

# BreakFree

2022  
END OF YEAR ISSUE





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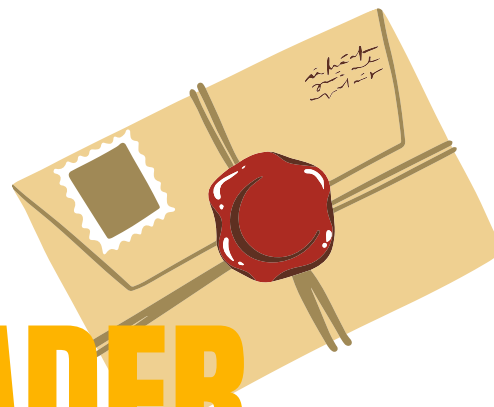
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# 1 LETTER TO THE READER



**Z**imbabwe Coalition on Debt and Development (ZIMCodd) is above all a pro-poor movement concerned with the attainment of social and economic justice for all. As such, the year 2022 has been an interesting one in light of the national and global recovery path from the COVID-19 pandemic, the Russia-Ukraine war, runaway inflation, the National Development Strategy 1, an ever ballooning debt burden and increasing inequality amongst other factors.

This context describes concerning prospects for the attainment of socioeconomic justice but as a coalition & movement, we are encouraged by the continued support of YOU, the reader on varied platforms, our membership and aligned government stakeholders. This edition of the Break Free provides a snapshot of the journey walked in 2022 while reflecting on the work that is being done by our Social and Economic Justice Activists (SEJA) and Community Resource Agents (CORA) through specific stories in their communities.

Overall, 2022 has been a good year and our CORA's and SEJA's have done sterling work in the pursuit of Social and Economic Justice. Below, we detail some of the interventions they have conducted through the year and the outcomes achieved especially as they speak to key socioeconomic indicators such as employment, natural resource governance, water, health and sanitation etc. It is our sincere hope that the stories speak to you and if not already, you can commit to joining the movement as a member in the year 2023!

## JOIN US

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# 2 OUR 2022 SOCIAL & ECONOMIC JUSTICE ALUMNI

**A**s part of the effort to create a critical mass, ZIMCODD engages in training of citizens in the areas of socioeconomic justice. This ensures sustainability of effort as membership and trainees across the country can continue the effort even after ZIMCODD sessions are completed.

## **Social and Economic Justice Activists Academy**

Amongst thousands of applicants, ZIMCODD identified 35 youths with potential to train on Socioeconomic Justice. The 4th Edition of the Social and Economic Justice Activist Academy was held on 30 June 2022 in Kariba. The Academy seeks to produce champions of social and economic justice advocates of transparency and accountability in public finance management and to create a network of youth that are economically conscious and equipped with sound leadership skills among other objectives. In a slight departure from the usual modules; this year's academy included a module on Disability Activism for Social and Economic Justice which was an eye opener on challenges faced by the disability sector.

Other modules covered at the academy included Activism and Transformational Leadership; Lobbying Advocacy and Movement Building; Stewardship of Public Resources; Public Policy Analysis; Engendering Activism; Campaign for Debt Justice and lastly Data Mining and Digital Activism.

## **Social and Economic Justice Masterclass**

ZIMCODD virtually conducted the first and second blocks of the inaugural Youth Activists Masters Class with a total of 38 SEJA Alumni. As the title suggests, the sessions are a post graduate platform for reflection and further capacitation.

## **Social Accountability Monitoring Training**

The trainings had an eye to increasing the socioeconomic awareness of students in tertiary institutions across the country. Through the course of the trainings, participants got to appreciate the importance of Public Service Delivery, Public Debt, Accountability and Transparency amongst other Civic duties. We are confident that graduates can actively participate in their



societies and further pass on the lessons that they learnt. Following the trainings for students in tertiary institutions, there has been an increase in youth amplifying their voices in PFM and Economic governance issues. A total of 261 students (129 males and 122 females) were equipped with social accountability monitoring tools to monitor Public Finance Management.



Social Accountability Monitoring Training certificate

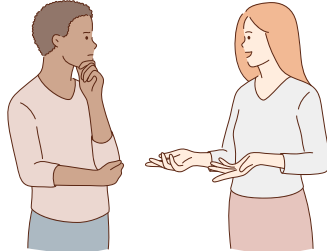
### Radio Listening Clubs (RLC)

RLC's bridged the information gap through breaking down technical Public Finance Management (PFM) issues. The sessions conducted stimulated debate and further understanding of PFM issues. From the trainings, club members demanded to know more about constitutional and legal provisions governing PFM in Zimbabwe so that they could advocate from an informed point of view. 3,159 citizens were conscientized across the country and a total of 192 clubs formed.



RLC certificate

# 3 SPOTLIGHT SEJAS IN THE COMMUNITY



**Shumirai Maliseni**

## **The Life and Struggle of Students at the University of Zimbabwe**

With an imploding economy and a continuously closing democratic space in Zimbabwe, students at state universities and the University of Zimbabwe in particular are faced with an array of challenges that they have to confront in their everyday life. Admittedly, the nature and degree of challenges faced by students differs across gender and social groups (males, females, the haves, the have nots and students with disability.) However, this note serves to bring out some of the common issues affecting students at the University of Zimbabwe. The most besetting challenges that have characterized everyday struggles at the University of Zimbabwe include limited access to on-campus accommodation, transport problems, poorly developed online service system, securing industrial attachment in a collapsing economy and captured student representation. Arguably, students' life and the challenges they face at the University of Zimbabwe are a micro-commentary of the state of the economy and politics in the country.

One of the most defeating challenges that defines everyday student life at the University of Zimbabwe is lack of access to on-campus accommodation. UZ has an average student population of over 18000 but can only accommodate about 6100 students. This leaves above two thirds of the students' population as non-resident students. Generally, the University prioritizes university on-campus accommodation to first and final year students and students with special needs (those with disability and those enrolled in programs like Medicine). While the prioritization is rational, more than two thirds of students will have to figure out how to travel between campus and wherever they reside, putting pressure on their times to study and to attend to lectures efficiently. The downside of the current accommodation allocation system is that it is a random-selection-system among the priority groups, which does not decipher the specific accommodation needs of the targeted groups of students. Previously, while accommodation was reserved for first and final years, further priority was given to those who came from outside Harare. This would minimize pressure on those who did not have homes in Harare or at least relatives who could accommodate them. With the current random-selection-system, there is a high probability that the few who are allocated accommodation are those who ordinarily reside in Harare (mostly so because they have better access to online accommodation application platforms than those from outside Harare), depriving those who come from further to access accommodation.



Lack of accommodation puts transport pressure on students. Getting transport to and from campus is such a huge hustle that non-residence students face on a daily basis (except very few who are picked up by their parents, spouses or partners). With an underdeveloped public transportation system characterized by the Zimbabwe United Passenger Company (ZUPCo) and mushikashika (illegal shuttles), students spend an average of two hours waiting for transport to be ferried to or from campus during peak hours. For some who could not even afford the ZUPCo fares, they are forced to walk longer distances averaging seven kilometers and some are reported to walk from suburbs like Mbare, Avondale and Mabelreign among others to/from Mt Pleasant (over 10KM minimum radius). The time spent either waiting for transport or walking generally interferes negatively with the students' learning processes depriving them of time to study, attend discussions or attend lectures, thereby contributing to low pass rates that the University is currently experiencing. Many cases of absenteeism and delays in attending lectures are attributable to the transport hustle that students face.

