



# **PUBLIC RESOURCES MANAGEMENT SITUATIONAL REPORT**

**JANUARY 2023**



**ZIMCodd**  
ZIMBABWE COALITION ON DEBT & DEVELOPMENT



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# 1. Introduction and Background

The January Public Resource Management Situational Report (PRM SitRep) examines the state of public resources in Zimbabwe. The report analyzes how the government uses public resources to promote good public service delivery. The PRM SitRep covers issues related to fiscal accountability, public debt, domestic resource mobilization, public service delivery, engendering public service delivery, climate change, trade justice and livelihoods and trade highlights. Organic actionable recommendations are also proffered at the end of the report.

This study was necessitated by the need for effective social accountability, strong institutions and citizen agency that promotes national development and growth. This is because the findings from this study will not only inform duty bearers and watchdog institutions on the state of public resources in Zimbabwe but it will go further by informing citizens on how public finances are being utilized and what is expected of them. In tandem with the Strengthening Transparency and Accountability in Public Finance Management (STAP) project, ZIMCODD intends to ensure that public finance management issues find their way from the attentive public to the sub-government so as to influence the policy making machinery.

- To build citizen agency in public resource monitoring.
- To promote participation in economic governance from local to central government.
- To promote just trade policies.
- To determine opportunities and challenges in Domestic Resource Mobilisation
- To assess public service delivery under the prism of Gender Responsive Public Service Delivery GRPSD.

## 2. Methodology

The PRM SitRep benefited from a mixed method approach. Convenience and purposive sampling complemented by systematic and stratified random sampling was used to bring to light a study that captures the reality on the ground. All these sampling techniques played an imperative and complimentary role in allowing the research to have an emic and etic perspective in the use of PRM. Qualitative sampling was effective in ensuring that the research reaches a saturation level. While quantitative helped in eliminating bias so as to infuse research reliability, dependability and trustworthiness. Human Interest Stories (HIS) were used to reinforce study findings. The study population comprised 57 districts as illustrated in Fig 1 below which shows the study catchment area.

## Study Catchment Area



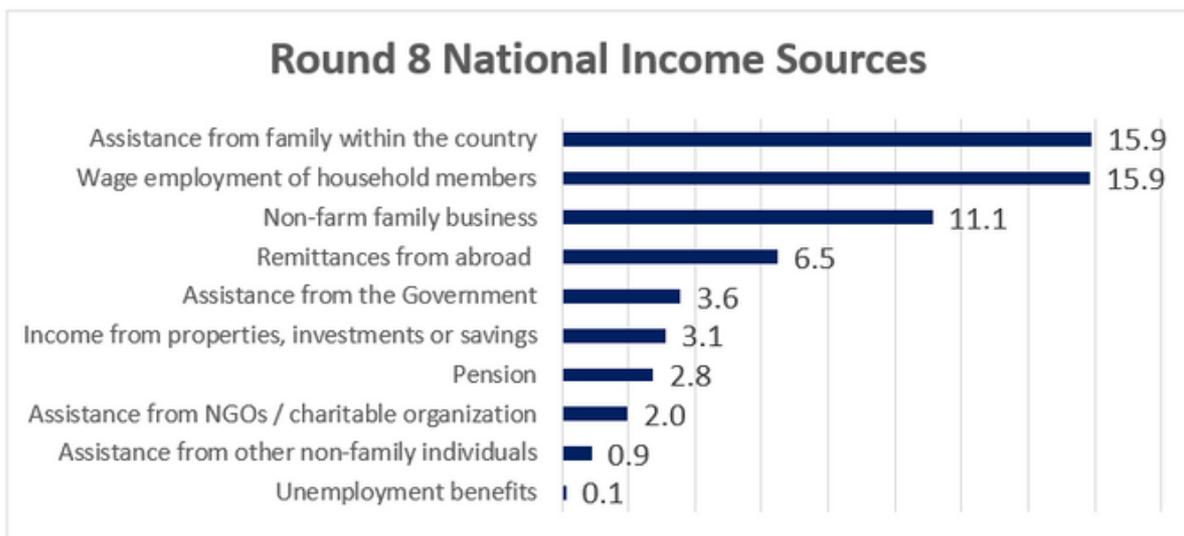
Source: Primary Data Compiled by ZIMCODD



### 3. Context

Although the January 2023 official statistics are showing perpetual moderation of price inflation, the economy remains very tight for the majority of citizens. The January statistics from Zimbabwe National Statistics Agency (ZimStat) show the month-on-month inflation rate plummeted to 1.1% from 2.4% recorded in December 2022<sup>1</sup>. This is the lowest outturn since its last monthly peak of 30.7% realized in June 2022. However, qualitative surveys are exposing the struggles faced by the common man. For instance, the results from the ZimStat's 8th round Rapid Poverty Income Consumption Expenditure Survey (PICES) telephonic survey supported by Zimbabwe Reconstruction Fund and World Bank shows that due to financial constraints, only 42% of the households managed to pay school fees in full. Despite the disruption of the traditional learning systems by the COVID-19 pandemic, about 18% of school children remotely communicated with their teachers and only 2% used mobile learning applications. The survey also established that at national level, the proportion of households that were able to buy medicine decreased to 74%.

