	\$72,445,000	Not disclosed
Gutu	ZESA, ZIMRA, TelOne, salaries	\$6,600,000	\$87,000,000
Mutare City	ZESA, salaries	22,000,000	5,448,738 Mutasa RDC, water
Bulawayo City		\$1,005,215,213	\$1,872,167,954
Harare	ZESA, ZIMRA, China debt, chemicals, statutory	\$2,700,000,000 (1,99 billion to ZESA)	105,000,000,000
Chitungwiza	ZESA, ZIMRA, Pensions	\$74,584,000	Not disclosed
Chipinge town	ZESA, ZIMRA, NSSA, LAPF, Zimdef, Old Mutual, ZIMRA (PAYE & VAT)	\$17,760,712	\$120, 667,142
Gwanda	ZESA, ZINWA	\$140,000,000	Not disclosed
Victoria Falls	ZESA	\$21,000,000	Not disclosed
Rusape	ZETDC, CBZ, ZINWA, TELONE, EMMA, NSSA, Cimas, Workers	\$16,300,000	Not disclosed
Mutasa Rural	City of Mutare, ZESA, Standard Bank	\$7,300,000	Not disclosed
Chimanimani Rural	Forestry Commission, Agritex, EMA, ZINWA, National Parks, Public Works	\$19,400,000	Not disclosed
Total		\$4,993,154,206	\$11,368,192,611

Source: Unpublished

However, officials from the MoF who participated in the survey indicated that the GoZ was in the process of developing systems and mechanisms for enhanced accessibility of debt management information. They cited the establishment of the debt management office as a milestone in demonstrating government commitment to sustainable debt management. The lack of independence of the debt management office remains a challenge though. The GoZ has also been publishing a debt bulletin since 2018 as a way of communicating the status and the management strategy for the national debt stock. Residents' associations interviewed indicated that whereas there have been developments at the national government towards a transparent debt management system, the situation is difficult at local government levels where policy makers remains largely weak to monitor and develop strategies for managing the data. 7 of the 10 mayors and councilors interviewed were not aware of the debt positions of their respective councils.

Hickle (2021) argued that growing debt over the last two decades has left many resource-rich African countries on the verge of debt crises. Since the early 2000s, African countries have steadily taken on increased amounts of debt while the quality of public institutions and debt management policies have deteriorated over the same period.

4.3 ROLE OF OVERSIGHT INSTITUTIONS IN ENSURING COMPLIANCE WITH BUDGETED EXPENDITURE

This study analyses oversight at two levels. At the national level as provided by Parliament and local government budget oversight by council and its committees. 88.70% (46.20% male and 42.50% female) of the respondents and 89.4% (48.60% were male and 40.8% female) of the survey respondents for both national and local government respectively were of the opinion that oversight institutions are weak to provide sustainable oversight on budgeting and the use of public resources. Interview respondents complimented this view by citing cases of abuse of public resources at both national and local levels that points to weak oversight. An academic interviewed submitted that Parliament was failing to hold the executive within budget expenditure, a scenario that explains heavy unbudgeted expenditure being approved by the Minister. The same situation was obtaining in local authorities. Only 11.30% (5.20% male and 6.10) and 10.06% (4.07% male and 5.09% female) of the respondents felt that oversight institutions were effective.

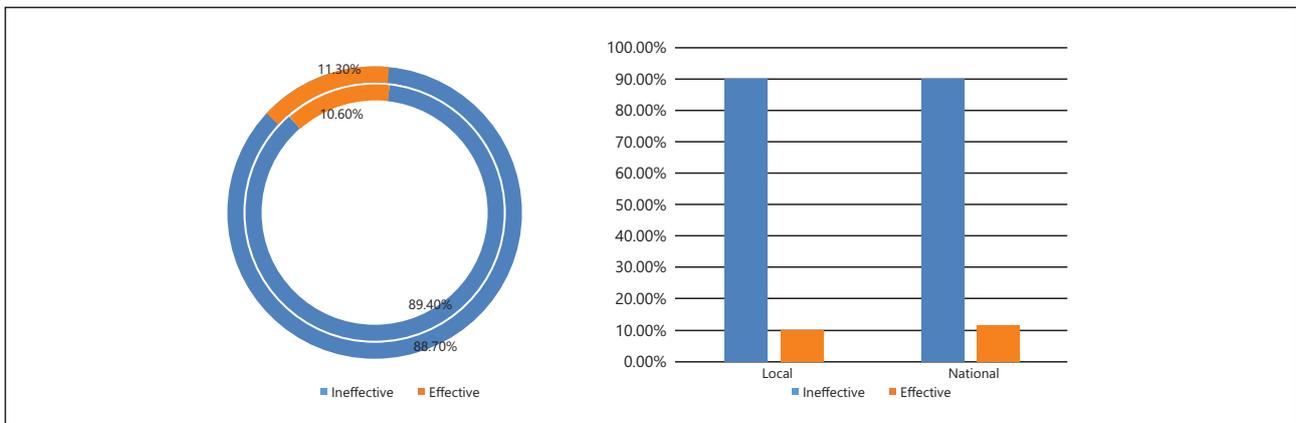


Figure 25: Public views on the effectiveness of oversight institutions

For purpose of comparison, the 2019 and 2020 OBS show that an average 80% of the respondents were of the opinion that oversight bodies are weak in carrying out their mandates. The 2019 IBP OBS also show a low indexing of the competence of oversight institutions as shown in Figure 26 below. The IBP (2019) viewed that the legislature and supreme audit institutions in Zimbabwe, together, provided limited oversight during the budget process, with a composite score of 41 (out of 100). The increase in negative opinion on the oversight institution is equally explained in the extent of adverse audit reports by the AG with some of the issues recurring for a number of years.

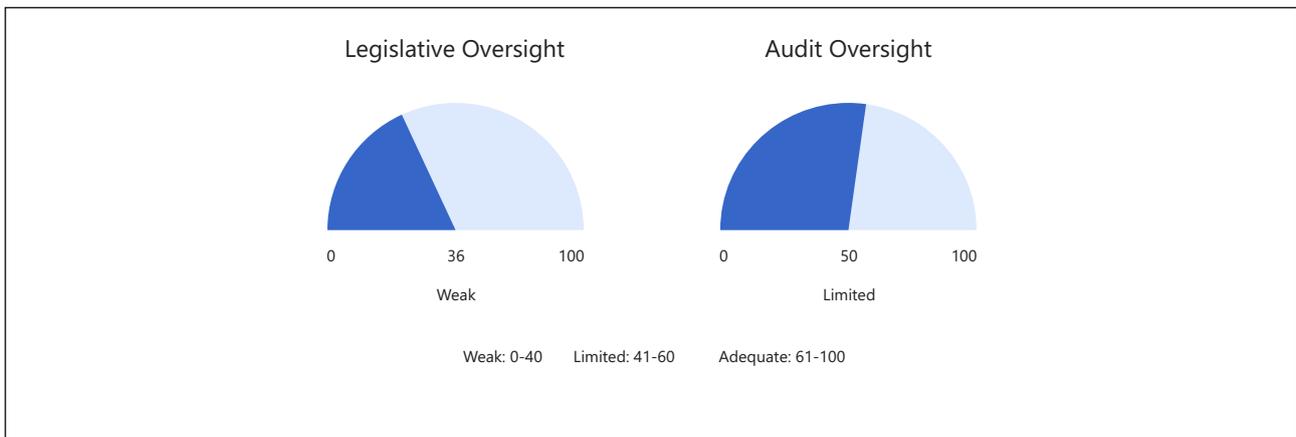


Figure 26: 2019 IBP views on effectiveness of oversight institutions

Source: IBP, 2019

Interview results concurred that indeed oversight institutions remain subdued in terms of capacity to hold executive arms accountable. Residents Associations raised the need for structured capacity building interventions to improve the capability of councils to monitor the budget cycle. However, there were views that MPs indeed possess the required capacity but there is need to strengthen legislation for Parliament to have more powers to sanction institutions against the abuse of public resources. An MP interviewed submitted that legislative oversight in particular seeks to ensure that the executive and its agencies, or those to whom authority is delegated, remain responsive and accountable. This, will in turn lead to four fundamental outcomes. (i) fiscal discipline (ii) allocative efficiency (iii) operational efficiency and (iv) transparency and accountability. The above view is strengthened by Matebese-Notshulwanathe’s (2019) submission that legislative oversight on PFM has high operational relevance for low income countries. It has the potential to improve the allocation of resources, accountability and transparency in the use of those resources, and hence a fundamental tool of strengthening democracy. Studies have shown that Zimbabwe has lost in excess of US\$32,179 billion through illicit financial flows (IFFs) via proceeds of crimes involving tax evasion, smuggling, corruption, fraud, drug trafficking and money laundering hence posing a major challenge to development financing for the country (IMF, 2017, RBZ, 2016).

