



BUDGET PLAN



**UNPACKING THE POLITICS OF
RESOURCE ALLOCATION:
THE 2023 NATIONAL BUDGET**





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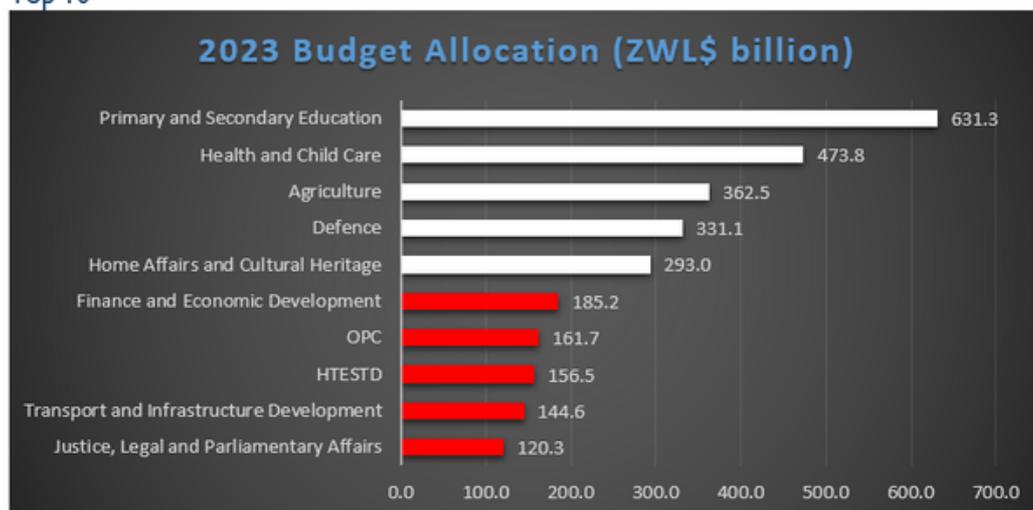
1. INTRODUCTION

The November Policy Digest examines the politics of public resources in Zimbabwe under the prism of the 2023 National Budget. A national budget is a policy document that carries government`s purposive course of action for the upcoming year. It is at the apex of policy implementation as it gives breath to various government policies through the provision of the much-needed resources. To this end, the Policy Digest analyses how political considerations, causes and mechanisms affect policy choices and budget allocations. The analysis will benefit policy communities and policy networks to determine how different policy actors advance their interests in the distribution of public resources. The digest ends with actionable recommendations that have a potent to bring about national transformation with respect to service delivery, development and growth.

2. THE POLITICS OF RESOURCE ALLOCATION IN THE 2023 NATIONAL BUDGET

The politics of public resources in the 2023 national budget manifest through the allocation of resources to various sectors. The presentation hereunder shows how political considerations and vested interest affect the distribution of resources.

2023 Budget Allocations
Top 10



*OPC – Office of the President and Cabinet

*HTESTD – Ministry of Higher and Tertiary Education, Innovation, Science and Technology Development