<sup>1</sup><https://tellzim.com/inflation-plunges-in-january-2023-is-rbz-doing-it-right-now/>



**Source:** Eighth Round of Rapid-PICES Phone Survey Data

Statistics continue to concretize the idea that the government should properly harness its ever-rising diaspora population which is immensely contributing to the socio-economic well-being of citizens. The PICES report established that many households (6.5%) derive their income from Zimbabwe's expats living abroad which is nearly double the assistance being provided by the government (3.6%). The pending Private Voluntary Organization (PVO) Bill which seeks to stifle civic space can likely pose a greater humanitarian crisis if signed into law. The PICES survey report indicates that about 2% of households earn income or get support from NGOs and charitable organizations.

In its 2023 Monetary Policy Statement (MPS), the Reserve Bank of Zimbabwe (RBZ) highlighted that diaspora remittances and NGOs contributed about US\$1.66 billion and US\$1.4 billion to international remittances in 2022 respectively. This is about 24.2% of the US\$11.57 billion forex received by Zimbabwe in 2022.<sup>2</sup> To ensure increased forex liquidity in the economy and avert a likely deadly humanitarian crisis, the President is recommended not to assent to the PVO Bill. The Parliament should allow diaspora voting as this is key to ensuring they enjoy their civic and political rights as well as participate in natural resource governance back home.

Zimbabwe has seen massive infrastructure investment particularly the country's road network. While the construction of roads has received glory from the government and regime sympathizers a blind eye has been cast on value for money audits. Value for money audits are integral audits that assess a project's efficiency, effectiveness and economy. The lack of value for money audits have raised allegations of rampant abuse of public resources. Currently, the citizens have not been furnished with the granular expenditure details of the Harare-Beitbridge road. At the same time, the Treasury and the Zimbabwe National Roads Administration (ZINARA) have set aside over \$130 billion to rehabilitate about 10 000 kilometers under the second phase of the Emergency Road Rehabilitation Programme (ERRP 2).<sup>3</sup>

2. [https://www.rbz.co.zw/documents/press/2023/February/MPS\\_February\\_2023.pdf](https://www.rbz.co.zw/documents/press/2023/February/MPS_February_2023.pdf)

3. <https://www.newsreportzim.com/2023/01/16/govt-injects-over-130-billion-for-massive-roadworks/>

It is worrying that resources continue to be allocated to road construction without the citizens being furnished with reports on how much has been utilized as well as processes which led to the awarding of the tender.

ZIMCODD welcomes the government's commitment to breaking the monopoly in the sugar industry through amending the Sugar Production Control Act. The monopoly and subsumption (the action of including or absorbing one thing in another) in the sugar industry is reflected by the fact that Tongaat Hullets Zimbabwe (THZ) which includes Hippo Valley Estate (HVE) Ltd and Triangle Sugar Estate (TSE) controls the value chain from the growing of sugar cane, milling and marketing.<sup>4</sup> THZ enjoys market a market situation in which there is only one buyer (monopsony) and this undermines trade justice efforts.

Sugar cane in Zimbabwe is grown under canal irrigation in the lowveld area of Triangle and Hippo Valley (Chiredzi District, Masvingo Province). Mkwesine Estates (formerly owned by Tongaat) is farmed by small scale farmers on an 8,200 hectares of land.<sup>5</sup> Approximately, 80% of Zimbabwe's sugar cane crop is produced by THZ. The remaining 20% is produced by private farmers who consist of large-scale farmers and small farmers. Zimbabwe has two sugar mills that is Hippo Valley Estates Ltd and Triangle Sugar Estates Ltd. The duo has a sugar production capacity of approximately 640,000 Metric Tons (MT) and an installed milling capacity of 4.8 million MT of sugar cane per annum. The South African based Tongaat Hullets owns 100% of Triangle Sugar Estate and 50.5% of the Hippo Valley Estate Ltd.<sup>6</sup> The remaining 49.5 percent of the Hippo Valley Estate (HVE) Ltd shares are publicly owned through the Zimbabwe Stock Exchange (ZSE). HVE Ltd only produces raw sugar while TSE produces raw sugar and approximately 20% of the total refined sugar in Zimbabwe.<sup>7</sup> There are only two sugar refineries in Zimbabwe; Triangle Sugar Refinery (TSR), and Star Africa Sugar Refinery (SASR) Ltd, an independent sugar refinery based in Harare (the Bulawayo Star Africa refinery is currently not operational). Zimbabwe's two refineries; TSR and SASR have the capacity to produce 200,000 MT and 140,000 MT of high-quality refined sugar per annum, respectively.<sup>8</sup> Star Africa accounts for 80 % of the refined sugar in Zimbabwe.<sup>9</sup>

At the top of sugar production is the Zimbabwe Sugar Association (ZSA) which functions as the regulatory institution. It is the highest decision-making authority in the industry on common issues for sugar cane growers and sugar millers.<sup>10</sup> ZSA covers issues related to government lobbying and sugar cane pricing. Sugarcane research on pests, diseases and varieties is conducted by Zimbabwe Sugar Association Experiment Station (ZSAES); a part of the strategic apex body in the sugar industry.