Students have to battle with the challenge of an underdeveloped online service system and poor network connectivity. Although the University of Zimbabwe is the biggest and oldest in the country, it has the poorest online service rating compared to newer universities. Starting from application for admission, the university still requires that students submit application forms physically. This has resulted in unnecessary queues of students seeking physical interface to get assistance. Beyond application for admission, the university's online system E-Mhare is always laced with technical challenges that require that students to jump from office to office seeking help, which they hardly get easily because of the inefficiency with which the system runs. To be specific, the system may refuse to register some courses, or some courses are missing from the system or tuition paid is not reflecting in the system and so many such challenges. A poorly developed online service system has constrained the capacity of students to learn particularly during the peak of the COVID-19 outbreak. The university developed an online learning platform E-LMS to allow students to continue learning during the peak of the Covid-19 outbreak. However, students did not have access to efficient connectivity to allow them to interact on the platform and owing to poor network connectivity at the University, even the lecturers could not use the platform. Although students were levied for data which they would receive from telecommunication companies, the data either would not be issued or it would come way too late when students would have written exams.

For this reason, students and lectures started using WhatsApp as a platform for learning which, as much as it was an alternative, was and is not the best way to conduct lectures.

With all these challenges, where is student representation? A few decades ago, student unionism was vibrant and brought necessary checks and balances necessary for students to enjoy their studies and stay at the University of Zimbabwe. However, because students' unionism proved to be a breeding ground for opposition politics, politicians found it necessary to silence student unions by incarcerating union leaders through expulsion and arrests, and capturing the whole set up and forcing it to be supportive of the existing political status quo. Thus, although student representation still exists, the leaders are more afraid to air out their views on the current state of affairs at the university for fear of the unknown. Also generally, the current student politics is distinctively divided along dominant political parties, ZICOSU (ZANU PF) and ZINASU (CCC). This scenario makes it difficult for student unions to effectively represent students on issues and challenges they face on a daily basis as this would be interpreted as politicking.

In short, everyday life at the University of Zimbabwe is a reflection of the state of affairs in Zimbabwe characterized by a failing economy and repressive politics. The challenges explained in this note have weighed down on students socially and economically, such that UZ life is a life of "making ends meet" (kubatanidza). There is an increase of students resorting to vending to raise money for transport and food. Further, some are torn balancing between work and school in order that they get balanced, while some resort to prostitution (both female and male students). The few that are enjoying their life at UZ are those from well-to-do families but represent a very insignificant fraction of the entire UZ population. The majority of students are struggling and there is need for immediate action to address these challenges by the university administration and government.

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The failure to complete construction of the 1 x 500 000 mega liter water supply tank in Penhalonga Chinyanjera is a worrisome situation to the Penhalonga tax payers. The water tank project began some 5 years back and the tank was meant to serve 1 500 low density suburb households which are heavily affected by water shortages. Frustrations continue to mount amongst residents concerning the completion of the mega tank amid the Mutasa Rural District Council report to the Manica Post of 4 March 2022 titled "Devolution tour of success". It is reported,

*"Mutasa RDC has finished five projects namely Chinyanjera water tank (\$486,770), Hauna ponds construction (\$4,500), a tractor (4,4m), Mutasa Dc Causeway (\$611,000) and Fort Umtali water tank fencing (\$265,000)".*

This raises a serious transparency and accountability red flag as the reporting is false. Funds have already been disbursed but the service is still to be provided to tax-payers. Given that on the Manica Post report only 4 projects are actually 100% complete, it is sad to note that Council claims that they have completed.



Incomplete Chinyanjera tank

Mutasa District is well known for its abundant water resource but MRDC is failing to tap into the opportunity of the resource. Many residents are desperate for water as there is an increase in population in Penhalonga. A slow completion rate in infrastructure development is one of the major problems facing MRDC despite residents paying their bills.

### **Community Resource Monitoring Agent Interventions**

- In our quest to foster transparency and accountability from Mutasa Rural District Council, community engagements with RDC were conducted as well as the writing of Human Interest stories which were later shared with public officials within Mutasa District.
- A meeting with the council area superintendent was conducted in May and the objective was to discuss water challenges. We were promised that the tanks will be completed by July 2022. Regular visits to the council offices were done to check on progress.

### **Outcome**

Finally, the water tanks have been completed and people from Penhalonga low density are receiving tap water on a daily basis as this was promised by MRDC before.



The completed tank



## **Tonderai Machimbira** **Making Education Accessible in Gweru**

The rainy season is a time to dread for the Woodlands Park community in Gweru as it comes with hardships such as flash floods and inaccessibility of key services. Comically but true, residents live in fear of waking up in the middle of the night to flooded homes all due to a poor drainage system which is not designed properly. Concerning is the fact that authorities have time to plan for this challenge every year in anticipation of summer. School children in particular miss days of school as certain points become impossible to cross owing to floods that restrict movement as shown in the picture below. The risks posed include the younger kids getting swept away and drowning and diseases such as bilharzia which have a marked effect and prevalence in school going children.



Learners crossing one of the drainage ditches in Woodlands

To make matters worse, the community has only one private primary school which is expensive, leaving children to go to government schools in Mkoba (a distance away). These learners then face challenges during the rainy season as a result of heavy downpours that would block the roads to Mkoba.

Through several efforts such as Radio Listening Clubs and community meetings this issue was driven to the fore front and seen to be critical and in need of a remedy. The community engaged the Member of Parliament,

Honorable Chiminda in September 2021 and an initiative began to construct a foot bridge that would enable learners and community members to commute without fearing for their lives.



The 2021/2022 rain period came and the bridge was yet to be completed and the same challenge was encountered just like all the previous years.



Through the use of the Constituency Development Fund, the community managed to resume working on the bridge after the rain season. After months of pushing and following up by the SEJA and other community members, the bridge was completed in August 2022 to the delight of residents as this will greatly benefit the community.





What remains now is to see how the bridge performs during the recently started 2022/2023 rain period but one thing is for sure, the community is now in a better position than it used to be. This is all due to the efforts of the Radio Listening Clubs and the community meetings ZIMCodd introduced.

The footbridge in Woodlands Park, Vungu Rural District, Gweru, Midlands Province, Zimbabwe, Africa, Earth, Solar system, Milky way galaxy, thanks to the Radio Listening Clubs!



All smiles at the 2022 Zimbabwe Alternative Mining Indaba Youth Symposium

## Mary Nyadome and Masimba Manyanya Lithium promises and prospects for Goromonzi



As SEJA's, we have a responsibility to shed light on injustices. The press is one such means of disseminating key information. Concerning our locality, we have written articles in the Zimbabwe independent, our local newspaper to disseminate information on what is happening in Goromonzi in terms of resources allocation

in line with the Goromonzi Rural District Strategic development plan.

Goromonzi District is a peri urban rural district with a population of around 350 000 people but the current scenario is not tallying with service provision. Goromonzi Rural District Council is falling to provide basic health services, education, energy and social infrastructure while the area is endowed with lithium. Zimbabwe is rated number 6 globally because of the Lithium deposits that are in Ward 13 Goromonzi but there is no Secondary school in this ward.

School children are travelling long distances to attend lessons in adjacent wards namely Ward 16 ,14 and 12 but there is the Arcadia Lithium project being run by miner Prospect Resources. As for corporate social responsibility, for one, they must build a school so that they plough something back in the community of Ward 13. As SEJA's we are pushing for 66 mining companies in Goromonzi to be developmental partners so as to facilitate infrastructural development. Goromonzi District is among the top ten in terms of early child marriages amongst other social problems. The poverty prevalence rate which is around 72-74% is catalyzing school dropouts, drug abuse and child sexual abuses. The GRDC must improve in terms of revenue collection from these mining companies' unit taxes from 1% upwards so that council facilitates development using funds from mining companies and Devolution funds. In line with NDS1, mining is a pillar of economic development and it's the duty of Council to monitor extraction of minerals in Goromonzi District and environmental impact assessments must be done properly.