4.4 PUBLIC ACTION AGAINST DEVIATION FROM BUDGETED/PLANNED ACTIVITIES

Improving public sector performance through containing expenditure growth is at the heart of the PFM reform process in Zimbabwe. Evidence of weakened budget control at both local and national government level is plentiful. The results of the survey showed that 24.83% and 25.18% have written petitions, 19.28% and 30.83% have submitted complains to the councillor or MP, 20.51% and 29.58% have sought clarification while 35.39% and 14.43% have done nothing. These statistics are presented in respective order of the national and local government councils (see figure below).

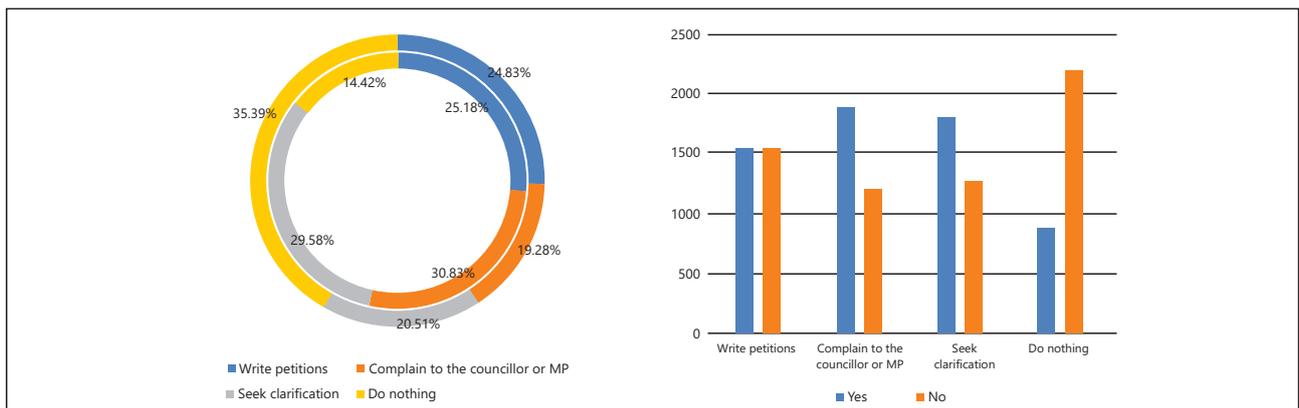


Figure 27: Action against budget variances

The survey results also showed other actions that may be taken by the public against unbudgeted expenditure. These are demonstrations and protests, legal action, engagement and whistle blowing (see figure below).

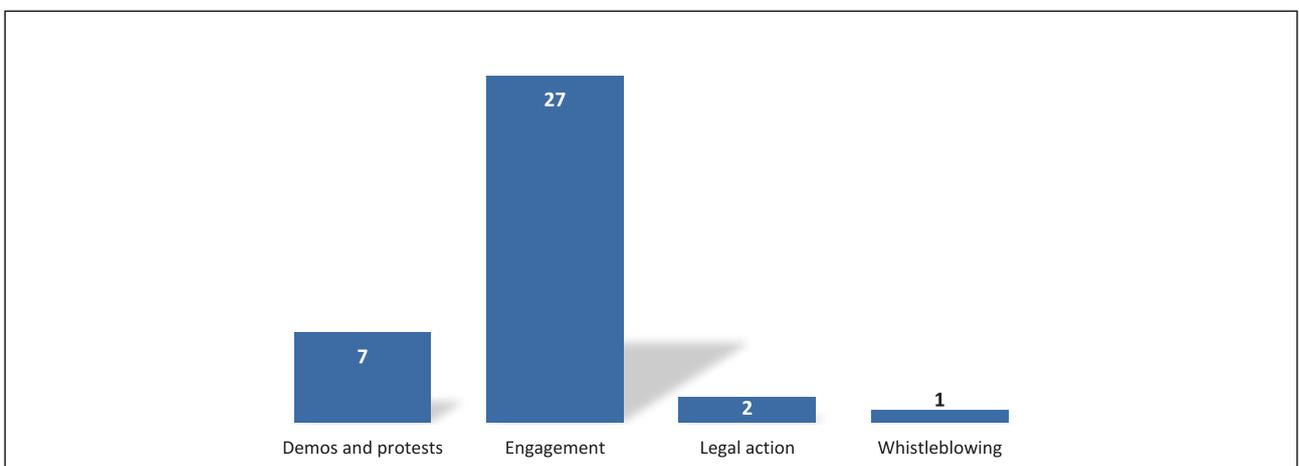


Figure 28: Other actions to be take when budget deviates from planned activities

According to the IBP (2017), 87 percent of countries surveyed publish an enacted budget, indicating what they are intending to do in a given year. But only 66 percent of countries surveyed publish a year-end report, where governments report back on what they have done. In many countries, even when a year-end report is published it does not contain detailed information about revenue or expenditure deviations, and it lacks basic explanations for these deviations. Interviews with key informants revealed that inadequate financial control affects not only the amount of expenditure but its propriety as well. Fraud and abuse have become widespread concerns in Zimbabwe, and the controls that once guarded against the misuse of public funds seem incapable of restoring trust to public expenditure. Evidence in the AG's reports of excess expenditure incurred outside the budget is abound.

Key issues from the interviews are that the erosion of financial control has seriously weakened the effectiveness of local and national government budgeting in Zimbabwe. They argued that the primary function of budgeting, upon which other critical uses are predicated, is to ensure that public funds are spent only for authorised purposes. Without reliable financial controls, the budget cannot be used for other important government functions such as managing the economy, improving administrative efficiency, and formulating public objectives and priorities.

An analysis of the AG's Report for the year ended 2018 show that transactions worth USD\$5.8 billion, EUR5 million and ZAR319 thousand had financial irregularities ranging from unsupported expenditure, excess expenditure, outstanding payments to suppliers of goods and services, transfers of funds without treasury approval among other issues. This constitute about 82% of government expenditure for 2018. An unauthorized expenditure amounting to US\$3.2 billion was incurred by the Ministry of Finance and Economic Development in violation of Section 307 of the Constitution which require the MoF to introduce a Bill in the National Assembly seeking condonation of the unauthorized expenditure. Such a bill should have been introduced into the National Assembly no later than 60 days after the extent of the unauthorized expenditure has been established.

Financial Irregularities	Amount Involved (2018)		
Sub PMG Account Balances not reconciling with the PFMS Balances	\$492 357 855		
Suspense Account Balances	\$18 353 571		
Outstanding Payments to Suppliers of Goods and Services	EUR	ZAR	\$
	5 044 062	318 675	69 188 951
Unsupported Expenditure	\$ 239 468 023		
Excess Expenditure over Income	\$24 415 778		
Uncollected Debtors	\$416 852 415		
Variances between Treasury Balances and Ministry Balances	\$3 768 578		
Balances from Unreconciled Employment Costs	\$3 012 861		
Overstatement of balances on financial statements	\$16 745 223		
Understatement of balances on financial Statements	\$21 153 747		
Amounts that could not be verified	\$21 725 598		
Unallocated Reserves	\$3 267 556 865		
Direct Payments made by treasury not recorded	\$849 836 759		
Payment of goods not delivered	\$2 368 932		
Transfer of funds without Treasury Authority	\$381 291 118		
Total	US\$5 828 096 274	ZAR318 675	EUR5 044 062

Figure 29: Financial irregularities and unauthorised expenditure in the AG's Report year ended 2018

Source: ZIMCODD (2019)

The challenge of unauthorised expenditure was noted in the AG's (2019, v) Report. It was noted that:

During the year under review, Treasury incurred unauthorised excess expenditure amounting to ZW\$6 806 340 654 as a result of Unallocated Reserve transfers made to line Ministries amounting to ZW\$7 386 995 654. This exceeded the approved budget of ZW\$580 655 000 in contravention of Section 305 (5) of the Constitution of Zimbabwe. Treasury as the manager of the public purse did not adhere to legal provisions on the sanctioning of excess expenditure by Parliament.