4. Chidoko, C. and L. Chimwai. 2011. "Economic Challenges of Sugar Cane Production in the Lowveld of Zimbabwe." *International Journal of Economic Research* 2 (5): 1-13

5. Dubb, A., I. Scoones, and P. Woodhouse. 2017. "The Political Economy of Sugar in Southern Africa: An Introduction." *Journal of Southern African Studies* 43 (3): 447-470

6. Freedom Mazwi (2020): Sugar production dynamics in Zimbabwe: an analysis of contract farming at Hippo Valley, *Review of African Political Economy*, DOI: 10.1080/03056244.2020.1832022

7. Chidoko, C. and L. Chimwai. 2011. "Economic Challenges of Sugar Cane Production in the Lowveld of Zimbabwe." *International Journal of Economic Research* 2 (5): 1-13

8. Dubb, A., I. Scoones, and P. Woodhouse. 2017. "The Political Economy of Sugar in Southern Africa: An Introduction." *Journal of Southern African Studies* 43 (3): 447-470

9. Mazwi, F., and R. Muchetu. 2015. "Outgrower Sugarcane Production Post Fast-track Land Reform Programme in Zimbabwe." *Ubuntu: Journal of Conflict Transformation* 4 (2): 17-48.

10. Freedom Mazwi (2020): Sugar production dynamics in Zimbabwe: an analysis of contract farming at Hippo Valley, *Review of African Political Economy*, DOI: 10.1080/03056244.2020.1832022

The private farmers who are either large or small-scale are represented by various unions that function as a conduit pipe for their grievances to THZ.

The farmer grievances that are submitted by the unions are watered-down by the fact that THZ enjoys buyers and milling monopoly. The only other alternative sugar cane market that the farmers have is Green Fuel which produces ethanol. However, its disadvantage is that it is located in Chisumbanje which is 115 kilometres away from Chiredzi. Thus, farmers are forced to sell their sugar cane to THZ under monopoly duress. This points to trade injustice and their adverse incorporation into agrarian capital. This exclusive control of the sugar industry by THZ in Zimbabwe has grave implications on negotiations of sugar cane prices.<sup>11</sup>

The youth unemployment rate continues to grow signifying government's failure to create jobs. According to the Zimbabwe National Statistics Agency (ZIMSTATS) youth unemployment rate in the country has surpassed the 2.2 million mark. The situation is further compounded by the fact that, approximately 7.9 million Zimbabweans are living in extreme poverty with more than 3.8 million rural and 1.8 million urban population food insecure. In all these figures youth accounts for the huge share. At the same time the government continues to marginalise and exclude them in government programs. At this rate it would be just to ascertain that, governments aspirations of an upper middle-income economy by 2030 remains a fairy tale as the benchmarks set in the National Development Strategy (NDS 1) prove unattainable. The unattainability is largely due to corruption and poor utilisation of public resources coupled with economies of affection and partisan politics.

Zimbabwe intends to invest in rural education by ensuring that rural schools are connected to the internet. If implemented optimally, this will go a long way in reducing education inequality across the country. According to UNICEF's 2021 Zimbabwe Annual Report, the COVID-19 pandemic affected the learning of a staggering 4.6 million boys and girls in Zimbabwe. Approximately, 68% of pre-primary aged children (3-5 years) and 47% adolescents (13-18 years) were not in school. A problem that could have been reduced by viable internet connectivity among rural schools. It is against this background that ZIMCODD believes that effective utilisation of resources and investing in rural education will go a long way in reducing education inequality.

## 4. The State of Public Resource Management

### 4.1 Fiscal Accountability

Generally, fiscal accountability deals with compliance with stipulated laws and regulations, consistent with suitable principles of accounting, accuracy and fairness of financial statements. This also covers enforcement of the legitimacy of expenditure. In other words, it entails the acceptance of responsibility for honest and ethical conduct towards others.