Employment should benefit locals as first preference and this mining company should embark on value addition rather than exporting raw materials which is more beneficial to our Goromonzi District. Part of our SEJA work is to advocate for illicit financial flows to be stopped or the system itself to be eradicated, water pollution, corruption, tax evasion and illegal exploitation which are some of the ills here. Lithium deposits should go a long way in raising Goromonzi District status since its demand is high globally so part of the benefits is to set up community ownership trusts for capital creation purposes which in turn benefit youth and involvement of people with disabilities.

With the Zimbabwean economy in depression, corruption has become part of the system and almost expected way of doing business especially in the public sector. Corruption and corruption related allegations have surfaced in many councils with the creation and allocation of housing and commercial stands on public land being the main source of allegations and large numbers of staff have been suspended while others awaiting trial. The Zimbabwe Anti-Corruption 2021 report shows quite several corrupt activities local authorities engage in, ranging from illegal sales of land and stands, dominating shady deals that council officials engage in, gross financial mismanagement of council affairs and abuse and mismanagement of ratepayers' funds and abuse of office, fraud, negligence and general ineptitude by councillors running different local authorities.

Corruption exists in many forms at various levels of service delivery. Corruption normally occurs in the form of embezzlement, procurement scam, extortion, bribery, fraud, kickback, gifts and tips, nepotism and tribalism in recruitment, appointment, or promotion, misappropriation of public funds, institutionalized, and leaking tender information to friends and relatives (Nsereko & Kebonang, 2005; Ijewereme, 2015; Selamawit, 2015). In most countries, albeit to different degrees, the public sector can be a crucial player in the economy. When the government or specific government agencies operate as clients by purchasing goods or services (public procurement), corruption risks are often high. This can be due to a lack of oversight, high discretion in the public sector, high levels of nepotism, a concentration of money and influence, the high volume of funds involved, or a combination there of (Transparency International 2013).

### **Causes of Corruption in local authorities**

The main factors that cause corruption in service delivery include poor governance, economic hardship, and weak accountability systems. The Auditor General's report revealed that in the 2018 financial year, only three out of ninety-two local authorities had their financial statements audited and reported on. Seventy local authorities did not submit their financial statements for audit, so their affairs are largely unknown, but it is highly suggestive of many bad things. Audits recently released exposed rot in local authorities and other parastatals and ministries. Some local authorities are not cooperating with the Auditor General's office, and they do not avail financial statements in time. Furthermore, the audits observed loose internal accounting controls which lend themselves to possible leakages. Governance and service delivery issues dominated the reports with some councils operating without key policy documents, failure to review and approve payroll prior to processing, absence of control over contracted out services, improper management of council assets, development of and without approval of the responsible Minister and other ineffective control systems.



## **Effects of Corruption**

Corruption leads to economic stagnation and poor foreign investments. Makanyeza et al. (2013) discovered that corruption and lack of accountability and transparency were among the main causes of poor service delivery. Service delivery in most towns and cities have vastly declined while corruption has taken root. Harare, which was once dubbed the Sunshine City, now resembles a huge dump site as rubbish heaps go for months uncollected, while water supplies in most suburbs are erratic. In March of 2022, ZACC swooped on two senior Chegutu Municipality over a litany of corruption allegations. The human resources manager and revenue accountant officer were arrested on charges of abuse of office, nepotism and tax evasion. It is reported that the Human Resources manager flouted council's recruitment procedures on two occasions to accommodate his relatives, on one occasion someone without the requisite qualifications and on another, he recruited more people in an effort to accommodate his friend's daughter.

Furthermore, it is noted that since 2014, the human resources manager would doctor figures of top manager's rentals and school fees benefits for taxing on their pay slips, thereby evading tax and prejudicing council of millions of dollars. The case of Chegutu Municipality is just a tip of the iceberg of what really transpires in Local Authorities. Corruption has a negative impact on the well-being and welfare of the general populace (Nsereko & Kebonang, 2005), as its effects include the abuse of national resources, underdevelopment, high unemployment and poor standard of service delivery (Ijewereme, 2015). In 2021, ZACC arrested Mutare City Council Deputy Mayor and 11 other councillors for unprocedural reviewing upwards their travel and subsistence allowances.

## **Recommendations**

- Local Authorities must improve systems and structures, enhance the auditing process, and educate staff on good ethical standards and effective governance to effectively fight against corruption and improve service delivery. Establishment of strong governance and accountability frameworks and engaging communities and policy makers to eradicate corruption.
- Service providers should make use of mobile technology to promote citizenry participation in sharing ideas and making decisions on development issues.
- To increase integrity and accountability in procurement, independent monitoring and oversight mechanisms are crucial. To counter and mitigate corruption risks in public procurement several risks have emerged in recent years. These include reforms in legal frameworks, more efficient and or digitalized procurement processes, increased oversight, access to information provision and the process of clean contracting regulations.

Recent developments in open contracting and the use of new technologies are promising developments to counter corruption at the local level.

- Civil Society participation is paramount to ensure anti-corruption strategies lead to greater accountability. According to the National Anti-Corruption Forum, 'the most critical element in the fight against corruption is the culture and ethos in government and civil society that should permeate everyday activities. The ethos and culture within government and civil society can be built through communication and training, most importantly, through a process of continual dialogue on ethical issues. In the absence of a positive ethos, even the best rules, systems, procedures and institutions will not be able to curb corruption and unethical behaviour.'
- Citizen oversight is crucial to the success of all these efforts. Some strategies can be initiated or implemented by civil society shareholders; others require action from government with civil society playing a monitoring role. Successful initiatives to improve integrity in public procurement in partnership with civil society include integrity pacts, open contracting initiatives, use of new technology and citizen monitoring mechanisms.
- Access to information provisions, capacity building for public sector and civil society, and a user-friendly processing of data are needed to ensure civil society can successfully contribute to anti corruption efforts. Local authorities should publish information on draft budget plans, adopted budgets, and actual expenditure. In addition, prepare special brochures with main budget data in an easily readable form. Greater access for citizens and news media to governments information including budgets, detailed information on council's revenue, disclosures of top public officials and councilors of all financial interests.
- Application of International anti-corruption standards to the local level. International anti-corruption standards are applicable to the local level of governance and national institutions alike. In accordance with their competences, local authorities should play their role in developing and implementing anti-corruption policies, adopting, maintaining, and strengthening efficient transparent and merit-based systems of recruitment, hiring, retention, promotion and retirement of staff. Promoting transparency and accountability in the management of public resources.
- The Public Finance Management Act compels public bodies, including local authorities, to submit their accounts for audit annually. There is need for enforcement and consequences for non or poor performance. Non action on reports is also to do with inadequate enforcement. Law enforcement arms of government must go through reports by the Auditor general and take appropriate redress measures on issues that lend themselves to criminal prosecution to promote transparency and accountability.

Furthermore, legal protection for whistle blowers, tougher legislation enabling more prosecutions and harsher sentences for corruption, more resources to investigate and prosecute corruption cases, the creation of anti-corruption courts, a single dedicated independent agency to fight corruption, fighting organised crime and prosecution of high-profile individuals.



**ARE YOU TIRED OF  
SEEING CORRUPTION  
IN YOUR  
COMMUNITY?**



 **CITIZEN APP**

Download on  
Google Play

Coming soon  
App Store

#HowFar

[www.zimcodd.co.zw](http://www.zimcodd.co.zw)

Are you tired of witnessing abuse of public funds, corruption or bribery in your community and not being able to report it? Citizen is your solution! The Citizen Application is grounded in the #HowFar campaign which seeks to demand transparency and accountability from duty-bearers on the use of public funds. Following, the application is a digital means of collecting evidence through citizens in their communities. The application allows citizens to send evidence-based reports through uploading pictures, videos and text narratives. Citizens are able to upload reports anonymously or with their information provided. The application will increase accountability efforts as citizens and authorities alike will be able to access the stories reported. Investigative journalists will also be able to harvest stories, refine them and break them into the public. Available on Google Play Store and Apple Store, the application will be available for free download.