*MDAs – Ministries, Departments and Agencies

Source: Compiled by ZIMCODD from The 2023 National Budget



KEY TAKE AWAY

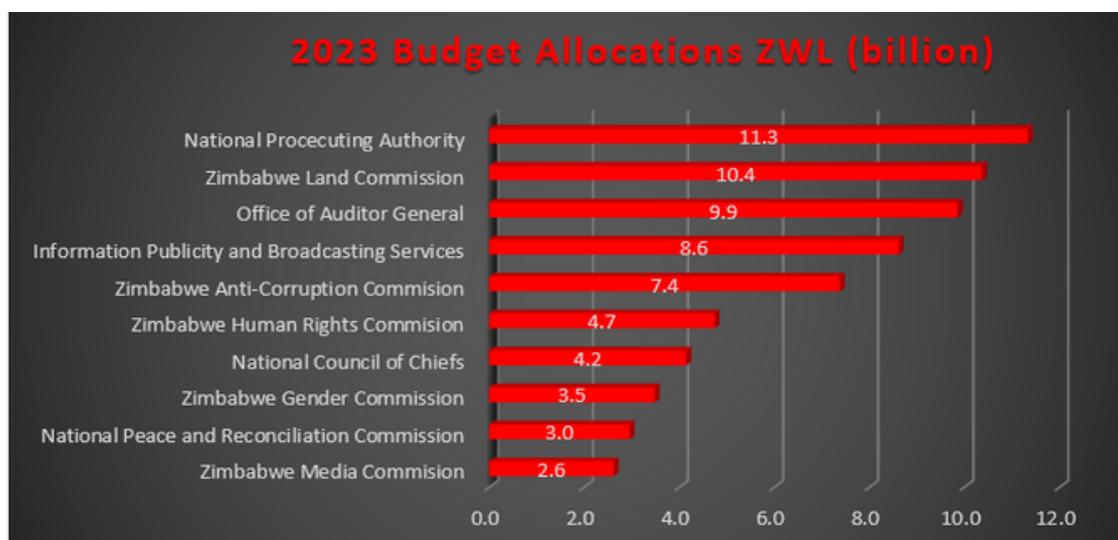
Trends in budget formulation and spending provokes some key questions begging answers from policy communities.

1. Do the top 10 MDAs recipients in the budget really reflect national priorities?
 2. Who sets and decides these 'national priorities'? Is there national consensus on the 'top government priorities'?
 3. Are there political interests vested in resource allocation through budget process?
 4. Could it be that priorities of incumbent governments are self-serving and meant to consolidate power and status quo?
 5. Is democracy so skewed that at voting citizens relinquish all power and decision making to authorities to make decisions on resource allocation entirely at their discretion?
 6. Do citizens actually have means and power to challenge or reverse resource allocation decisions by the executive or remain at the mercy of elected and appointed officials in this regard?
 7. Should allocations be performance based?
- Although the Ministry of Primary and Secondary Education and the Ministry of Health and Child Care are at the apex of the 2023 National Budget allocation evidence from the 2022 budget expenditure shows that the duo receive huge allocations, but disbursements were not done optimally culminating in under expenditure. Key informant interviews with officials from the two ministries shows that, they might be a deliberate ploy by the treasury to suffocate disbursements. As of June 2022, Ministry of Primary and Secondary Education had only utilised 44% of its total budget, by September 2022 it had used 52% thereby leaving 48% of its allocated resources. While the Ministry of Health and Child Care had utilised 27% as of June 2022 and 42% as of September 2022 thereby failing to utilise 58%. Therefore, using an expenditure analysis rate scale, it would be just for one to argue that it is highly impossible for the two ministries to exhaust all their allocated resources in the remaining months of the year (October-December) if in 9 months they only utilised 52% and 58%.
 - It goes without saying that allocation of resources is another thing and disbursing of resources is another thing which all took place in different dimensions where vested interests are at play. It can also be said that huge allocations towards health and education are made with a deliberate intent, to water down the concerns of the citizens. The under expenditure of the duo is a clear testimony.



- In addition, the politics of resource disbursements is substantiated by the fact that, as of June 2022 the Office of the President and Cabinet (OPC) had already overspent its allocated budget votes by 10%. Consequently, the OPC was allocated an additional ZWL47.2 billion for the second half of the year. As of September 2022, after a supplementary budget the OPC utilised 97% of its budget allocation. While this is not illegal, as the OPC will be undertaking its meta-governance role and the appropriations are done through the parliament it however shows power dynamics in resource utilisation. This is because vital sectors such as health and education as presented above are failing to utilise their resources.
- Security sector expenditure has always been higher. As of June 2022, the Ministry of Defence had utilised 75% of its allocated resources and as of September 2022 it had used 88% thereby failing to utilise 12%. Using an expenditure analysis rate scale there is a greater possibility that by the end of the year, the ministry of Defence would have utilised all its resources. This is despite the fact that Zimbabwe is experiencing positive and negative peace and shows how other sectors are prioritised over others. Applying the realist school of thought, he who controls the military controls electoral outcomes and one way of pacifying the military is through huge allocations. However, it is critical to note that, huge allocations toward the military are done through the parliament and are not legal. Therefore, what remains is for citizens through their members of parliament to determine how they want resources to be allocated. Nonetheless, it remains a cause of concern as year-in-year-out citizens' submissions are overlooked.
- The Ministry of Agriculture has never had challenges in utilising its allocations. In 2021 it had an over expenditure of 171% thereby raising serious concerns while such an over disbursement was done without parliamentary approval. As of September 2022, the Ministry of Agriculture had utilised 87.7%.