Transfers from the Unallocated Reserve				
Vote	Name	Treasury Amount \$	Ministry Amount \$	Variance Amount \$
2	Parliament of Zimbabwe	92 076 095	94 520 812	(2 444 717)
11	Transport and Infrastructural Development	102 611 984	72 525 388	30 086 596
14	Health and Child Care	172 809 804	180 912 364	(8 102 560)
18	Home Affairs and Cultural Heritage	336 915 861	336 915 861	-
19	Justice, Legal and Parliamentary Affairs	57 440 459	56 289 689	1 150 770
22	Energy and Power Development	44 967 399	44 876 663	90 736
25	Public Service Commission	110 713 876	109 409 507	1 304 369
Total		\$917 535 478	\$895 450 284	\$22 085 194

Figure 30: Variances of unallocated reserve transfers from treasury

Source: AG Report (2021)

4.5 ROLE AND IMPACT OF CIVIL SOCIETY IN MONITORING BUDGET IMPLEMENTATION

The survey results show that 67.50% (35.40% male and 32.10% male) of the respondents were of the view that that civil society organisations were playing an important role in promoting budget transparency and the accountability of public institutions. However, 32.50% (18.20% male and 14.10% female) of the respondents were of the opinion that the role of civil society remains largely constrained due to a number of factors among them lack of resources, political manipulation, lack of capacity for research and evidence based lobbying and advocacy.

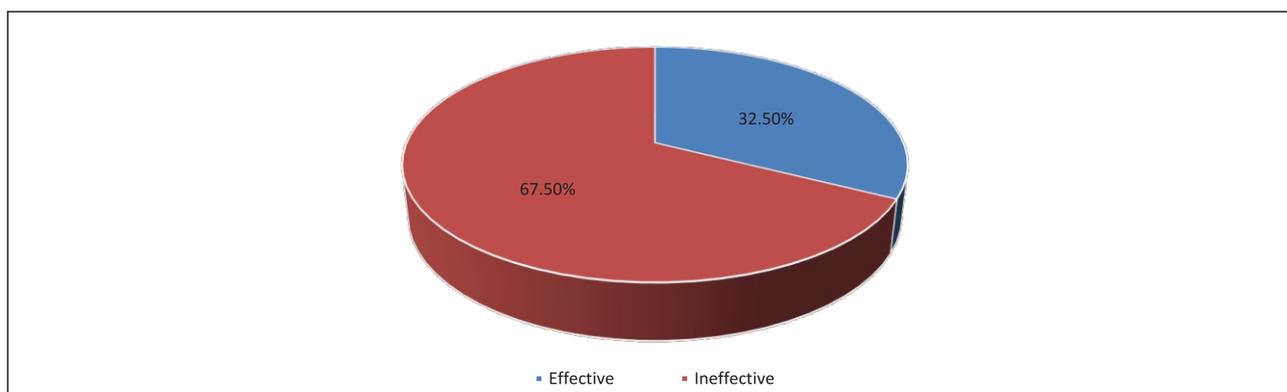


Figure 31: Impact of civil society on promoting budget transparency

Civil society have a myriad of roles in the budgeting cycle. Key informants identified six areas.

- contribute critical information on the public’s needs and priorities that can lead to stronger policy choices;
- draw more people into the debate by collecting, summarizing into easily understandable formats, and spreading budget information;
- train members of the public to understand and analyze government budgets themselves;
- supplement government’s capacity to budget effectively by providing technical support;
- give an independent opinion on budget proposals and implementation;
- hold public officials accountable for using public resources efficiently and
- develop important new allies in government, including program managers in government agencies, legislators, and auditors.

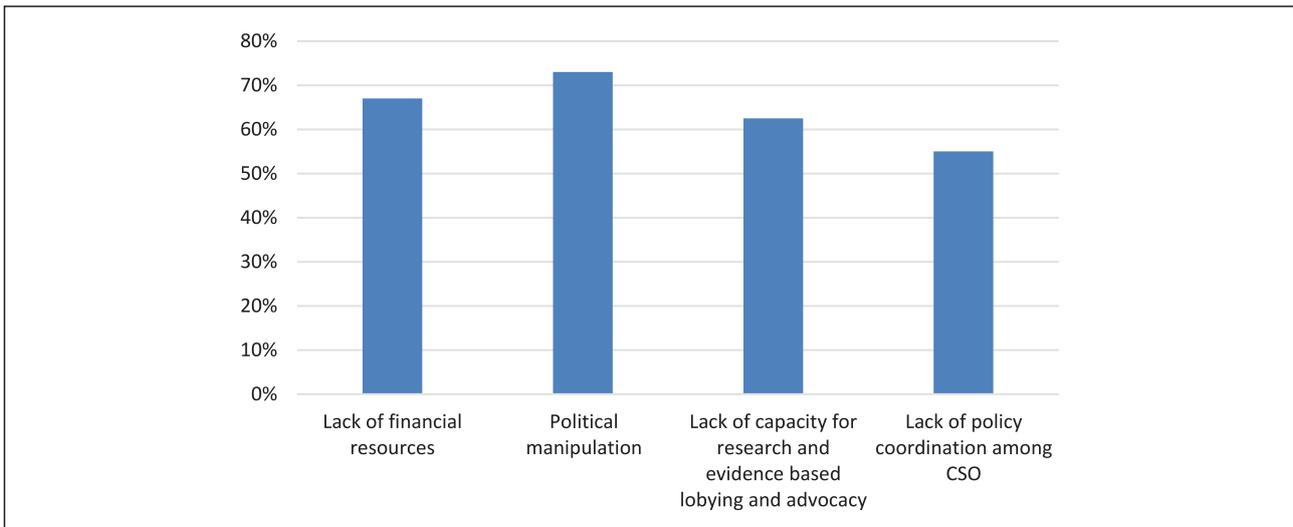


Figure 32: Challenges face by civil society in promoting budgeting transparency and public accountability

The study revealed about 35% of the civil society organisations, mainly resident’s associations are not institutionalised due to limited financial resources. As such their efforts to hold the duty bearers accountable remain minimal as they do not have significant contribution to the governance processes. Whilst CS/RAs have the potential to be a viable voice of the voiceless and the eyes and ears of the urban citizenry, the research results indicated that there is often a discord in the policy direction of resident’s associations’ in areas where there is more than one residents’ association as competition for resources may end breeding friction which eventually diverts them from their core function. Key informant interviews with leaders of residents’ associations revealed that there is less policy process integration among the wider civil society spectrum and competition among these institutions was rife. This has weakened their capacity to leverage on collective potential in advocating for a better local government system.

Although there is a myriad of ways in which CSOs can engage in budget work, key informant interviews identified three categories:

- budget awareness: improved understanding of budget data for policy-makers, citizens and other CSOs.
- budget transparency: independent scrutiny, dissemination and improved access to government data.
- participation in the budget process/oversight: improved civic and legislative engagement and oversight of budget policies.