#### 4.1.2 Principles of Public Financial Management (PFM)

Section 298 of the Zimbabwe Constitution sets out principles upon which public financial management (PFM) should be based. The SADC Model Law on PFM also outlines the same principles which member countries should adhere to in PFM. As such, in fighting for fiscal and economic justice, the public should be guided in their cause by some of the following principles:

- **Transparency Principle:** Financial management must be responsible, fiscal reporting must be clear, and public borrowing and all transactions involving the national debt must be carried out transparently and in the best interests of Zimbabwe. Also, public funds must be expended transparently, prudently, economically, and effectively.
- **Accountability and Participation Principle:** This ensures that the government and all other public institutions are accountable in their exercise of PFM functions. There should also be formal and increased opportunities for the public including disadvantaged groups and marginalized communities to engage in all national and local budget processes.
- **Oversight Principle:** All public oversight institutions including the Office of the Auditor-General (OAG), Zimbabwe Anti-Corruption Commission (ZACC), Parliament, and other bodies with oversight functions concerning PFM should be adequately resourced and be independent to provide effective oversight of the executive branch's financial management processes.
- **Responsibility Principle:** This entails that all public bodies and officials assigned to PFM-related processes are expected to regard their responsibility to exercise their functions in the interest of the public.
- **Sustainability Principle:** This states that the government, public bodies, and officials should strive to contribute to and protect the financial stability of the nation. The burdens and benefits of the use of resources must be shared equitably between present and future generations.

- **Fiscal Equity:** This principle states that all PFM systems must be directed towards national development, and in particular the burden of taxation must be shared fairly; revenue raised nationally must be shared equitably between the central government and provincial and local tiers of government; and expenditure must be directed towards the development of Zimbabwe, and special provision must be made for marginalized groups and areas.

### 4.1.3 Importance of Fiscal Accountability

Generally, fiscal transparency and accountability are the major pillars for governing democratic nations. Fiscal transparency serves to open the government to those it serves, that is, allowing the public to participate and to keep informed of the government's budgets, spending, and projects.<sup>12</sup> It is also a powerful weapon against corruption noting that when government processes become transparent, there will be limited scope for public officials to engage in corrupt activities. More so, a fiscally accountable government is responsive to the needs of the public it serves. As such, it listens to the voices of all citizens and uses citizen feedback to shape and improve its policies and programs. So, together fiscal transparency and accountability are key in stimulating public engagement, building public trust and confidence in government, improving govt responsiveness and discipline, helping shine the light on leakages, and improving efficiency in public expenditures.

### 4.1.4. Citizen Participation in PFM

Citizen participation plays a vital role in PFM; contributing to achieving better development outcomes by mobilizing citizens in the PFM processes, supporting more inclusive budget processes, and establishing pro-poor fiscal policies. It can be concluded that with effective mechanisms and systems to encourage citizen participation, PFM becomes more dynamic and proactively responds to citizen concerns.<sup>13</sup> There are many opportunities available to citizens to influence PFM in Zimbabwe. These include budget consultations, bill hearings, social accountability monitoring, whistle-blowing, verification visits, political representation, and public expenditure tracking.

### 4.1.5. Fiscal Transparency in Zimbabwe: Ideal versus Reality

In an ideal world, there is a full implementation of PFM legislation which is key in bringing maximum efficiency in all financial management. If this holds, one would expect the existence of all budget transparency indicators. These indicators include among others:

- **Clear Budget Information:** According to a 2022 report by ZIMCODD, the government should ensure that budget documents and data are open, transparent, and accessible through the availability of clear, factual budget reports which should inform the key stages of policy formulation, consideration, and debate, as well as implementation and review.<sup>14</sup>

12. <https://www.imf.org/external/np/pp/eng/2012/080712.pdf>

13. [https://link.springer.com/referenceworkentry/10.1007/978-3-319-31816-5\\_2341-1](https://link.springer.com/referenceworkentry/10.1007/978-3-319-31816-5_2341-1)

14. [https://zimcodd.org/?smd\\_process\\_download=1&download\\_id=5231](https://zimcodd.org/?smd_process_download=1&download_id=5231)

The clear budget information includes the Budget Strategy Paper (BSP), executive budget, approved budget, supplementary budget, as well as mid-year, in-year, and year-end budget performance reports.

- Parliamentary Scrutiny and Engagement: All budgets and government spending must be approved by the Parliament. Parliament must be awarded adequate time to scrutinize budget proposals and approve them after extensive public parliamentary debates.
- Openness and Civic Engagement: Citizens should have opportunities to directly participate in public debates and the design of fiscal policies. This mainly includes budget consultations and the publication of simplified citizens' budgets.
- Independent Oversight and Control: Effective fiscal transparency requires unlimited access to information, adequate resources, and maximum statutory independence of oversight and control institutions like Supreme Audit Institutions.
- Integrity in Public Sector Procurement: This largely entails the opening up of the entire public procurement cycle. It includes openness in the procurement system (procedures, regulations & institutional frameworks), competitive tenders, bidding documents, contract documents as well as evaluation reports.