BOTTOM 10



Source: Compiled by ZIMCODD from The 2023 National Budget

KEY TAKE AWAY

- The Zimbabwe Media Commission (ZMC) had the least allocation of ZWL 2.6 billion (US\$ 3,2 million) which is too insignificant to promote media freedom. As the nation heads towards 2023 elections the media plays an important role, the Media Commission in particular has an oversight and regulatory role therefore should be resourced. There is a greater possibility that ZMC would require more resources in overseeing and monitoring elections. Thus, the decision to allocate Zimbabwe Media Commission US\$3.2 million disregards the important role of media in promoting free, fair and credible elections. It can also be argued that it was a deliberate ploy to undermine the optimum efficiency of media in electoral coverage. In addition, other institutions such as Ministry of Information, Publicity and Broadcasting Services and Zimbabwe Human Rights Commission (ZHRC) were also given inadequate resources to undertake their mandate.
- National Peace and Reconciliation Commission was allocated ZWL 3 billion (US\$ 3, 7 million). The amount is too meagre considering the polarisation in the country.
- The allocation towards the Zimbabwe Anti-Corruption Commission appears too little to warrant effective arrest of corruption nationwide. The Commission faces a mammoth task to educate and raise awareness among citizens, to train and retain skilled personnel as well as investigate cases with efficiency.
- More resources should have been allocated towards the Office of the Auditor General. ZWL 9.9 billion (US\$ 12.3 million) does not do justice given the mammoth task that the ombudsman institution undertakes in investigating and overseeing the utilisation of public resources.
- The Ministry of Information, Publicity and Broadcasting serves as the hub and gateway of information. Therefore, underfunding the ministry affects access to information which is the nerve-centre of democracy. There is urgent need to fund upgrading cyber security and protect government information against growing internet-based threats and breaches.
- The Zimbabwe Human Rights Commission (ZHRC) functions as the watchdog institution against human rights violation. It`s mandate in upholding the ethos and values the constitution's should never be underestimated. Therefore, one way of undermining its effectiveness is underfunding it. ZHRC received ZWL 4.7 billion (US\$ 5.8 million) an allocation that is too little if it is to undertake prudent work.
- Gender inclusion has remained problematic in Zimbabwe with the issues being used for political expediency rather than women empowerment. The allocation towards the Zimbabwe Gender Commission (ZGC) attest to this verdict. ZGC was allocated ZWL 3.5 billion (US\$ 4.3 million) an insignificant amount if one is to juxtapose with the mammoth task that the commission has to undertake.



6 governments to ensure that all people receive social and economic protection through the development and implementation of effective policies in the areas of employment, health, maternity, child rearing, disability, old age and widowhood.

7 Which seeks to promote in member states the right to social protection

Trend Analysis of Budget Allocations Versus International Benchmarks

Sector	%threshold & International commitment	% Total budget 2021	% Total budget 2022	% Total budget 2023
Education	20% Dakar Declaration (2000)	16.5%	13.4%	14.02%
Healthcare	15% Abuja Declaration (2001)	13%	14.9%	10.5%
Water & sanitation	1.5% eThekweni Declaration (2008)	0	0.20%	3.17%
Transport & Infrastructure	9.6 AU Declaration (2009)	7.1%	6.5%	3.2%
Social Protection	4.5% Social Policy for Africa (2008)	1.30%	2.10%	1.20%
Agriculture	10% Maputo Declaration (2003)	11%	13.3%	8.05%