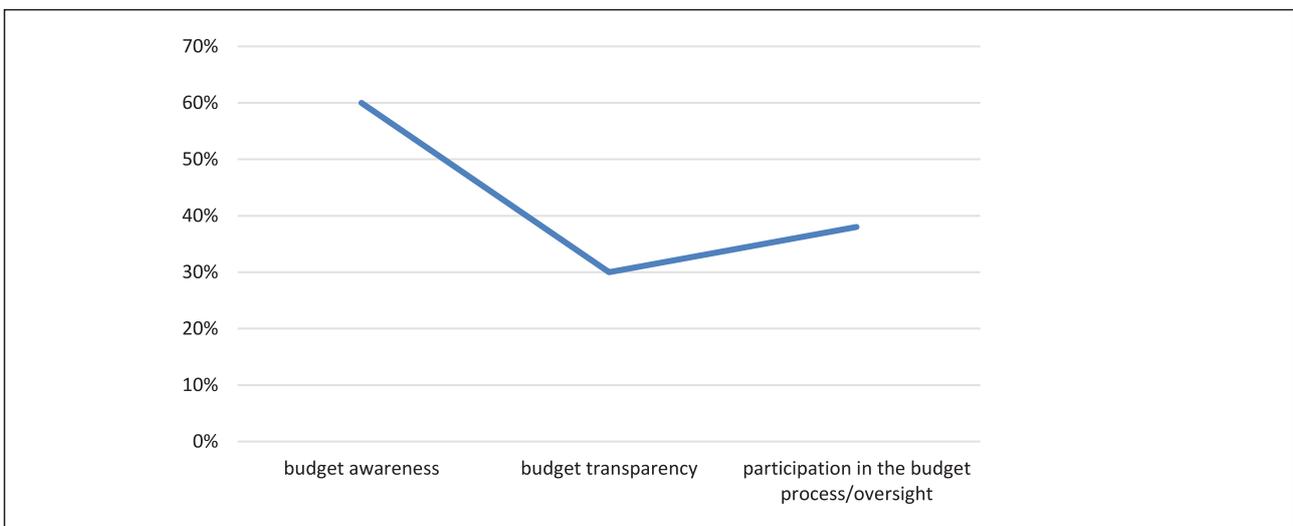


Figure 33: Assessed competences of civil society in the budget cycle

Members of the academia interviewed viewed that civil society participation in fiscal policy issues is broadly desirable as it compels elected officials to be more accountable with public revenues and also ensure better execution of government projects. However, officials from councils, arguing on the basis of their experience of the participation of civil society organisations in demanding fiscal transparency submitted that civic engagement in public policy issues may also be problematic since in some cases civil society organisations may be captured by a dominant or vocal elite who may not represent the interests of the broader population. To the extent that civil society participation in the budget process is desirable, key informants argued that their effective participation requires improved technical capacity on relevant economic concepts.

At what stage in budget cycle can civil society play a role? Findings from key informants revealed that civil society can contribute at various stages of the budget cycle before and after the budget is signed into law. Ex ante, they can assist in the budget formulation process by making contributions at the drafting stages, and also lobbying legislators to ensure adequate funding for specific programs. Ex post, civil society can ensure the effective implementation of the budget via expenditure tracking and performance-monitoring activities (see Figure below).

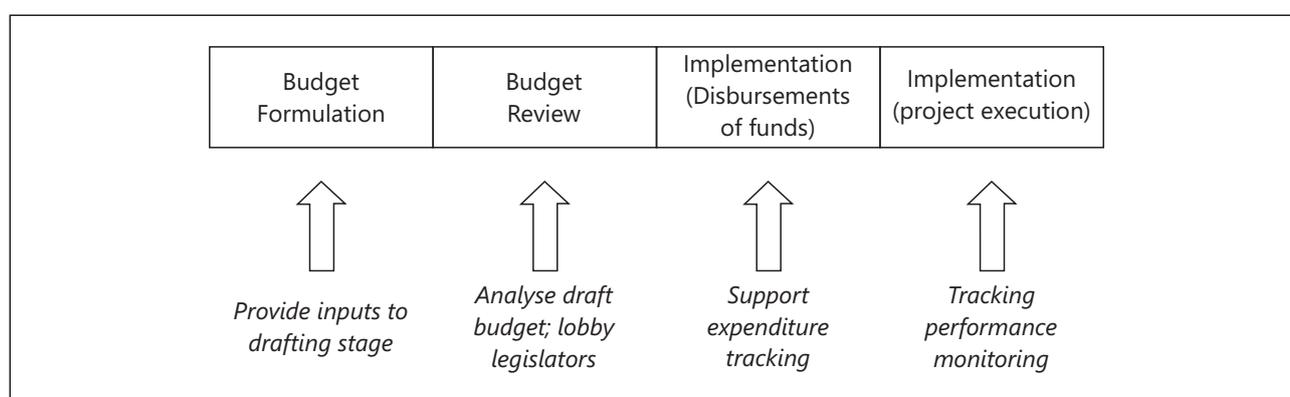


Figure 34: Possible intervention areas by CSO in the budget cycle

Source: Okonjo-Iweala and Osafo-Kwaako (2007)

5.0 Citizen Engagement in Post-budgeting Process

5.1 PUBLIC KNOWLEDGE ON THE PROCESSES OF AUDITING PUBLIC INSTITUTIONS

The World Bank (2021) stated that there is a slightly stronger correlation between a country's level of SAI independence and budget openness. A correlation analysis of the SAI scores and the 2019 OBI scores had a positive correlation coefficient of 0.51. This finding suggests that transparency and openness has a greater influence on SAI independence than a country's income level or the perceived level of corruption. The survey results show that 84.2% (46% female and 38.2% male) were not aware of the process of auditing public institutions. This leaves only 15.8% (9.06% male and 7.02% female) aware of the processes in the auditing of public institutions.

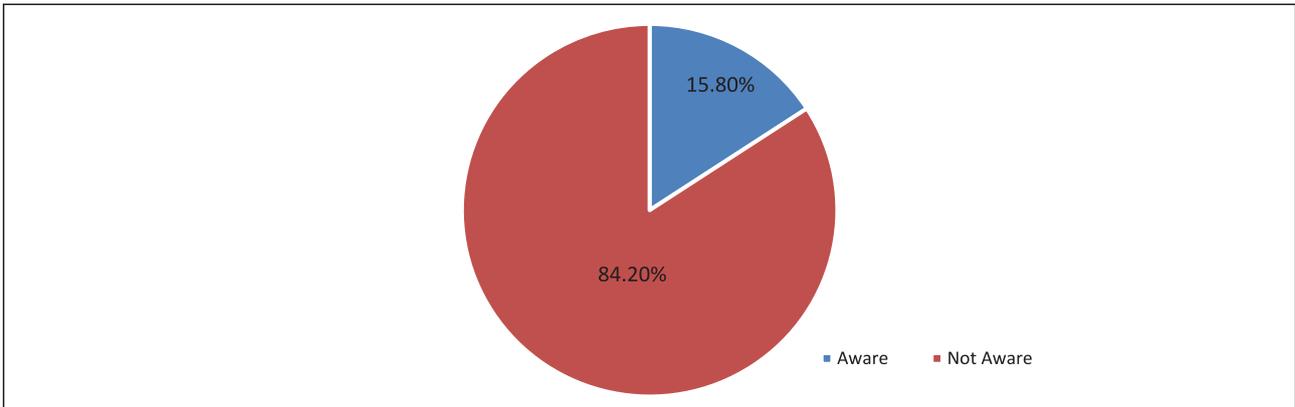


Figure 35: Awareness of public auditing process

Zhou and Zinyama (2012) viewed that public audits provide key mechanisms through which financial accountability is enforced within government ministries and state bodies. Across the world, public audits have been institutionalised through the creation of Offices of the Auditor General which act as supreme audit institutions. They prevent 'dishonesty and abuses' by instilling 'fear of detection' and also enhance institutional financial accountability by providing an expert, independent and unbiased opinion on specified issues relating to the activities of an organisation.