However, the reality on the ground shows that there is a lot to be desired in Zimbabwe's quest for fiscal transparency. For instance, ZIMCODD's annual Open Budget Surveys (OBS) are constantly showing that budget consultations are window dressed. For instance, the venues being selected are sometimes inaccessible, especially by people with disability, and there are no strong initiatives to address language barriers, political interference, and lack of advance copies of pre-budget documents. Public input before the enactment of a budget is disregarded as shown by 2022 ZIMCODD OBS: which indicated that 62% and 70% of respondents felt that their views are not included in the final national and local budget respectively. More so, the publication of in-year budget performance reports is constantly delayed. Below is a summary of other factors inhibiting fiscal transparency in Zimbabwe:

- Whipping system in Parliament: Members of Parliament are forced/whipped to vote according to their party's given positions rather than according to their ideology or the will of their constituents. In some cases, a whole year's budget is passed by Parliament in a day without a single amendment and assented into law by the President.
- Underfunding of Parliament businesses like the Parliamentary Budget Office (PBO): This is causing brain drain thus constraining more informed engagement between the legislative branch and its executive counterpart.
- Lack of independent Internal Auditors at the Ministry of Finance: A closer look at the existing Public Finance Management (PFM) Act shows that the reporting structure of internal auditors at the Treasury is limiting their independence. They are mandated to report to the Chief Accounting Officer who is the Permanent Secretary. For transparency's sake, the person under audit should not be the one to oversee the audit.

- Disregard of Office of the Auditor-General: There is continued late submission of accounts by public institutions for auditing. For instance, the latest 2021 OAG report shows that 71/92 local authorities had not submitted their accounts for auditing as of May 2022. The OAG recommendations are also being ignored as out of 141 findings reported in the 2021 report, only nine (9) were fully addressed.
- Poor mineral revenue disclosure: Cases of mineral smuggling continue to escalate. For instance, Zimbabwe is losing approximately US\$100 million of gold revenue per month through smuggling via various exit ports.

## 4.2 Public Debt

### 4.2.1 Zimbabwe Debt Profile

Zimbabwe is struggling with a huge debt overhang with over 45% of the national debt being in arrears. The 2022 Statement of Public Debt (SPD) had shown that as of September 2022, total public and publicly guaranteed (PPG) debt stood at US\$17.7 billion. This is up 2.9% from the US\$17.2 billion recorded in December 2021. According to the 2022 SPD, the increase in debt indicated new disbursements for ongoing government projects, Reserve Bank of Zimbabwe (RBZ) borrowing and the continuous accumulation of penalties. Statistics from the 2022 SPD show that external debt constituted about 79.59% (US\$14.04 billion) of total PPG debt stock with arrears and penalties alone accounting for about 44.94% of this total.

**Table 1: Zimbabwe Public Debt Profile in US\$ millions and Percentages (%)**

Type	Source	Creditor	Total Amount	% Share	Arrears & Penalties	% Share
External Debt	Bilateral	Paris Club	3552	25.3%	3437	54.5%
		Non-Paris Club	2200	15.7%	509	8.1%
	Multilateral	World Bank	1475	10.5%	1333	21.1%
		AfDB	671	4.8%	644	10.2%
		European Investment Bank	372	2.6%	361	5.7%
		Others	69	0.5%	26	0.4%
	RBZ	-	3370	24.0%	0	0
	Blocked Funds	Cash Payments	32	0.2%	0	0
		Treasury Bonds	1049	7.5%	0	0
		Other Creditors	1251	8.9%	0	0
		<b>Total</b>	<b>14041</b>	<b>100%</b>	<b>6310</b>	<b>100%</b>
Domestic	Govt Securities	Pvt Sector	89	2.42%	0	0
	T/Bills	Pvt Sector	71	1.93%	0	0
	T/Bonds	Pvt Sector	18	0.49%	0	0
	FFO	Pvt Sector	3500	95.0%	0	0
	Arrears	Pvt Sector	6	0.16%	6	100%
		<b>Total</b>	<b>3684</b>	<b>100%</b>	<b>6</b>	<b>100%</b>

Source: 2022 SPD<sup>15</sup>

A granular analysis of official debt figures shows that at 50% bilateral creditors own a larger portion of external debt followed by RBZ debt at 24%, multilateral creditors at 18.4%, and blocked funds at 16.6%. From the domestic front, compensation of Former Farm Owners (FFOs) amounting to US\$3.5 billion (95%) represents a significant share of the domestic debt followed by government securities (2.42%), Treasury Bills (TBs) (1.93%), Treasury bonds (0.49%), and domestic arrears (0.16%).