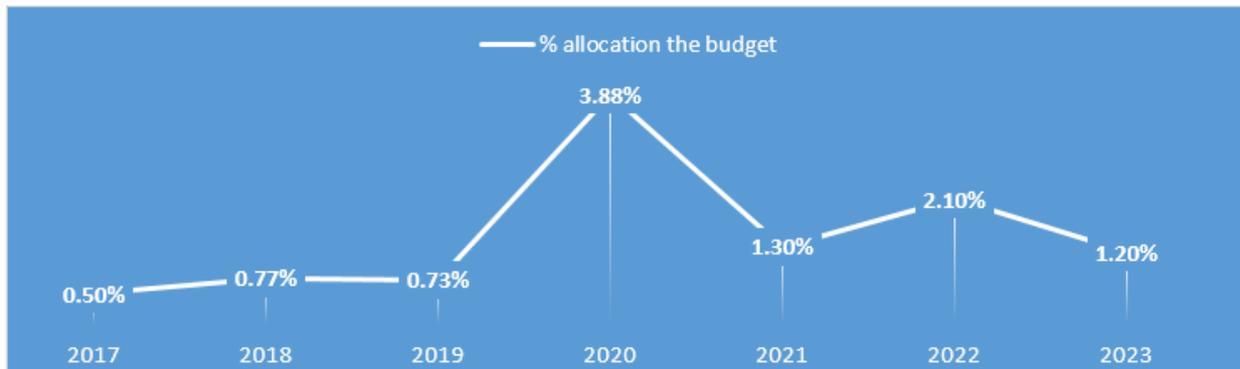
Source: Compiled by ZIMCODD from national budgets (2021 to 2023)

KEY TAKE AWAY

- Government's social spending remains low being a signatory of many international conventions and declarations that set minimum standards for budget allocations in the social protection sector. Since 2021 the government has failed to satisfy the requirements of 20% Dakar Education for all. The same applies to the Abuja Declaration which requires governments to set aside at least 15% of their budget towards health.
- It is commendable that the 2023 budget managed to surpass the 1.5% eThekweni Declaration (2008) with 3.17% allocation towards Water and Sanitation. Timely and efficient resource disbursements are recommended to meet desired objectives.
- On Transport and Infrastructure, the government has been failing to meet the 9.6% AU Declaration (2009) since 2021. The same applies to social protection which has successfully failed to meet the 4.5% Social Policy for Africa.
- Allocations towards agriculture have been positive for the past two years 2021 and 2022 with 11% and 13.3% respectively thereby meeting the 10% Maputo Declaration (2003) in an attempt to secure household food security. However, concerns have been raised as there is a negative correlation between input and output in the agriculture sector at the national level.
- All in all, government expenditure towards service delivery programs have not been optimum. It seems like government expenditure is high in sectors that advances the political interests of the incumbent.



Trends analysis of Zimbabwe's social protection spending



Source: Compiled by ZIMCODD from The 2017-2023 National Budgets

KEY TAKE AWAY

1. A trend analysis of Zimbabwe's social expenditure since 2017 shows that the government has not made sufficient efforts to meet the 4.5% social expenditure benchmark. The 7 budget years reviewed shows that, the highest allocation towards social expenditure was in 2020 when the government channelled 3.88% to social protection.
2. While the government has failed to channel significant resources towards social protection, the following contextual issues remain worrisome if the country desires to move towards poverty eradication:
 - 7.9 million people are in extreme poverty
 - 3.8 million rural people and 1.6 million urban people facing food insecurity
 - 4.6 million children with Severe Acute Malnutrition and 1.6 million children live in extreme poverty.¹
 - 4.8 million children in need of BEAM assistance,
 - 60% of rural girls and women encounter period poverty thus they lack access to menstrual supplies and education.²
3. Given the allocations in social protection, the Zimbabwe National Council for the Welfare of Children (ZNCWC) has been financially crippled to undertake its mandate. Key programmes such as the Victim Friendly System, National Residential Child Care Standard, Social Protection interventions for Children in Zimbabwe and the Child Led Protection Committees have failed to execute their duties.