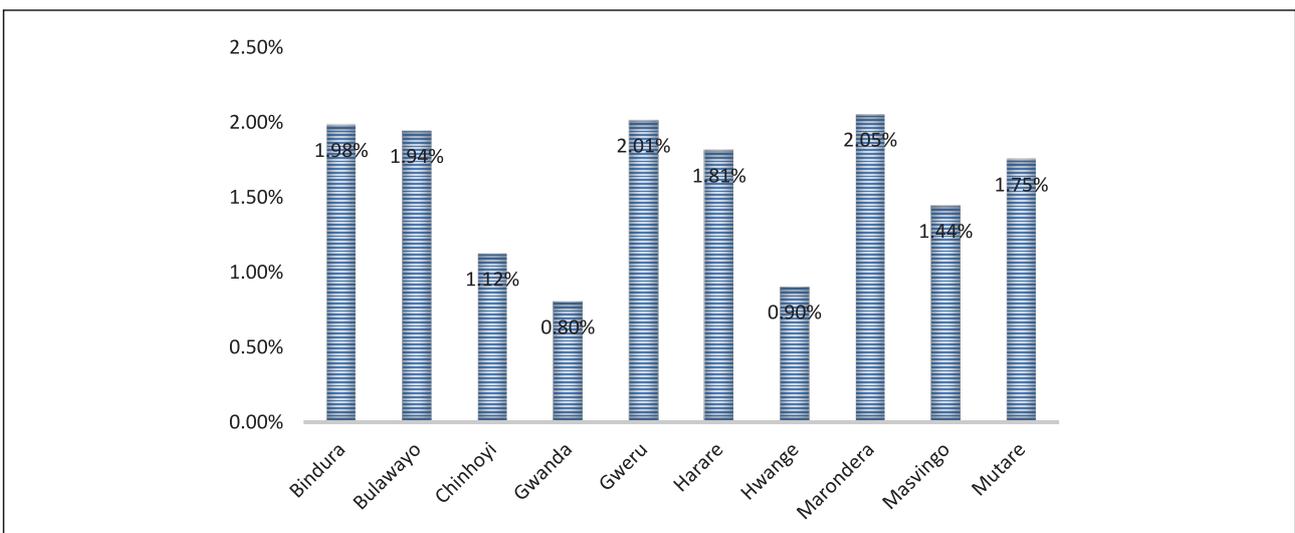


Figure 36: Distribution of public awareness of the audit process by local authority

Key informant interviews revealed that the public sector audit assesses the stewardship of public funds, implementation of government policies and compliance with key legislation in objective manner. The scope of the annual audit performed for each auditee is prescribed in the Public Audit Act and the general notice issued in terms thereof. It includes the following:

- Providing assurance that the financial statements are free from misstatements that will affect the users of the financial statements.
- Reporting on the usefulness and reliability of the information in the annual performance report.
- Reporting on material non-compliance with key legislation.
- Identifying the key internal control deficiencies that should be addressed to achieve a clean audit.

5.2 ACCESS TO AUDITED FINANCIAL REPORTS

Government auditing is critical in providing an objective assessment of government programs, policies, operations auditing helps to instil confidence among citizens and stakeholders through detecting whether public resources are managed responsibly.

Survey results show that 16.98% (9.20% male and 7.78% female) and 11.17% (7% male and 4.17% female) of respondents have access to the audit reports for national and local government audits respectively (see Figure below). 83.02% (49% female and 34.02% male) and 88.83% (47.20% female and 41.63% male) of the survey respondents did not access the audit reports for national and local governments. This generally shows that the majority of the citizens do not have much knowledge about the status of the budget implementation process. Access to audited financial reports is highest among the age group 25-54 compared to the old-aged group. About 11.31% and 7.5% of respondents aged 25 to 54 years have accessed audit reports. This is high compared to other age groups. This is mainly a reflection of the manner in which information is disseminated, as this is more accessible in electronic means rather than hard copies, for which it is mainly the middle aged who are likely to have access to internet for the purpose compared to the aged and the youths.

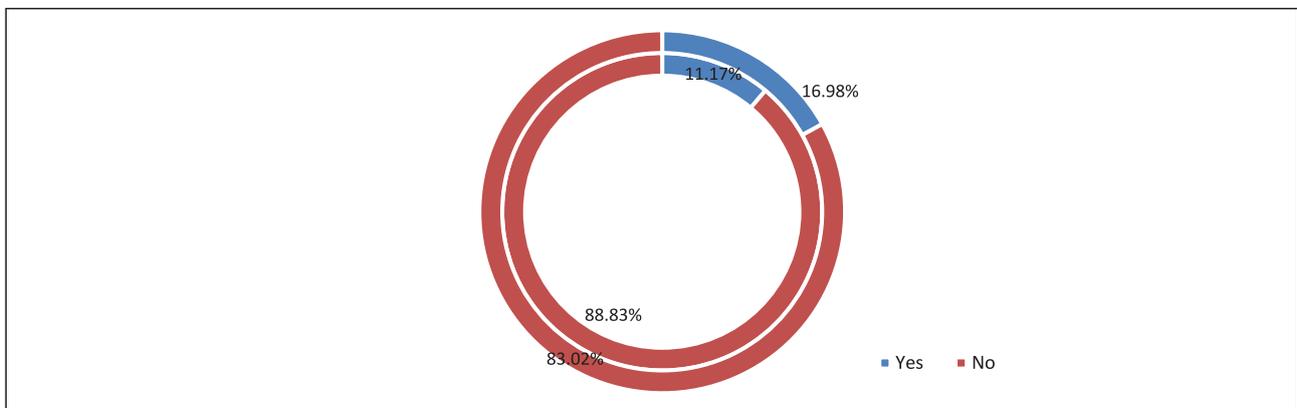


Figure 37: Public access to audit reports

Interviews with the CSOs revealed that there is great appreciation of the role of the AG in exposing public resources abuses. However, authorities at national and local government levels are doing very little to popularise the reports and improve their systems in line with the recommendations. CSO are however fairly visible in engaging the communities around major findings of the AG. It also appears that CSO are mainly interested in following up on issues raised by the Auditor General when it comes to local authority level budget issues. Thus, there is need for a campaign to generally showcase why it is important for citizens to develop an interest first so as to create a demand for the reports among the citizens.

The survey also sought to assess if the respondents have accessed any audit reports before. The results are shown in the Figure below 38. There is a positive trend with increased access to the reports from 2010 to date.

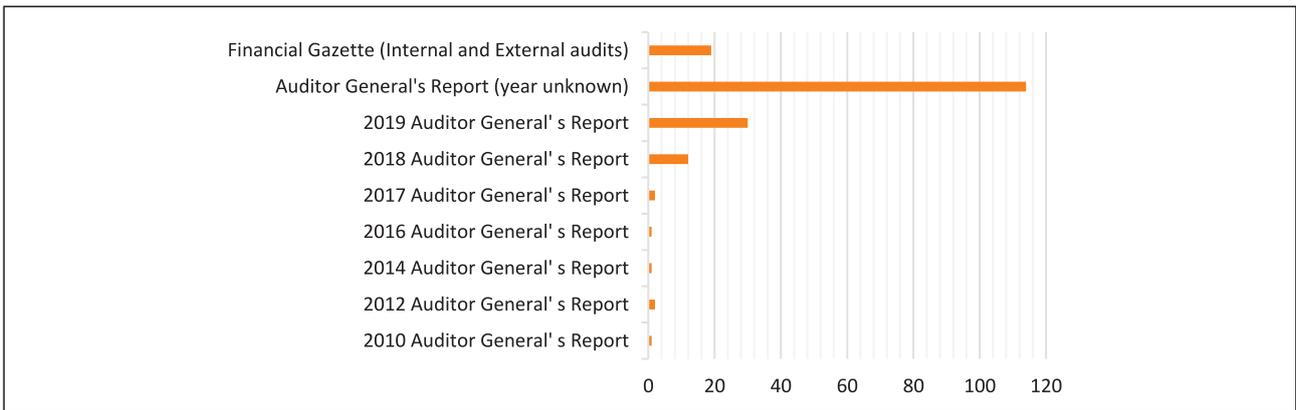


Figure 38: Details of the audit report accessed

The survey also sought to assess the actions that are taken by the public in response to adverse audit reports. The results are presented in respective order for the national and local government. 26.41% and 22.86% have written petitions, 24.18% and 26.05% have submitted complains to the MP or councillor, 24.92% and 24.97% have sought clarification while 24.49% and 26.12% did nothing. The results are presented in the figure below.