#### 4.2.2. Debt Sustainability

According to the IMF, public debt is considered to be sustainable if the government can meet all its current and future obligations without exceptional financial assistance or going into default.<sup>16</sup> There are many indicators of debt sustainability which include the debt-to-GDP ratio, debt-to-exports, debt service-to-exports, debt-to-budget revenue, and debt service-to-budget revenue among others. Most of these indicators, however, show that Zimbabwe's debt is unsustainable and the nation requires debt restructuring. For instance, a 2022 public debt report by ZIMCODD<sup>17</sup> established that Zimbabwe has one of the lowest reserves-to-external debt ratios and one of the highest external debt service-to-exports ratios in the region. The granular analysis also shows that the debt stock of ZWL10.97 trillion as of September 2022 represents 104% of the 2022 GDP which according to the 2023 budget statement is projected to close 2022 at ZWL10.55 trillion. This shows that Zimbabwe is highly indebted because its debt-to-GDP ratio is breaching the 70% threshold as set out in the Public Debt Management Act.

#### 4.2.3. Debt Transparency

Although Zimbabwe is ranked among the best nations in Africa in terms of transparency of the budget process,<sup>18</sup> localized qualitative analysis shows otherwise. For instance, the ZIMCODD Open Budget Survey (OBS) found that about 86.4% and 74.35% of survey respondents were dissatisfied with the debt management systems and processes used by the central and local governments respectively in 2022. This indicates that there is a large propensity toward citizen dissatisfaction and hence weak frameworks for accountability in debt management.

This is magnified by the continued relegation of the role of Parliament in debt contraction. Section 300 (3) of the constitution states that "Within 60 days after the Government has concluded a loan agreement or guarantee, the Minister responsible for finance must cause its terms to be published in the Gazette." However, in December 2021 Treasury contracted a US\$88 million loan which it publicly disclosed in February 2023, a clear violation of the law of the land.<sup>19</sup> Last year (2022), Parliament was also surprised by Treasury revelations that it borrowed US\$200 million in 2002 from China collateralized by 20 million ounces of platinum<sup>20</sup> and that a 2019 fuel debt of over US\$225.6 million owed to Trafigura was paid using minerals.<sup>21</sup> A lack of political will to empower the Parliament as an oversight institution will continue to inhibit prudent debt management in Zimbabwe.

16. <https://www.imf.org/en/About/Factsheets/Sheets/2023/imf-world-bank-debt-sustainability-framework-for-low-income-countries>

17. [https://zimcodd.org/?smd\\_process\\_download=1&download\\_id=6303](https://zimcodd.org/?smd_process_download=1&download_id=6303)

18. <https://www.chronicle.co.zw/zimbabwe-scores-high-on-budget-transparency-rankings/>

19. <https://www.veritaszim.net/node/6134>

20. <https://www.newzimbabwe.com/bitl-corners-mthuli-into-shock-revelation-zim-used-gave-china-us26bln-platinum-reserves-in-return-for-ut200m-money-used-to-buy-farm-equipment-given-to-zanu-pf-politicians/>

21. <https://www.miningweekly.com/article/trafigura-seeks-control-of-zimbabwes-metals-for-unpaid-debts-2022-0429/>

### **4.3.1. Domestic Resource Mobilization Challenges and Opportunities**

Domestic resource mobilization refers to the generation of savings and taxes from domestic resources and their allocation to economically and socially productive investments. Such resource allocation can come from both the public and private sectors. According to the World Bank, increased revenue mobilization enables countries to make key investments in infrastructure related to healthcare, education, and other public services. These investments can have a direct effect on citizens' well-being and the overall economic development of the country (as defined by the World Bank). This is even more pressing given the stagnation of Official Development Assistance or traditional aid over recent years. Sub-Saharan African countries, in particular, will need to mobilize more resources domestically to cover funding gaps. An increasing number of States in sub-Saharan Africa, and Zimbabwe included committed resources from their public budgets in achieving national development goals and blueprints. Whilst external development assistance continues to allow significant technical cooperation to countries, the allocation of domestic financial resources is essential for achieving and sustaining such goals.

According to the International Centre for Trade and International Development: *"It is in Sub-Saharan Africa (SSA) that some of the steepest challenges to domestic resource mobilization are encountered: savings rates are low, dependence on foreign aid is chronically high, and institutional capacity to mobilize domestic resources is weak."* The capacity challenges associated with the effective mobilization and utilization of domestic resources in Zimbabwe, largely drawn on the 2015 Africa Capacity Report whose focus was on the capacity imperatives for domestic resource mobilization. The analysis finds that capacity challenges in domestic resource mobilization are largely around weak tax administration, inefficient collection of tax in the agriculture and informal sectors, low savings and financial non-inclusiveness, and high levels of illicit financial outflows.