**Sheryl T. Chigwedere and Caroline Mutimbanyoka**  
**#GiveLifeToMudaDam Campaign: Our journey and where we are now**

The dormitory town of Chitungwiza has, for years, been relying on the city of Harare for water supply and this has been a heavy burden on the capital's council to service the water needs of two of the country's largest cities with regards to population. This has resulted in some parts of Chitungwiza and Harare itself going for more than 5 years without a drop of water running from their taps and those that get it cannot use it for cooking and drinking as it is visibly dirty.

The unavailability of clean, safe, potable water in both Harare and Chitungwiza affected and continues to affect women the most especially after the COVID 19 pandemic hit and the burden of unpaid care work weighed even further down on women and girls as they were the ones to spend long hours queueing for water at public water points while water barons made money through using their masculinity to go to the front of the queues and collect water for sale countless times before some of the women at the back of the queue could get their turn. The problem worsened when those that could afford to, started to drill boreholes within their yards that could go deeper than the community ones, meaning one would have to pump harder and for longer for them to be able to fill up a 20-litre container or they could go and pay USD for 6 20 litre containers of water or less if it is in summer.

Illegal land allocations and sewer connections which are a result of the ever-growing population have also posed a problem with sewer bursts in all the parts of Chitungwiza. The obsolete infrastructure and unavailability of water to transport the waste has caused the problem of sewer bursts and problems associated with like stomach problems which, in the end, are a problem that women as primary care givers must tackle.

It is against this background that Sprout Women Empowerment Trust with support from ActionAid started the #GiveLifeToMudaDam campaign in order to lobby government to allocate resources towards the feasibility study and also every other stage that follows afterwards as well as get buy in from the community so that they own the campaign and form a strong movement that will be there to push and input until the project is complete. Many were under the speculation that the dam is already there and that all that is left is finding ways to ensure that the water reaches the people when that is not the case. It has been difficult to keep the residents engaged and active in pushing for the campaign to achieve its intended results due to limited resources and difficulties in reaching relevant authorities and have them on board whilst explaining to them that you are doing voluntary work.

Residents too have other engagements that they need to attend to and most of those that had volunteered to be a part of the campaign are in the informal sector meaning for one to leave their work to attend to the meetings and activities around the campaign it must be worth it for them in the short and long term. The limited availability of resources also meant a drag in the whole process resulting in the smallest result taking too long to be achieved. The recent recalling of councilors also affected the process and will continue to because the mayor we had started work with was recalled and replaced by another councilor meaning we will have to go a step back and reintroduce ourselves and the campaign and maybe do the same after the 2023 harmonized elections meaning more resources will be channeled towards that.

During it all we managed to get an allocation on the national budget for the feasibility study to be carried out because the one that was done before did not meet set standards so there is a need to start the process all over again. Through engagements on social media we managed to catch the attention of the permanent secretary in the Ministry of Lands, Agriculture, Fisheries, Water and Rural Resettlement, Hon. John Basera who requested for a visit to the site of the dam and we are hoping that this will also help in building a relationship that will go a long way in ensuring that the campaign is a success and that the goal is achieved in good time. This will not only help Chitungwiza residents but Harare too because the water that is being channeled towards Chitungwiza will now go towards servicing the needs of Harare residents.

We are hoping to move forward by meeting up with the current Mayor of Chitungwiza Cllr Kiven Mutimbanyoka and having a site visit with Hon. John Basera as well as following up on the allocated funds with the Ministry of Finance and continue with movement building so that everyone plays their role in ensuring this dam and water treatment plant comes to life, if not for them then for generations to come.

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**Performance of the Zimbabwean Economy in 2022**

In November of 2021, Treasury announced its ZWL963 billion national budget to guide revenue mobilization and extent of utilization by government spending centres in the forthcoming year. It was expected that the economy would grow by 5.5% in 2022 powered by a stable Zimbabwe dollar (ZWL) & prices owing to tight monetary targeting, good rainfall patterns, elevated global mineral prices and increased domestic electricity production among other assumptions. Cognizant of this, the Reserve Bank of Zimbabwe (RBZ) projected a year-end inflation of 25-35% from December 2021 outturn of 60.7%.

However, the foregoing budget assumptions failed to hold true come 2022. The ZWL heavily plummeted against the US dollar particularly in the first 7 months of the year. RBZ statistics show that ZWL had eroded at least 75% of its value against the US dollar (US\$) year-to-date (Jan 2022-Nov 2022). A granular analysis indicates that ZWL fragility emanated from vast factors including among others, fiscal indiscipline, unsustainable ZWL liquidity growth, overvaluation of the official exchange rate, huge RBZ forex auction allotment backlog, and the principle of rationality -agents acting in the most adequate way according to the objective situation (speculation and arbitrage). Consequently, prices mounted from 60.6% in January 2022 to close November of the same year at 255%. However, apart from the exchange rate pass-through to inflation, inflation was also driven by exogenous factors like the poor 2021/22 agriculture season which affected food supply and the ripple effects of the Russia-Ukraine war on global fuel, fertilizers, and food prices.

The currency and price volatilities experienced for most of 2022 have largely eroded real incomes, lowered aggregate consumer consumption, widened income disparities, and plunged the majority into poverty. For instance, the 2022 World Bank statistics show that at least 40% of the population is living in extreme poverty in Zimbabwe. As at end September 2022, statistics show total public & publicly guaranteed debt mounting by 477% and 2.3% in ZWL and US\$ terms to ZWL10.9 trillion and US\$17.6 billion respectively from December 2021 levels. This unsustainable debt accumulation is fuelling collateralized borrowing, unsustainable resource extraction, depleting national reserves, crowding-out both private investment & public service delivery, constraining the countercyclical effects of fiscal policies and heighten long-term market interest, tax, and inflation rates among other dire socio-economic effects.



In the same light, the instability experienced in 2022 has hugely affected business predictability which is regarded as key because it enables great market fit and quality customer service while eliminating waste and inefficiencies to build a strong foundation of sustainable enterprises. In addition, an astronomical spike in the Reserve Bank of Zimbabwe's (RBZ) benchmark policy rate from 80% to 200% has fuelled the cost of money in the economy. More so, high fuel prices as well as prolonged electricity load-shedding schedules have compounded the cost of doing business in 2022. A high-cost environment feeds chronic inflation and scares away private-sector investment which is generally viewed by economists as powerhouse for robust national output (GDP), income, and employment growth. As a result, the Treasury was forced to reduce its 2022 growth forecast from the initial 5.5% to 4%.

Nevertheless, the economic fortunes slightly improved in the second half of 2022. From July 2022, price growth started to moderate, from a high of 30.7% recorded in June 2022 to 1.8% in November 2022. This came after a cocktail of measures implemented by authorities to stabilize ZWL and prices. These measures include among others entrenching multicurrency regime into law, suspension of import duty on basics, record RBZ benchmark policy rate, liberalization of the exchange rate, introduction of gold coins, and clearing of forex auction backlog. Buoyed by this rapid disinflation trend, authorities now expect prices to average 1-3% in 2023 on account of tight monetary policy, positive GDP growth of 3.8%, and a sustainable budget deficit of about 1.5% of GDP (ZWL575.5 billion).