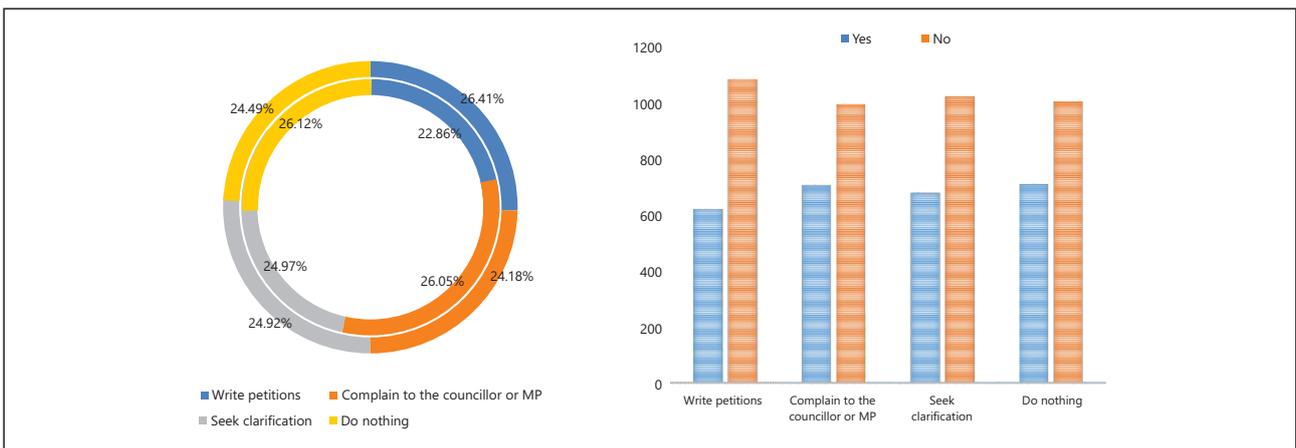


Figure 39: Actions taken by the public in response to adverse audit opinion

Interview results show that the actions by the citizens against abuse of public resources have generally not yielded positive results. There is wide evidence showing the entrenchment of political and bureaucratic corruption which in turn thwart all actions that may seek to expose such corruption.

5.3 IMPLEMENTATION OF AUDIT RECOMMENDATIONS

The 2019 AG audit report reveals that out of the 356 recommendations made by Auditor General in 2018, only 94 (26%) were fully implemented whilst 88 (25%) were partly implemented and 174 (49%) were not implemented at all. In 2017, the AG made 435 recommendations but only 108 were implemented, representing just 25%. 85 of the 435 (19%) were partially implemented as 242 (56%), more than half of the total, were not implemented at all.

The key informant interviews identified the following as the notable challenges faced in the implementation of the recommendations of audits in Zimbabwe:

- Public sector politicisation. This has two main effects to sound public sector auditing and the first one is that it erodes the sense of obligation to comply with the regulations and the second one is that it reduces the auditor general's effectiveness in the exercise of his or her duties by inducing fear to objectively scrutinise these entities precisely because those at the helm are politically connected.
- Weak institutional capacity to implement the recommendations of the AG. Some audit recommendations hinge on availability of financial and human resources, time, or enabling policy. This then calls for the government, through the budget, to create this capacity. It is imperative that a comprehensive assessment of existing capacities be conducted as the baseline to the implementation of the recommendations.
- Lack of interest by the auditees, most of whom have been reported to be failing or unwilling to constitute audit committees within their organisations.
- Absence of mechanisms for enforcing compliance with their audit findings.
- Inadequate and in some instances poorly trained staff, leading to the absence of the necessary competences to implement the recommendations.
- Weak administrative commitment to identifying and bringing out change in the public sector that comes with the implementation of the recommendations.
- The law does not provide enforcement mechanisms with regard to audit recommendations, an issue which should be at the centre of the ongoing PFM reform process.
- In some instances, the audit recommendations may not state a clear, convincing, and workable basis for implementation.
- The AG have not previously assessed whether the agencies they audit have a follow up system that adequately meets their basic responsibility for resolving and implementing audit recommendations.

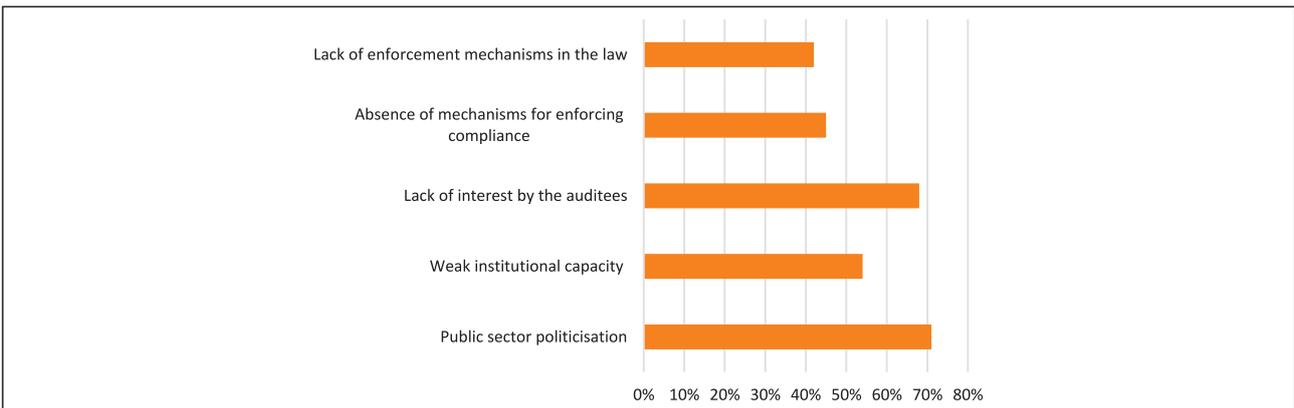


Figure 40: Challenges in implementing audit recommendations

5.4 RATING OF GOVERNMENT SERVICE DELIVERY

Respondents were asked to rate central and local government service delivery. Results show that generally citizens give a very poor rating with respect to services.

5.4.1 Central government services

The ratings were done against four (4) services which are civil protection, transport and communication, education and health delivery. The results are presented in Figure 41 below. The services of central were largely regarded as very poor (civil protection, 49.62%, Education, 52.24%, transport and communication, 48.97% and health delivery, 65.30%)