### **4.3.2. Opportunities For Greater DRM In Zimbabwe**

A cursory analysis of the natural capital in Zimbabwe inclusive of its mineral resource stocks, wildlife, forestry, fisheries and arable land among others suggests that the country's resources are enough to finance its own development if the right mindsets, conditions, institutional, and legal frameworks are put in place. Some of the proven minerals and precious stones in Zimbabwe include 13 million tons of gold; 2.8 billion tons of platinum; 26 billion tons of coal; 10 billion tons of chrome; 4.5 million tons of nickel; 16.5 million carats of diamonds; 30 billion tons of iron ore; 5.2 million tons of copper; and 765 billion cubic meters of coal bed methane. Given this magnitude of natural capital, a well-repurposed approach to domestic revenue mobilization could harness all these and many other resources to scale up development finance in Zimbabwe without overly relying on erratic external flows.

### 4.3.3 Challenges to greater DRM in Zimbabwe

a) A narrow tax: domestic resource mobilization is likely to face a cocktail of obstacles. One of the glaring challenges is a narrow tax base that is characterized by few taxpayers, and large informal and subsistence agricultural sectors. Zimbabwe's financial services sector is characterized by low levels of private savings since most of the transactions do not pass through the formal banking system. This has been occasioned by the loss of public confidence in the banking sector due to the breakdown of social contracts between the public and the financial and monetary authorities. Zimbabwe's tax base is further eroded by tax incentives given largely to foreign investors including some Chinese state-owned enterprises and entrepreneurs in a bid to attract more investment from Beijing and other emerging economies so as to circumvent the conditionalities imposed by the Euro-American countries and institutions.

b) Corruption and illicit financial flows: large amounts of financial resources have been siphoned out of the country leaving it heavily indebted. Global Financial Integrity (2015) estimates that Zimbabwe lost about US\$12 billion over the past three decades through illicit financial flows while Choruma (2018) puts the figure at US\$15 billion in a period of 10 years, that is, 2005-2015. Moreover, the Reserve Bank of Zimbabwe has reported that over US\$1.2 billion dollars were externalized by exporters in 2016 alone. This analysis, therefore, posits that stemming capital flight and encouraging the repatriation of capital held abroad will have a very significant impact on the level of resources available for productive investment in Zimbabwe thereby directly contributing towards debt sustainability.

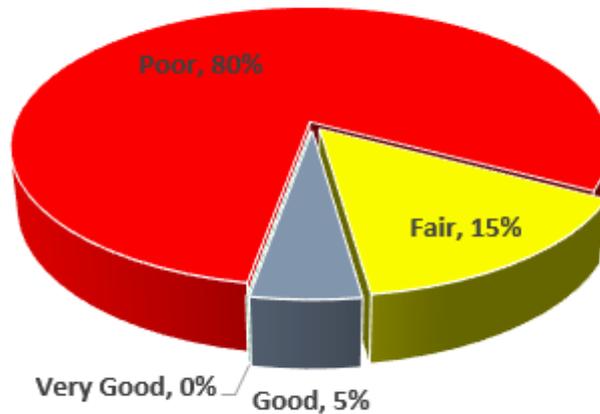
## 4.4. Public Service Delivery

Zimbabwe envisions an upper-middle-income economy with a Gross National Income (GNI) per capita of at least US\$4 046 by 2030. This generally entails a country with affordable and quality basic public services like education, healthcare, housing, clean water, and sanitation. In Zimbabwe, public services are deteriorating thus entrenching the poor majority into abject poverty. This section presents and briefly discusses the ZIMCodd survey result on the state of public service delivery in Zimbabwe.

### 4.4.1. Quality of Healthcare

The UN Sustainable Development Goal (SDG) target 3.8 calls for the attainment of universal health coverage (UHC) including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all. Quality health care should be effective, safe, and people centred.

## Healthcare Facility Status



However, ZIMCodd survey results show poor public health care in Zimbabwe as evidenced by dilapidating health care facilities. Of the 57 districts surveyed, 80% reported poor facilities with only a low 5% having quality facilities. For years, the public health budget has been largely consumed by recurrent expenditures like wages and salaries at the expense of capital expenditures. This helps explain the recent episodes of leaking ceilings in the wards of the country's largest medical centre, the Parirenyatwa Group of Hospitals.

### **HIS: Hobhouse polyclinic is now under construction in Mutare**

The City of Mutare has responded to the pressure from residents of Hobhouse who demanded accountability and transparency in all user fees that the council is charging the residents. The city council has been renting a house for US\$300 a month to use as a clinic. To rectify the absence of a dedicated council clinic has since contracted a construction company which is working on building a healthcare facility and is being financed using internal funds. The Mayor His Worship Councillor Chabuka and the Acting Town Clerk Mr. Chafesuka presided over the ground-breaking ceremony which was witnessed by fellow councillors, management and the Hobhouse community.



***Hobhouse polyclinic ground breaking by Councillor Chabuka***

The polyclinic will have a maternity wing and offer dental services. Expecting mothers have had to travel to Victoria Chitepo, Sakubva clinic, or St Joseph hospitals for antenatal and postnatal services but that will be a thing of the past as the clinic will have a maternity ward. The clinic will also have a dental section in addition to the maternity ward and the project is anticipated to be completed in 12 months. The construction of the Hobhouse clinic is one of the advocacy outcomes by ZIMCODD and Manica Youth Assembly as part of the SEJA-led activities held in the eastern region. However, the residents demand that the local authority share the information as to how much was raised in the past 5 years and how much the clinic construction will cost.