But, be that as it may, it remains to be seen if RBZ will be able to meet this inflation target given the likely risks to the 2023 outlook. The forthcoming general election will likely derail the sustainability of the Treasury spending path. For instance, a projected 136.8% jump of 2023 budget to ZWL4.5 trillion from 2022's ZWL1.9 trillion can attest to this assertion. Also, based on recurring deadly political clashes like cases witnessed recently in Matobo and Gutu, there is a high chance that the upcoming election season will degenerate into full-blown political violence, civil unrest, and abuse of human & political rights. This increases the investment risk premium thus scaring away investment, both foreign and domestic. More so, electricity shortages will likely persist next year at least through the first half due to limited imports, uneconomical domestic tariffs, constrained production at Kariba hydropower, and frequent breakdowns at nation's aging thermal power stations. Electricity is a key business enabler; its scarcity increases business costs, balloons the inflation burden, and strains household budgets. The COVID-19 pandemic and Russia-Ukraine war with an indeterminate end also pose a greater risk to the economic outlook.

## **Kudzwai Gokova** **View of ZIMCodd's Feminist Approach in 2022**

At ZIMCodd, pursuing a feminist approach is not only about what we do but also about how we do it. Undertaking this approach requires continued significant and deliberate shifts in processes in order to meaningfully support women's empowerment, reaching the poorest and most marginalized who may face increased discrimination based on intersecting identity factors. ZIMCodd's feminist approach includes supporting the voice, agency and empowerment of women and girls in all their diversity. As we implemented our feminist programming this year, we've been able to hold accountable powerful actors such as duty-bearers and responsibility-holders for their human rights obligations and responsibilities to rebalance the distribution of power in order to achieve just and inclusive societies.

ZIMCodd has been on the forefront of illuminating the connections between economic justice and gender justice, many of which are often obscured or ignored. Through collaboration, we have established strong networks and partnerships which have brought critical women's rights issues to policy making spaces at both national and regional level. Below are some of the key highlights of the feminist networks and partnerships in our 2022 programming:

- ZIMCodd in partnership with Women and Land Zimbabwe (WLZ) and Vendors Initiative for Social and Economic Transformation (VISET) is implementing the Citizen Driven Public Resources Management (CDPRM) project under IM Swedish from 2020 to 2023. The project focuses on advocating for the creation of alternative gender-responsive models that work for women by promoting decent work, access to productive resources, the redistribution of unpaid care work, social protection and fair taxation policies.
- ZIMCodd partnered with the Southern African People's Solidarity Network (SAPSN), Southern Africa Resource Watch (SARW), OXFAM, Freedom House, Economic Justice for Women Project (EJWP), Art and Global Health Centre Africa, Women's Academy for Leadership and Political Excellence (WALPE), Civil Society for Poverty Reduction (CSPR), Feminist Macroeconomics Alliance Malawi, Non-Governmental Gender Organizations Co-ordinating Council (NGOCC), Zambia Alliance for Women and Social and Economic Justice Council of Churches to conduct Gender Cluster Activities during the 2022 Annual SADC People's Summit in Kinshasa. The theme of the Summit was "Challenging Extractivism and Taking Ownership of Our Resources for People Centered Development". The Gender Cluster's theme was Women's Rights, Land and Debt Justice in the Extractives. The recommendations from the Gender Cluster activities were captured in the SADC Peoples' Summit Declaration.

- ZIMCodd has partnered with Norwegian People's Aid to implement gender specific interventions to promote prudent public resources management through the #FeminomicsZW campaign: Strengthening Participation of Women and Youths in Public Resources Management project. Through this project, ZIMCodd has been focused on coming up with interventions to amplify women's voices and strengthen individual and collective capacities for the advancement of economic justice for women through strengthening economic literacy and participation of women and youth in public resource management.
- ZIMCodd continues to house the Fight Inequality Alliance Zimbabwe, a global grassroots movement aimed at countering excessive concentration of power and wealth. Through the fight inequality alliance movement, ZIMCodd continues to fight for the advancement of women's social and economic status by calling for reduced inequalities, gender equality and poverty reduction through equitable distribution of resources.

ZIMCodd remains committed to advancing gender equality and the realization of human rights so that no one is left behind. The organisation continues to build its internal capacity to implement feminist approaches in its programming and supporting gender transformative change. The feminist approach has gone a long way in informing our capacity and movement building work, policy influence, research and knowledge building in the continued fight for social and economic justice.



#ZAMI2022 participants in a side session on Taxation



## **Tashinga Zamba**

### **Harnessing Citizen Voices through Building a Critical Mass of Action**

The year 2022 was a step further in harnessing citizens' voices by ZIMCodd in different facets of citizen engagement. Citizen engagement was conducted through various programs that were implemented across the 10 provinces. Ordinary citizens across Zimbabwe contributed to the governance board of knowledge, particularly in social accountability monitoring, public finance management, debt advocacy, budget formulation and analysis. ZIMCodd managed to interface with citizens, duty bearers and collectively work on finding solutions to challenges facing communities. In 2022 alone, ZIMCodd programs managed to reach out to more than 5000 men and women of which over 2500 are youths. Community structures across 57 districts in Zimbabwe continue to increase with a view to cascade to the ward level. In the 2022 programming year, the number of subscribed members for organizations and individuals doubled. That means there is a shared common understanding and energy to work towards fighting poor governance, inequality and ultimately towards achieving social and economic justice across Zimbabwe.

ZIMCodd views citizens as important stakeholders and recipients of public goods and services thus, they play a critical role in advocating and making public institutions more transparent, accountable and effective. ZIMCodd managed to empower a critical mass who now are champions in demanding accountability through the different ZIMCodd coalition clusters. ZIMCodd has amplified the citizen's voices at the regional level by collaborating with like-minded organizations and movements such as the SADC debt Movement, Fight Inequality Alliance(FIA), Tax Justice Africa Network (TJAN), Stop The Bleeding Campaign and Southern Africa People Solidarity Network (SAPSN). To note, the SADC people summit for 2022 presented an opportunity for ZIMCodd membership to contribute to the communique which was presented to the SADC heads of the state hence allowing their voices and demands to be heard.

#### **2023 and beyond ZIMCodd will:**

- Focus on building a critical mass and increasing the national and regional footprint in demanding transparency and accountability in the utilization of Public funds.
- Consolidate citizens' power to influence policymakers to craft laws that recognize the realization of basic socio-economic rights.
- Scale up movement building through the prioritizing of membership strengthening and services for instance, grassroots women and men in the rural and peri-urban areas will be drawn to come together for collective actions on issues of concern.
- Create solutions that provide access to capital, equitable distribution of resources and the realization of socio-economic rights.

- Build custom-made digital platforms to enable data mining, information management, sharing of information with the membership and articulating the coalition's vision.
  - Build the movement's capacity and leadership development which will contribute to sustainability as learned skills can help strengthen the coalition whilst generating income for sustainability.
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Honorable Nicola Watson responds to questions on Parliament of Zimbabwe's execution of their mandate: oversight.