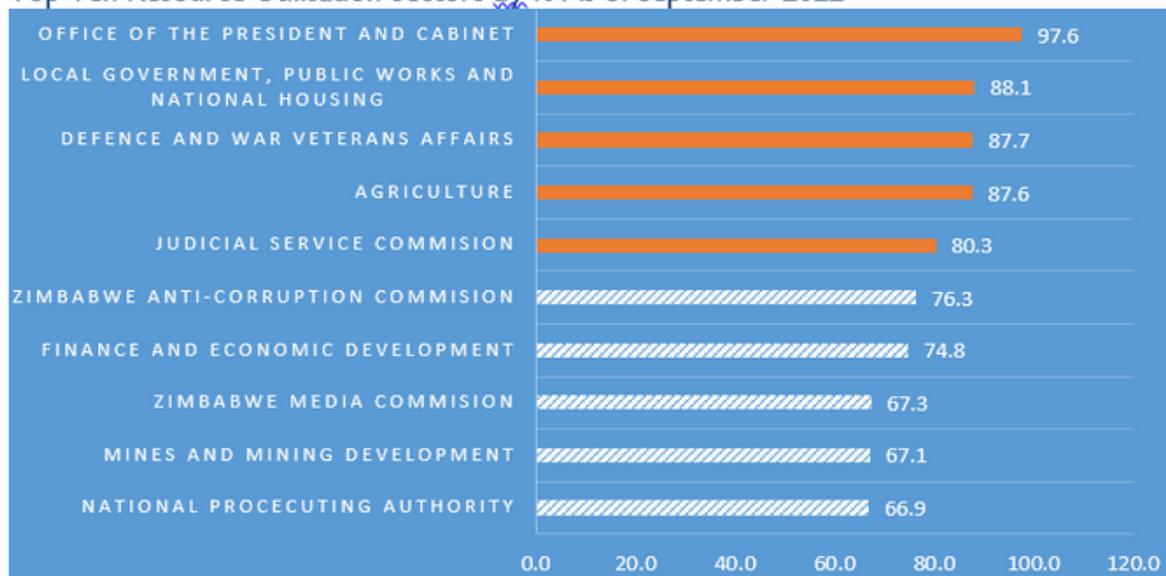


1. <https://borgenproject.org/child-poverty-in-zimbabwe/#:~:text=The%20State%20of%20Child%20Poverty%20in%20Zimbabwe%20Zimbabwe,as%20children%20account%20for%2048%25%20of%20the%20population>

2. <https://www.techwomen.org/girls-education/vheneka-khanyisa-eliminating-the-shame-of-period-poverty>

Resource Expenditure

Top Ten Resource Utilisation Sectors By % As of September 2022



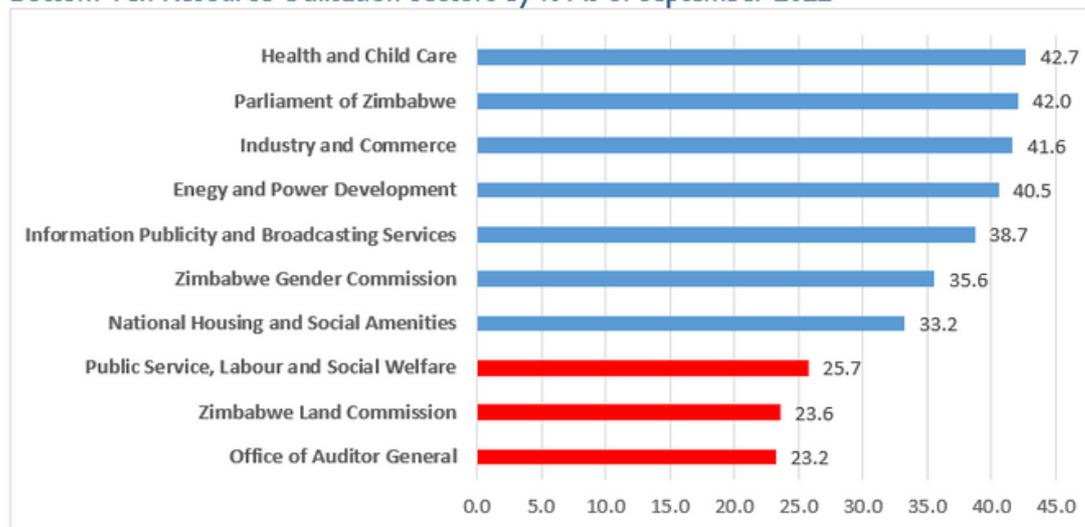
Source: Compiled by ZIMCODD from The 2023 National Budget

