

PRESS STATEMENT



17 JUNE 2022

RE: THE REQUEST FOR CONDONATION OF GOVERNMENT OVERSPENDING THROUGH THE FINANCIAL ADJUSTMENT BILL (2022)

The Ministry of Finance is seeking for Parliament to pardon unauthorised spending of ZWL\$107 billion for the period 2019-2020 through the Financial Adjustments Bill (2022). The Minister of Finance, Mthuli Ncube, went over budget by ZWL\$100,690,788,418 in 2020 and ZWL\$6,783,930,028 in 2019. This expenditure is of grave concern as it is contrary to the promises made by the present administration to break away from trends of the past and the surplus declared in previous months. Following, we are concerned by the implications of such poor public finance management to the general citizen and the impunity shown in reporting three (3) years after the recommended time at law.

The present Condonation Bill is a testament to the Government's poor public finance management and continuation of a trend of impunity seen in the previous administration as shown by the table below. As it stands, the last condonation sought in 2019 for USD10 Billion hasn't even passed and yet another has been submitted for consideration. To this end, ZIMCODD calls on the government to provide the granular details of how the money was used and if there was any value for money or citizens were prejudiced yet again. The table below shows this growing trend of unauthorised borrowing.

2015-2018 Unauthorised Spending

Amount in USD	Year
3,560,343,130	2018
4,562,064,123	2017
1,530,890,050	2016
25,305,741	2015

OF CONCERN

Impunity: The Minister seeks condonation for the period 2019-2020. Section 307 of the Constitution of Zimbabwe provides that the Minister must do so within 60 days after the unauthorised spending is proven. The proposal is hence two years overdue. This shows impunity and lack of respect for the rule of law.

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Disregard for Citizen's voices: Citizens participate in budgeting processes to input their priorities and improve their livelihoods. Overspending of such proportions without regard to the recommended legal remedies on reporting shows a lack of respect for the voices and livelihoods of Zimbabweans at large.

A Surplus Hoax: The Minister of Finance has declared a budget surplus over the past few years which is now very questionable. Is it logical to state a surplus whilst overspending at the same time? In the same light, Minister Ncube publicly stated that the ministry will not require a supplementary budget at the same time they were overspending the prescribed amount. This insincerity with public finances requires consequence.

Derailing reengagement processes: A lack of change from the actions of the previous administration derails the reengagement processes with international creditors who have strongly indicated the need for economic reforms.

The need for Appropriation: Spending over the publicized budget creates an illegal supplementary budget unless the condonation/ financial adjustment is accompanied by an appropriation clause. 2019 & 2020 books should be altered to reflect the true spending beyond the rhetoric falsehood of a surplus.

Recommendations:

1. Effective Treasury Expenditure Control Mechanisms
2. Strengthening oversight role of Parliament
3. Condonation Bill should not be passed except if the granular details of the expenditure are published.

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