## Angellah Mandoreba

### **Calls for the introduction of wealth tax in Zimbabwe grow louder as legislators come on board.**

A network of civil society organisations under the banner of Fight Inequality Alliance Zimbabwe which seeks to challenge the structural causes of inequality in Zimbabwe have made some inroads in their call for the introduction of Wealth Tax in the Southern African country. This came to light when one of the Members of Parliament who is also Chairperson of the Parliamentary Portfolio Committee on Budget and Finance, Hon Mathew Nyashanu called upon the Minister of Finance on Economic Development, Prof Mthuli Ncube to consider levying wealth tax on the super-rich and elites in Zimbabwe. Hon Nyashanu called for the ring fencing of tax proceeds towards social protection. Calls for wealth tax in Zimbabwe, come amidst global calls to step up efforts aimed at ensuring that the rich pay their fair share of taxes under the #TaxTheRich. Contributing towards discussions on the Finance Bill in the National Assembly on 6 December 2022, Hon Nyashanu said,

*"In view of widening inequalities within our society, the committee (Budget and Finance Committee) recommends that the finance minister should immediately introduce wealth tax which will be ring-fenced for social protection programmes. This will be an annual tax on the net wealth a person holds and will ensure that the rich tax evaders are brought into the tax net, and that even ill-gotten wealth attracts its fair share of taxation."*

These developments come against the backdrop of the Alliance having petitioned the Parliament of Zimbabwe to play their legislative and representative role by investigating and acting on the growing tax induced inequalities which have pushed millions of citizens into poverty. The Petition was influenced by the status quo with a focus on the social and economic wellbeing of citizens vis a vis the taxation landscape in the country. Zimbabwe is suffering from the triple burden of poverty, unemployment, and inequality. The COVID-19 pandemic further entrenched poverty with the World Bank having estimated that more than 7.9 million Zimbabweans are living in extreme poverty failing to meet the food poverty line of US\$29.80 for each person a month. The rising poverty levels were also accelerated by the detrimental effects of COVID-19 which saw a decline in employment and streams of income for most citizens especially in view of movement restrictions. In the same vein, Hon Nyashanu had this to say,

*"The committee feels that ring-fencing this tax income towards smallholder irrigation development in poor communities; for example, will go a long way in ensuring food sufficiency. We must do everything possible to wean our people from food hand-outs and ultimately move them out of the donor dependency syndrome. High dependency on food handouts has destroyed the social and moral fabrics of our society and defies the call to uphold the dignity of hard work enshrined in the preamble of our Constitution."*



## **Understanding Zimbabwe's taxation regime in the context of the country's commitment to reducing inequality**

Despite the social and economic woes bedeviling the country, Zimbabwe's taxation system falls more on the regressive than progressive side. In the context of the petition, a regressive tax system is taken to mean a tax landscape that imposes more burden on poor citizens, a situation which favors or imposes less burden on the elites. On the other hand, progressive taxation in this context refers to a tax structure that respects the ability to pay principle where richer citizens are made to pay a higher share of their income and the poorest citizens are made to pay according to their size of pocket or where possible largely exempt. Zimbabwe's tax regime can be best understood in the context of the country's commitment to reducing inequality.

Oxfam and its partners produce a Commitment to Reducing Inequality Index which ranks 158 governments across the world on their commitment to reducing inequality and measures government policies and actions in three areas that are proven to reduce inequality significantly. The areas of focus for the Index are: taxation looking at how progressive structures are on paper and in practice; public services looking at education, health and social protection and worker's rights with a particular focus on women's rights. According to Oxfam, the tax progressivity pillar of the CRI assesses how well a country's tax policies, and their implementation are reducing inequality with the following indicators:

1. Progressivity of tax policies. Are the main taxes – personal income tax (PIT), corporate income tax (CIT), and value-added tax (VAT) or general sales tax (GST) – designed to be progressive on paper? Does their burden fall more on those who can afford to pay?
2. Implementation of tax policies. How successfully does the country collect its main taxes and how progressive does this make tax collection in practice?
3. Impact of tax on inequality. What is the impact of the tax collected on income inequality, as measured by the Gini coefficient?

Zimbabwe is not faring well on the regional, African and global CRI Rankings for tax progressivity with the country being ranked 13 out of 15 countries in the SADC region, 41 out of 47 in Africa and 133 out of 158 globally which shows that the country's tax regime falls more on the regressive side.

## **FIA Zimbabwe makes an appeal to Parliament**

In the spirit of fulfilling Section 3 of the Constitution of Zimbabwe which recognizes the inherent dignity, worth and equality of all human beings and in a quest to uphold Section 298 (1)(b)(i) which stipulates that the burden of taxation must be shared fairly. FIA Zimbabwe petitioned the Parliament of Zimbabwe to exercise its lawmaking, representative and oversight responsibilities and consider reforming the current regressive tax regime while moving towards a more progressive tax regime which is fair and just between the poor and rich Zimbabweans. The plea came against the background that the Parliament of Zimbabwe represents citizens, the majority of whom are heavily impacted by the current regressive tax regime, and it is the Parliament's role to ensure the views of people are taken on board which must be demonstrated way before public policies including taxation policies are pronounced. There is limited evidence to demonstrate that Parliamentarians have done much work on taxation matters which are impacting the people they represent. It is against this background that the Alliance beseeched the citizens' representatives to reassert their representative role and address the current tax concerns.

One of the pleas from Alliance was for the Parliament to enact a law that provides a redistributive Wealth Tax. In the Alliance's view, a wealth tax is a morally just measure and an important vehicle towards the attainment of tax justice in Zimbabwe by ensuring that each individual pays according to his or her capacity to pay. There is an urgent need to redistribute concentrated wealth and economic power to ensure decent living standards of the majority poor. Evidence suggests that a considerable number of citizens across the SADC region strongly support more progressive tax systems. An Afrobarometer survey covering 8 of the 15 countries in the CRI report found that nearly two-thirds of citizens in SADC think it is fair to tax rich people at a higher rate to help pay for government programmes that benefit people living in poverty. In the case of Zimbabwe, 51% of the population supports such progressive taxation.

## **Conclusion**

The Alliance commends the Parliament of Zimbabwe for listening to citizens' voice and for playing their representative role. In the same spirit, the Alliance awaits with anticipation to witness major pronouncements both by the Minister of Finance and Economic Development and the Parliament of Zimbabwe on the progress made towards the introduction of wealth tax. It must always be borne in mind that levying wealth tax is a potential revenue stream that does not increase the burden on the poor and marginalised citizens. Furthermore, it is a morally just measure to redistribute wealth between the super-rich and poor Zimbabweans and is one way of ensuring the elites pay their fair share of taxes. Lastly, proceeds from wealth tax can be ringfenced to provide social safety nets which cushion poor citizens amidst rising poverty levels.

## **Eustinah Tarisayi**

### **Fiscal Transparency in Zimbabwe**

The recognition that taxing, borrowing, spending, investing, and managing public resources are critical elements for social and economic development of any country underscores the need for fiscal transparency. Fiscal transparency refers to the publication of information on how governments raise, spend and manage public resources. Fiscal transparency is critical for building strong and democratic public institutions as it provides parliament, civil society organisations, academia, media and citizens with the information they need to hold the government to account. Thus it is a prerequisite for effective oversight by parliament and citizens.

#### **Fiscal Transparency**

ZIMCODD has noticed notable improvements in the levels of fiscal transparency by the Second Republic. This can be attributed to the demands of citizens, parliament and civil society organisations on transparency and accountability in the management of public resources which has put pressure to the government to avail public finance management information at accessible domains and platforms. Over the past years, the Government of Zimbabwe has transitioned towards greater fiscal transparency which has continued to gain traction in the country.

- We have seen the releasing the 2022 and 2023 Budget Strategy Papers (BSP) unlike in previous years where the BSP was released after budget consultations. Timely publication of the BSP enables citizens to make informed input into the budget formulation process.
- The 2021 Open Budget Survey (OBS) by International Budget Partnership (IBP) ranked Zimbabwe third (3rd) in Africa with a score of 57 out of 100 – an indication that the government is publishing sufficient information to support informed public debate.
- The Minister of Finance and Economic Development has for the past two budget statement presentations (2022 and 2023) presented comprehensive statements on the country's public debt.
- The government publish borrowing plans which provide predictability to the market and also the regular publication of annual debt bulletins is keeping citizens informed of the debt management trends.
- Government published donations received for COVID-19 response and allowed COVID-19 response resources to be audited by the Office of the Auditor General (OAG) is also another indication of improvement in fiscal transparency.
- The Executive through the Cabinet Meetings continue to avail to the public minutes of what transpired during the meetings. This has improved citizen understanding of some development processes and decisions made by the government. The Reserve Bank of Zimbabwe has continued to publish companies accessing the forex through the forex auction system.