KEY TAKE AWAY

- The top ten of sectors that utilised resources most shows a positive correlation between politics and resource disbursements. At the apex of the sectors that utilised resources the most is the OPC followed by the Ministry of Local Government. This is because, the ministry is strategic in implementing wholesome populist policies and partisan distribution of resources such as Harmonised Cash Transfer (HTC), Child Protection, Disability Fund and Food Distribution to mention but a few. The same ministry has also taken over the payment of the controversial Pomona deal which according to Harare City Council violated prescribed procurement regulations.
- It has now become a tradition that the Ministry of Defence is given a huge allocation and utilises most of it. The same applies to the Ministry of Agriculture which through command agriculture has become an appendage of the Ministry of Defence. However, it is important to note that, while this is happening Zimbabwe is not in the top 13 of leading African countries for defence spending in 2022[1] although it is ranked 93 out of 142 countries using the Global Fire Power ranking[2]. Zimbabwe has approximately thirty thousand active military personnel, forty thousand tot military personnel and ten thousand paramilitary which still however is no justification of huge allocations and expenditure when a country is experiencing positive and negative peace.



Bottom Ten Resource Utilisation Sectors by % As of September 2022



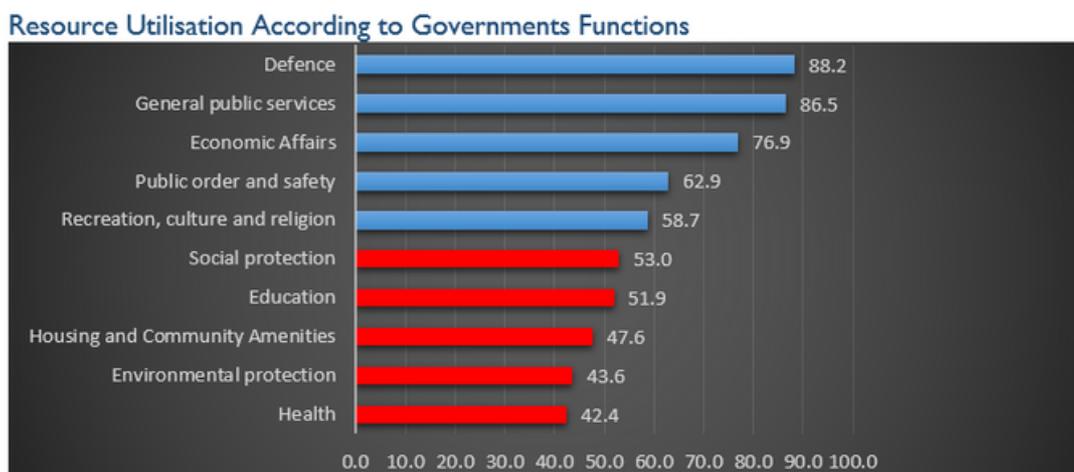
Source: Compiled by ZIMCODD from The 2023 National Budget