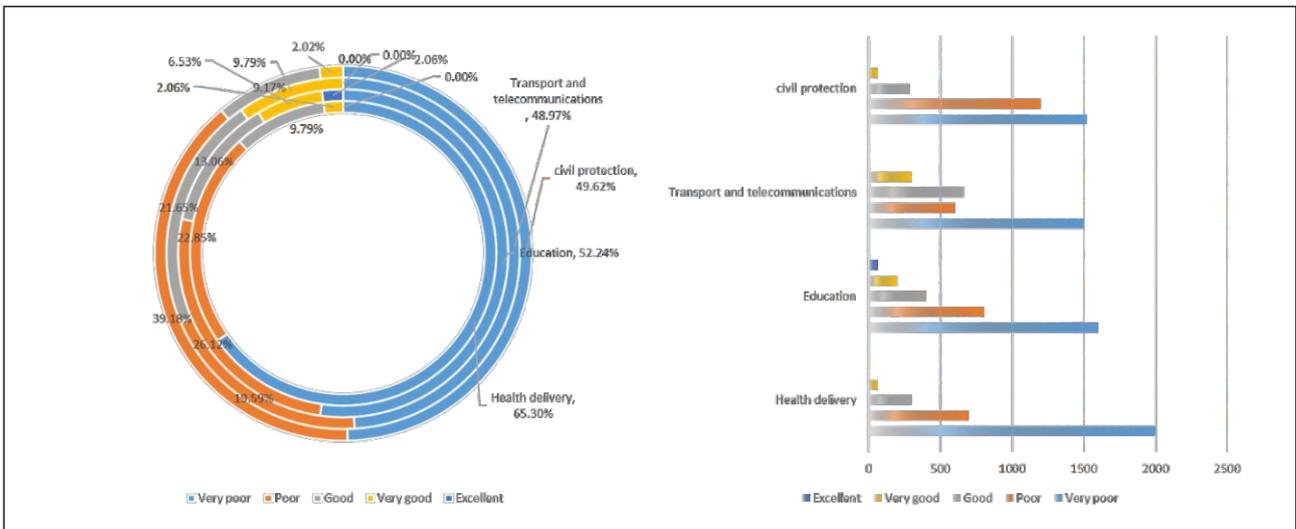


Figure 41: Rating of central government services

Interviews revealed that there is the contraction of the Zimbabwean economic worsened by the COVID-19 pandemic has disrupted provision of basic public services in sectors such as health, education and social protection. A study by the World Bank (2020) show that in 2020 nearly 500,000 Zimbabwean households have at least one member who lost her or his job, causing many households to fall into poverty, and worsening the plight of the existing poor. Food insecurity was also exacerbated by inadequate reach/coverage of relevant social protection programs (less than a quarter of the increased number of extreme poor households received food aid in June 2020), and this share dropped to 3% of rural households in September 2020.

The pandemic also exerted pressure on strained public resources, exacerbating implementation challenges thereby severely affecting service delivery in health, education and social protection. For example, as schools across the country closed in response to the lockdown measures, access to remote learning was limited in rural areas, especially for poor households. Only 9% of school-going children in rural areas were reported as having used mobile applications for learning during pandemic-related school closures, compared with 40% for urban children.

In addition, the UN-OCHA (2021) reported that supply-side challenges facing the health system following a prolonged period of doctor strikes, reduced working hours for nurses, and limited and slow access to personal protective equipment initially contributed to a decline in the coverage and quality of essential health services. The number of institutional maternal deaths increased by 29% in 2020 compared to 2018, while deliveries at home increased by 30%. Household loss of access to basic social services and deepening of negative coping strategies risk undermining Zimbabwe’s relatively high human capital and the pace and inclusivity of economic growth, according to the report.

5.4.2 Local government services

The rating was done on four (4) services which are housing, water reticulation, refuse collection and road maintenance. A large number of respondents indicated that local government services were very poor (council road maintenance, 61.67%, refuse collection, 44.69%, council water, 44.69 and housing, 50.41%).

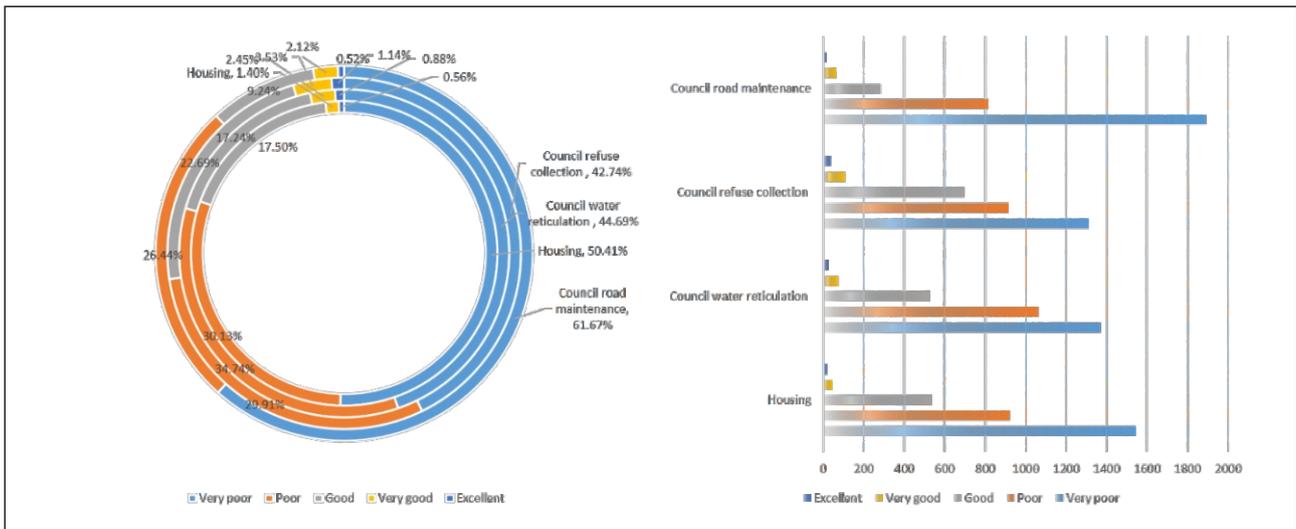


Figure 42: Rating of local government services

Interviews with key informants revealed that there is general decline in service standards as local authorities are facing increasingly bigger challenges as a result of rapid and chaotic urbanization, recent global financial and economic crisis and varied socio-economic and structural fundamentals. This is further exacerbated by the COVID-19 pandemic, the widening gap between the availability of financial resources and municipal spending needs usually reflected in the increasing fiscal gap mostly explained by the rapid growth of urban populations, which creates an ever-increasing demand for public services, new public infrastructure, and its maintenance. The decline in central government transfers conjoined with compressed revenues derived from property taxation and service charges has depreciated the capacity of local authorities in Zimbabwe's service delivery potential. Coupled with this, the more lucrative sources of revenue potentially suitable for financing urban services, such as income taxes, sales taxes and business taxes continue to be controlled by the central governments. Where local authorities are able to derive revenues from property taxes and service charges, meaningful tax increases are sometimes refused or delayed by central government for fear of eroding political support from the urban population; or even rejected by the local authorities themselves for fear of political backlash from local taxpayers. Generally, there are huge vertical imbalances in terms of sharing responsibilities and available fiscal resources. Stated differently, central government is refusing to pay the political and financial costs of the decentralization of roles and responsibilities

6.0 Recommendations

6.1 NATIONAL GOVERNMENT

6.1.1 Parliament of Zimbabwe

- (i) The study concludes that there are weak opportunities for citizens' input into the audit process. It is recommended that Parliament should develop formal mechanisms for members of the public or civil society organisations to testify during its hearing of the audit report.
- (ii) The study concludes that there is weak production and dissemination of budget reports. A legislative committee should identify in year budget implementation and publish reports with their findings.
- (iii) In the context of several cases of unbudgeted surplus expenditure and budget variances, the study recommends that the legislature should be consulted before the executive spends any unanticipated revenue or reduces spending due to revenue shortfalls.
- (iv) In line with (iii) above, it is further recommended that legislators should demand better published explanations from government for budget deviations and deliberate on budget implementation data and explanations in robust public hearings in their chambers.
- (v) Findings of the survey points to weak mechanisms for the consultation of people with disability and other marginalised groups in the budgeting process. Parliament is recommended to develop mechanisms for the active engagement of the vulnerable and under represented communities during the budget cycle, directly or through civil society organisations representing them.
- (vi) The study concludes that key tenets of open budgeting are weakly anchored in the legislation and the standard PFM operating procedures. The PFM Act must be strengthened so as to entrench best practices for open and inclusive budgets including plugging loopholes and enforcing mechanisms for the implementation of AG's recommendations.

6.1.2 Ministry of Finance

- (i) Publish budget reviews online in a timely manner regardless of whether a supplementary budget is required or not. For example, the mid-year review should be published within three months of the mid-point of the fiscal year.
- (ii) The study concludes that mechanisms for debt transparency and accountability are weak and hence the opaqueness of the debt management system. MoF is recommended to publish comprehensive debt information in the year- end report.
- (iii) In line with (iii) and (iv) under 6.1.1 above, MoF should ensure that the legislature is consulted before the executive spends any unanticipated revenue or reduce spending due to revenue shortfalls.

6.1.3 Auditor General

- (i) In light of 6.1.1 (i), the AG should establish formal mechanisms for the public to assist in developing its audit program and contribute to relevant audit investigations.
- (ii) The study concludes that there is weak implementation of audit recommendations due to a myriad of factors. The study recommends the AG to conduct a comprehensive capacity institutional needs assessment of the auditees for the improved implementation of the audit recommendations.