## Conclusion

While we note the significant improvements in fiscal transparency more can still be done. the comprehensiveness, clarity, reliability, timeliness, and relevance of public reporting on the past, present, and future state of public finances – is critical for effective fiscal management and accountability. It helps ensure that governments have an accurate picture of their finances. We make the following recommendations:

- 1.The Ministry of Finance should improve on budget expenditure transparency. This can be done by ensuring compliance by Ministries, Departments and Agencies (MDA) to audit requirements by the supreme audit institution and influence implementation of the Auditor General recommendations by the MDAs.
- 2.Citizen budget and economic literacy must be prioritized and should precede the pre-budget public hearings in the spirit of leaving no-one and no place behind.
- 3.Civil society and parliament must work together in exercising oversight of public resources.
- 4.Citizens and all non-state actors should be availed effective opportunities to participate directly in public debate and discussion over the design, implementation and evaluation of fiscal policies.



Steve Hobbs and Temba Munsaka at the Strategic Review and Planning Meeting in Kadoma



## **Eve Nyamba**

### **Trade Justice and Livelihoods**

The Trade Justice and Livelihoods portfolio's main objective was to increase women and youths' ability to demand and access their right to a Sustainable Rural Livelihood. ZIMCodd conducted Rural Women Social Networks and Economic Governance trainings to increase the participation of women and youths in accountability monitoring in Gokwe, Matobo and Goromonzi. The training brought together a total of 117 participants of which 103 were women farmers, informal traders, women in mining and representatives from the Ministry of Primary and Secondary Education. The training managed to generate interest amongst women on how they can collectively demand accountability and Gender Public Service Delivery that meets women's needs for their elected and non-elected duty bearers. Women lamented about the poor state of public service delivery in all areas which has hindered the fulfilment of girls and women's rights. There is lack of access to services such as sexual reproductive health services, water, ARVs, wheelchairs and other life-saving assistance for women remains a cause of concern. Pregnant women were walking long distances to go clinics as they were no ambulances. Women in Matobo, particularly, were being raped as they waited to deliver their babies at a local clinic.

The training was a success as it provided a platform for engagement between right holders and duty bearers and an opportunity to strengthen the capacity of women and youths. Debate was stimulated around social accountability monitoring, social and economic rights and the responsibilities of duty bearers regarding GPRS. Women and youths in Goromonzi, Gokwe and Matobo formed social networks after the training which have enabled them to demand social accountability from the government.

The Goromonzi Rural Women and Social Network successfully managed to demand the rehabilitation of roads and the provision of transport in their district. The Gokwe Rural Women and Social Network successfully conducted a meeting with their Member of Parliament (MP) and demanded for the provision of clean, safe and portable water. The Matobo Rural Women and Social Network successfully conducted a meeting with the Zimbabwe Electricity Supply Authority (ZESA) where they demanded the electrification of Maphisa in Matobo which has gone for 12 years without electricity supply.

The Trade Justice and Livelihoods portfolio contributed immensely to changes within the society especially, in promoting gender quality and the political representation of marginalised group interests in parliament and legislative reform.

ZIMCODD has through SEJA led trainings managed to sensitize women that they can play leadership roles and influence decision making towards the implementation of Gender Responsive Public Services (GRPS). 50 women in Gokwe have been elected into leadership positions in the Dangarembizi All Livestock Breeders Association and Manyoni All Livestock Breeders Association (MALBA) co-operatives formed through SEJA led trainings. Eleven (11) females and 11 youth males were elected as Chairpersons. One (1) female adult treasurer, 4 youth female treasurers, 2 male youth treasurers and 35 lead farmers on cotton and livestock were elected into leadership positions. Women are now implementing the climate resilient alternative livelihoods that they have learned about through SEJA Led trainings through pfumvudza (organic farming), afforestation, commercializing small livestock and use of tsotso stove. Women and Youths in Gokwe have been able to engage their duty bearers, particularly, the Member of Parliament (MP) for Gokwe South, Professor Paul Mavhima. Half of the constituency trainings are being funded by Professor Mavhima. Village Heads, Headman's and Councillors are also funding the constituency training.

Political representatives are therefore, playing their representative role and using Community Development Funds (CDFs) to build the capacity of rural women and youths to safeguard their livelihoods in the face of climate change. Gokwe and Goromonzi women and youths have partnered the Ministry of Women Affairs, Community, Small and Medium Enterprises Development who are conducting training in the formation of co-operatives to ensure that women and youths get viable market prices for their produce rather than if they are operating individually. Seven (7) cooperatives led by women and youths have been successfully registered in Gokwe. 29 Cooperatives are currently under registration.

75 (5 male and 70 female) women and youths' smallholder farmers and informal traders (community members) were empowered to demand GPRS through the Local Public Resources Management (LPRM) trainings and campaigns. Women and youths in Gokwe, Goromonzi and Matobo were able to demand GPRS. The Goromonzi Rural Women Social Network in Ward 17, demanded to know how much money had been allocated to their district in devolution funds by the government after attending the training. The Goromonzi Rural District Council (GRDC) office revealed that the devolution funds that were allocated to Goromonzi in the 2022 budget was ZWL\$1,430,000.

These funds will be used to complete the Rochester Clinic Mothers Shelter to improve access to healthcare for women who are still walking long distances to Wards 16 and 18 to seek medical attention. The Gokwe Rural Women Social Network has managed to demand the provision for clean, safe and portable water. Lastly, the Matobo Rural Social Network conducted a meeting with ZESA demanding the electrification of Maphisa which has gone for 12 years without electricity. Evidently, in the year under review, ZIMCODD managed to capacitate women and youths to exercise their agency in demanding GPRS and to participate in public policy making.



Exhibitors at the **8th Women's Showcase** hosted by the Women's Farming Syndicate Trust

## **Introduction**

Insufficient knowledge of debt by local authority' staff has led to wrong maintenance of optimal debt ratios, increased uptake of external debt and non-coverage of overhead costs resulting in perennial water shortage among other problems. Citizens have questioned the basis of running a local authority where perennial water shortages and uncollected garbage are the order of the day despite increased uptake of debt.

### **Trends, Challenges and Recommendations.**

Inherent debt management challenges and their effect on service delivery among local authorities include but are not limited to diverting debt to other purposes than for capital projects, inadequate staff training, poor bookkeeping records on debt, lack of commitment by local authorities on use of debt and political interference on use of debt. Funding an organization's operations is a critical decision that consists of combination of debt and equity. The main objectives of local authorities are to provide quality service delivery such as clean water, collection of refuse and employment creation to the country. Thus, each local authority accounting systems are vital in determining cost of debt and return of investment. Access to external debt by local authorities is indeed important, just like other larger corporate, for capitalization and operating activities.

Local government is the lowest in the governmental hierarchy within the concept of federalism while federal government is the sovereign national, the state government. It is infra-sovereign, subordinate and subject to the control of the state government; yet it is a separate legal unit being a body corporate having a common seal, with powers to sue and to be sued, mainly providing obligatory municipal services (Samihah and Adelabu, 2011).

The local government system in Zimbabwe is a legislative rather than a constitutional creature. In practical terms, what this means is that Local Government is not an independent sphere of government, but an appendage of central government which determines the birth, development and death of this important sphere of governance. The activities of local government units are coordinated by the Ministry of Local Government, Public Works (MLGPW). The ten provinces into which the country is divided are administrative rather than political provinces and do not have elective structures. As such, no really significant powers have been devolved upon Provincial Councils and Provincial Committees, AFDB (2016). The juridical framework for local government is set out in several pieces of legislation. The principal Acts governing local authorities in Zimbabwe, the Urban Councils Act and the Rural District Councils Act set local authorities as separate and fairly autonomous legal corporate institutions.