KEY TAKE AWAY

- It is evident that all sectors that advance social and economic rights did not manage to utilise 50% of the resources allocated to them. Utilising a power analysis matrix, it is evident that, the need to strengthen political hegemony was a determining factor in resource disbursements. This can be substantiated by the OAG which only utilised 23.2%. The OAG has been exposing rampant abuse of public resources in the public sector, maladministration, incompetence and economies of affection thereby making itself a threat to the incumbents' power.
- A 33.2% expenditure of the National Housing and Social Amenities presents a negative correlation between the institution's resource utilisation and the housing challenges on the ground. It is ironic that at a time various housing projects are stalling because of the unavailability of resources National Housing and Social Amenities is underspending. Housing projects which have stalled include Waneka flats, Senondo flats, Shamrock flats, Florida flats, Dombotombo flats, Bindura flats, Mufakose flats, Seke flats, Tynwald flats and Mabelreign flats. This is due to financial incapacitation. The under expenditure in Housing and Social Amenities is not surprising since in 2021 it only utilised 17%.
- In addition, the allocation towards Housing and Social Amenities does not capture the reality on the ground. To address housing challenges with a backlog of 2 million houses, the government proposed to construct four hundred and fifty thousand units by 2025. However, the resources allocated for housing ZWL 27.7 billion (US\$ 34.6 million) is not sufficient to construct even half of the housing units. The dream is also unattainable as this means that Zimbabwe has to construct eighteen thousand seven hundred and fifty thousand housing units per year, six hundred and six per day and twenty-five per hour.



The NDS1 is still wanting with respect to priority area 6 (housing delivery) as it has failed to satisfy all the intended housing variables. Rather than increasing housing construction projects, the government has stalled various programs which include Waneka flats, Senondo flats, Shamrock flats, Florida flats, Dombotombo Flats, Bindura flats, Mufakose flats, Seke flats, Tynwald flats and Mabelreign flats. This is due to financial incapacitation. However, it is ironic that in 2020, the government only utilized 17% of the funds allocated to National Housing and Amenities while majority of Zimbabweans do not have decent accommodation. Water and sanitation remains problematic with the central government and local authorities failing to provide adequate clean and safe water. Approximately 70% of Zimbabwean urban local authorities are failing to provide portable water. At the same time there is a huge infrastructure backlog in social amenities. A testament to NDS1 implementation inefficacy.



Source: Compiled by ZIMCODD from The 2023 National Budget

KEY HIGHLIGHTS

- Social protection, education, housing and community amenities, environmental protection and health are the epitome of basic service delivery, yet their expenditure capacity does not correlate with the scale and magnitude of the challenges that need to be addressed.
- The Zimbabwean health sector is in ramshackle with no adequate functioning dialysis machines, ambulances, radio therapy machines coupled with a disgruntled working force.
- It is not surprising that, sectors which had highest expenditure rate are convenient for political expediency.



3. CONCLUSION

The November Policy Digest examines the politics of public resources under the prism of the 2023 National Budget. An evaluation of the top ten sectors that had huge allocations, top ten expenditure sectors and resource utilisation according to government is a testament to how vested interest plays a critical role in public resources management (allocation and expenditure). It is evident that, political expediency rather than challenge-based allocation was done. Vital social service delivery such as health, education, social protection, women and youths continue to be marginalised in resource distribution and expenditure. The digest also shows that, while health, education as well as water and sanitation received commendable allocations, they usually have poor expenditures. Thus, a clawback system is applied in order for the government not to release all the resources that might have been allocated towards sectors that do not infuse political benefits to the incumbent.

4. RECOMMENDATIONS

- Resources must be allocated based on national challenges rather than political expediency so as to advance national interest.
- While disbursements in the Education sector, Water and Sanitation, Social Protection are commendable as compared to previous allocations. The Treasurer has a responsibility to ensure that timely disbursements are made. This will enable the growth and development in those sectors.
- The Ministry of Finance must try to consider the voices and aspirations of the citizens registered during the October 2022 national budget consultative forums and public hearings.
- There is need for performance-based allocations, this is because currently there is a negative correlation between agriculture inputs and outputs.
- Governments` investment in social protection has to change, both in terms of allocation and expenditure. The dysfunctionality of social protection is posing a great danger on human capital development.
- While investing in security is imperative for defending sovereignty and territorial integrity, equal priority should be deployed to secure human development and guard against poverty which undermines human capital development.