6.2 Local Authorities

- (i) The study concludes that principles of open budgeting are weakly entrenched in the budget process. Entrench the findings of the OBS in council budgeting with the strategic purpose of promoting active and productive public participation in the budgeting processes.
- (ii) Following wide evidence supported by audit findings on weak and irregular production and dissemination of in year budget performance reports, the study recommends that policy makers at the local level should ensure regular and up to date generation and online dissemination of budget documents.
- (iii) In the context of weak public knowledge and access of the BSP, the study recommends that councils should publish BSP and MLG&PW budget guidelines prior to budget consultations on their websites and other local online platforms.

- (iv) In line with the findings of the AG in 2020 on weak implementation of audit findings, the study recommends that councils should establish special committees of council to monitor the implementation of the AG's recommendations.
- (v) Improve publication of budgeting material on council websites and other platforms to enhance availability to citizens.

6.3 Civil society and non-state actors

- (i) In line of 6.2 (i) the study recommends that CSOs should robustly popularise results of the OBS through engagement with policy and administrative structures of government at both national and sub-national levels.
- (ii) In line with 6.1.1 (iii) and (iv) civil society should develop tracking mechanisms for the implementation of the budget with a framework for identifying and immediately raising red flags against unexplained budget variances and off budget expenditures.
- (iii) The study concludes that the work of SAIs is heavily politicised as PEPs seeks to neutralise the former's role in curbing and investigating corruption. CSOs should lobby for the depoliticisation of the work of supreme audit institution.
- (iv) In the context of weak implementation of audit recommendations, CSOs should Lobby for the aggressive implementation of the recommendations of the AG, including assist institutions of government in the development of capacities for the implementation of such recommendations.
- (v) The study showed evidence of capacity gaps and needs among RAs. Development partners should assist in the capacity building of residents' association for research and evidence based lobbying and advocacy.

Table 3: Openness of Council Budget Process by Local Authority

Open budget indicators	City									
	Gweru	Bulawayo	Gwanda	Chinhoyi	Hwange	Bindura	Masvingo	Harare	Mutare	Marondera
Ward based monthly budget performance reports shared to RAs/ CS and residents										
Quarterly council sector specific report back meetings		x				x	x		x	
A citizen version of budget, financial statements and related budget instruments										
Access and awareness of BSP and budget guidelines	x	x			x	x	x		x	
Ward based budget preparatory meetings by CS and mobilisation of residents	x	x					x	x	x	
Ward based joint RAs/CS and residents weighting of budget priorities										
Ward based budget consultation meetings (covering all wards)	x	x	x	x	x	x	X	x	x	x
Revision of budgets to incorporate substantive representations	x	x	x	x	x	x	X	x	x	x
Presentation of draft budget for public inspection and objections	x	x	x	x	x	x	X	x	x	x
Adoption of budget by full council (meeting open to the public)	x	x	x	x	x	x	X	x	x	x
Timely presentation of budget to the minister for approval										

Table 3: Openness of Council Budget Process by Local Authority (continued)

Open budget indicators	City									
	Gweru	Bulawayo	Gwanda	Chinhoyi	Hwange	Bindura	Masvingo	Harare	Mutare	Marondera
Publication of budget in various media for wider access										
Budget implementation/ monitoring and review	x	x	x	x	x	x	X	x	x	x
Public knowledge on local authority budget process										
Other innovative ways of enhancing citizen participation in budgeting		x					X			
	46.6%	60%	33.3%	33.3%	40%	46.6%	60%	40%	53.3%	33.3

Table 3: Openness of Council Budget Process by Local Authority (continued)

Name of local authority	Openness index	Ranking/Position
Bulawayo City Council		
Masvingo City Council	60%	1
Mutare City Council	53.3%	2
Gweru City Council		
Bindura Municipality	46.6%	3
Hwange Local Board		
Harare City council	40%	4
Gwanda Municipality		
Chinhoyi Municipality		
Marondera Municipality	33.3%	5

References

- Bilge (2015), A New Approach in Public Budgeting: Citizens' Budget, Journal of International Education and Leadership, Volume 5 Issue 1, pp 1-17
- Ebdon, C and Franklin, A. L. (2004), Searching for a Role for Citizens in the Budget Process. Public Budgeting and Finance, 24(1), pp32-49.
- Government of Zimbabwe (2021), 2022 Budget Strategy Paper: 'Reinforcing Sustainable Economic Recovery and Resilience', Government of Zimbabwe, Harare.
- Government of Zimbabwe (2013), Constitution of Zimbabwe Amendment Act Number 20, Government Printers, Harare
- Government of Zimbabwe (2010), Public Finance Management Act Chapter 22:19, Government Printers, Harare.
- Government of Zimbabwe (2017), Urban Councils Act Chapter 29:15, Government Printers, Harare.
- Fölscher, A (2010), Budget Transparency: New Frontiers in Transparency and Accountability, Open Society Foundation, London.
- Hickle, J (2021) Debt Transparency: An Open Government Solution to Mitigating Debt Crises. Downloaded from <https://www.opengovpartnership.org> Date 10 September 2021.
- International Budget Partnership (IBP), (2018), Open Budget Survey 2017, IBP, Washington, DC.
- International Organisation of Supreme Audit Institution (INTOSAI), (2019), Principles of Jurisdictional Activities of SAIs, INTOSAI, Vienna.
- Manduna, K, Zinyama, Z and Nhema, A.G (2015), Local Government Participatory Budget System in Zimbabwe: The Case of Harare City Council, 1995-2013, Public Policy and Administration Research, Vol.5, No.11, 2015, pp 38-60.
- Matandare, M.A and Tito, J, Public Debt and Economic Growth Nexus in Zimbabwe, Journal of Economics and Sustainable Development, Vol.9, No.2, 2018, pp 84-89.
- OECD (2017), Budget Transparency Toolkit: Practical steps for supporting openness, integrity and accountability in Public Financial Management. Downloaded from <https://www.oecd.org/> on 15/06/21.
- OECD (2016), OECD Open Government Indonesia study. Downloaded from www.oecd.org/gov/ 10/9/2021.
- Parliament of Zimbabwe (2018), Analysis of the Auditor General's Report on Appropriation Accounts for the Financial Year Ended December 31, 2017, Parliament Budget Office, Harare. Downloaded from www.parlzim.gov.zw Date 13/10/20.
- Public Expenditure and Financial Accountability (PEFA) Program. 2021. 2020 Global Report on Public Financial Management. Washington, DC: PEFA Secretariat. <https://www.pefa.org/global-report-2020/data/Report.pdf>. Date 9/9/2021.
- Sanjay, A, Luis, A.M, Abel, B, Victoire, N and Vincent, P (2013), Cameroon Budget Transparency Initiative : Lessons Learned and Recommendations for Local Councils, World Bank, Washington, DC, <https://openknowledge.worldbank.org> Date 15/9/21.
- Transparency International Zimbabwe (TI-Z).(2012). The Coalition against corruption. Retrieved on 20/8/2019, from www.transparency.org.zw
- Urban Councils of Zimbabwe (2006), Best Practices in Participatory Budget Process for Five Cities in Zimbabwe, Sable Press (Pvt) Ltd, Harare.
- World Bank (2021), Supreme Audit Institutions Independence Index: 2021 Global Synthesis Report, World Bank, Washington D.C.

Zinyama, T, Efficiency and Effectiveness in Public Sector Auditing: An Evaluation of the Comptroller and Auditor General's Performance in Zimbabwe from 1999 to 2012, International Journal of Humanities and Social Science Vol. 3 No. 7; April 2013.

Zhou, G (2012), Fiscal Management in Zimbabwe, International Journal of Economics and Business Modeling, Vol. 3, Issue 1, pp-152-161

Zhou, G, Mukonza, RM and Zvoushe, H (2016) Public Budgeting in Zimbabwe: Trends, Processes, and Practices. In Public Budgeting in African Nations, Routledge, New York