The main Acts for local governance purposes are the Urban Councils Act (Chapter 29:15), Urban Councils Amendment Act (Chapter 29:16), Rural District Councils Act (Chapter 29:13), Chiefs and Headmen Act (Chapter 29:01), Communal Land Act (Chapter 20:04), the Provincial Councils and Administration Act, the Customary Law and Local Courts Act (No. 2) of 1990 and the Traditional Leadership Act of 1998. In addition, there are a number of statutory instruments defining the legal parameters of local government. Zimbabwe has two main types of local authorities, the Rural District Councils in rural areas, and the Urban Councils in the urban areas. The institutional framework for local government in the country can be better understood in terms of three universes; the Centre, the Urban universe and the Rural universe, with the latter two orbiting around the centre. The Ministry of Local Government administers all the Acts and Statutory Instruments promulgated in the local government area. The Minister retains a substantial supervisory role over all local government units (LGUs) and enjoys the ultimate power of intervention and suspension of any local council. In some sense, the LGUs in Zimbabwe operate at the behest and suffering of the Minister. In fact, the main legal instruments of local government invest the President and the Minister of Local Government with the power to suspend or act in place of a local authority and the power to nullify some decisions of local authorities, AFDB (2016).

The overbearing role of the ministry in local governance is particularly evident when it comes to the implementation of the decentralization programme, a pet project of the Government since independence. According to the Thirteen Principles to Guide the Decentralization Process adopted by Cabinet in 1996, the transfer of powers and functions by line ministries to RDCs is done by the line ministry concerned but the Ministry of Local Government co-ordinates and facilitates the effort. Another critical ministry in the day-to-day functions of local government is the Ministry of Finance, especially in the area of development planning and public finance for capital projects. For instance, Section 290 of the Urban Councils Act provides that urban councils may, with the consent of the minister responsible for local government and the minister responsible for finance, raise the necessary funds by issuing stock, bonds, debentures or bills, or from any other source not mentioned in the Urban Councils Act.

Another important national structure is the Portfolio Committee on Local Government, Public Works and National Housing. The local government portfolio committee exercises surveillance over the entire local government domain. It, like other committees, holds public discussions on pertinent issues that have arisen or are of public concern and report their findings and recommendations to the whole Government of Zimbabwe.

According to Obert and Olawale (2010) debt financing have merits and demerits on the growth or performance of any entity and its strategic investments. They state that some of the advantages of debt financing include tax deductibility of interest and the reduction of free cash flow challenges. The disadvantage associated with debt financing includes possibility of bankruptcy costs. Failure by local authorities to adequately keep proper records and proper management of debt finance has been the main causes of poor service delivery. Few or no researches have focussed on the lack of proper management of debt and its impact on performance of local authorities or service delivery. It is therefore upon this and other previous articulated research gap basis that this study is based upon. In Making debt financing decisions, managers of local authorities' endeavour to create a balance between the corporate tax benefits of debt financing (PYDC, 2018) and the costs of financial distress associated with bankruptcy risks

Good Public debt management cannot only help in reducing borrowing costs but also aid in the development of domestic financial markets which are important in facilitating economic development and make the economy more robust to absorb external shocks, Comrie, 2014) Further to, it is utmost important to make debt management strategy that can be implemented for efficient management of debt. Strategies improve transparency and communication. In addition to improve governance framework, there is need for proper management and accountability for borrowed funds, as it vital for improving confidence in the financial markets and expansion of fiscal space Local authorities require debt as a source of revenue.

However, there are various issues to be considered when borrowing and these include grace period, interest rate, grant element as well as the absorptive capacity of the borrowing entity. Price Waterhouse Coopers (PWC) asserts that lack of effective use of debt by local government authorities could be as a result of lack of knowledge and understanding pertaining to commercially acceptable level and application of debt. Fear of debt is also a major impediment to optimal use of debt financing in local authorities. Under- utilisation of debt is likely to result in under investment in local infrastructure. Lack of knowledge leaves other overheads unattended as it becomes difficult to cater for repayments as well as overheads, thereby leaving a gap in effective and efficient debt finance maintenance.

It is worth mentioning that not just the indebtedness is the real problem but rather the financing of it. If the local government is faced with a relatively high debt, but it has a balanced budget and enough revenues, resources to pay off the loans and bonds, then the debt is just a temporary burden. Under the most favourable circumstances, the debt must:

- be proportional in size and rate of growth in its tax base.
- not extend past the useful life of the facilities that it finances.
- not be used to balance the operating budget.
- not require repayment schedules that put excessive burdens on operating expenditures; and
- not be so high as to jeopardize the credit rating.

However, in the case of Zimbabwe local authorities, the opposite is true. Local authorities such as Mutare City and Harare City Council have been on record for borrowing for consumptive purposes including payment of salaries, bonuses and other remuneration packages for their elected officials. There is need for authorities to effectively assess the efficacy of borrowing; the authority's capacity to repay, the project venture's (capital project) return on investments before getting into contractual obligations. Assessments should also stretch to consider the burden on other obligations.



# **4 INTERESTED IN JOINING ZIMCodd??**

ZIMCodd's growth in the past twenty years since inception has been both phenomenal and fulfilling. The organization has touched lives across the whole value chain. Currently, ZIMCodd operates in 57 out of 63 national administrative districts in Zimbabwe. Our influencing work is growing stronger, using our access to public policy institutions and key decision-makers and access to justice through the courts system to advance the constitutional rights and interests of communities, through the agency of our members.

ZIMCodd's regional and international advocacy work is pioneered through the Southern African People's Network which in recent years has left an immutable footprint in the region.

In its odyssey, ZIMCodd works around two strategic change goals: Fiscal and Trade Justice. Fiscal Justice encapsulates 5 Strategic Change Objectives (SCOs) covering:

- Domestic Resource Mobilisation
- Fiscal Accountability
- Illicit Finance
- Climate Financing
- Transparency in mega infrastructure financing

Trade Justice, our second strategic change goal pillar, seeks to harness community voices against trade injustices. This pillar is anchored on the following SCOs:

- Right to Sustainable Livelihoods for Small Scale Farmers
- Advocate for a Just Trade Policy Agenda
- Transparency in the Extractive Industry sector

You can check our work on the following social media handles and website:

- Website: <https://zimcodd.org/>
- Facebook: <https://www.facebook.com/zimcodd/>
- YouTube: <https://www.youtube.com/@zimbabwecoalitionondebtand9364/videos>
- Twitter: <https://twitter.com/home>



### How can you support the ZIMCodd endeavors?

1. Collaborating with us in research, evidence gathering & creation of empirical knowledge
2. Collectively work with us to create a critical mass in effecting sound, prudent and best practice in public finance management
3. Financially supporting ZIMCodd work as it permeates to every Zimbabwean and the region by donating
4. Being a springing board for amplifying the citizenry voice
5. Joining the ZIMCodd movement as a paid-up member and participate in the organizational activities. To Register: <https://bit.ly/3VGLiyA>

ZIMCodd commands a competitive advantage in the national and regional spaces. Our 2030 strategy is designed to strengthen our contribution to accompanying people's voices, especially that of marginalized communities in the understanding of and development of alternatives to systems that drive poverty, social exclusion and economic injustices. We are doing this at a time when the flow of finance to address environmental risks associated with global warming are not flowing to address climate risks that not only threaten us, but also future generations.

You can also get in touch with us on the following email address: [zimcodd@zimcodd.co.zw](mailto:zimcodd@zimcodd.co.zw).



SEJA Convention participants in Mutare share a selfie moment



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