#### 4.4.2. Access to Sanitation and Social Amenities



Safe sanitation provides a hygienic environment community; including children; need to fight diseases and grow up healthy. According to UNICEF, a lack of sanitation can be a barrier to individual prosperity and sustainable development.<sup>23</sup> For instance, when young girls fail to access decent sanitation services at school, their right to education will be threatened as they have a much greater need for privacy and dignity when menstruating. ZIMCODD established that many districts across the country have poor access to safe sanitation. The survey results showed that in January 2023, about 75%, 85%, and 60% experienced poor refuse collection, unaffordable housing, and poor access to public toilets respectively.

#### **HIS: Poor refuse collection in Glen View, Harare**

The residents of Glen View high density suburb are up in arms with Harare City Council (HCC) over uncollected refuse. The HCC refuse trucks are no longer doing routine collections forcing residents to dump refuse everywhere especially in open spaces. Engagements with the District Officer at Glen View district office have revealed that the city's refuse collection fleet is too small to service all the 46 wards located in Harare and fuel supply is also a major challenge. Most residents are paying their bills in the local currency yet most service stations are selling fuel in foreign currency.



Uncollected garbage at Ticharika Shopping Centre, Glen View 8

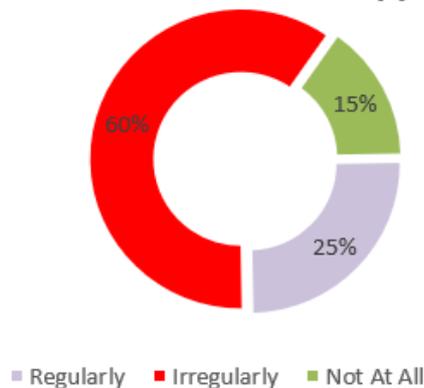
23. <https://www.unicef.org/wash/sanitation>

Consequently, illegal dumpsites have become common phenomena especially at shopping centres, open spaces and roadsides. For instance, Tichagarika, Glen View 3 and Glen View 1 shopping centres are some of the areas where dumpsites are mushrooming. The GlenView home industry furniture complex is another area where heaps of uncollected refuse are mounting. Residents are living in fear of a water borne disease outbreak having been hit by one of the worst cholera outbreaks in 2018 and threats of another outbreak in 2021. These diseases are linked to unclean environments especially during the rainy season. As such, the residents are pleading with Council to uphold Section 73 (1) (a) of the Constitution which gives every citizen the right to an environment that is not harmful to their health or well-being.

#### 4.4.3. Water Supply

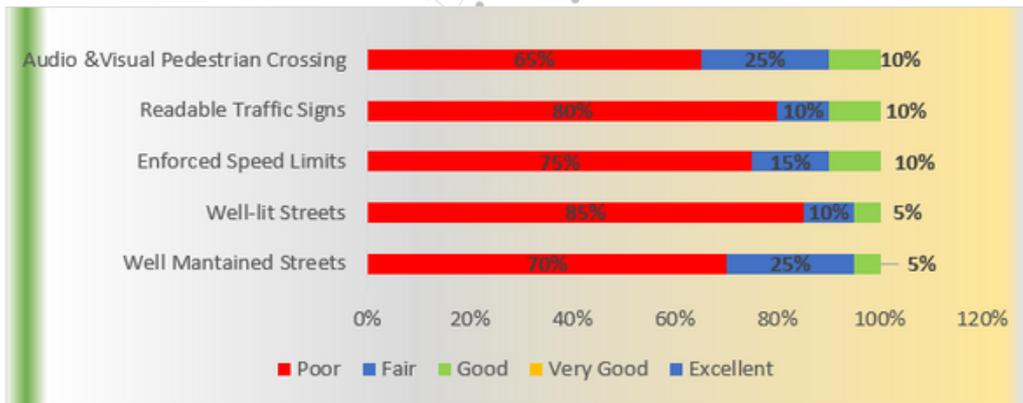
Water is vital for supporting life on earth and is needed for human consumption and sanitation, livestock, wildlife, industry, crops, and vegetation among many uses. Access to clean water reduces the threat of outbreaks of waterborne diseases as well as helping governments to fight poverty and inequalities especially on women and girls.

Clean and Safe Water Supply



Despite the constitution guaranteeing access to clean water as a right for every Zimbabwean, authorities are failing to provide this vital service. The survey established that of the 57 districts surveyed in January 2023, a paltry 25% reported receiving water regularly while 60% did not receive clean water at all. As such, this also makes it difficult to attain other human rights like the right to a clean & safe environment.

#### 4.4.4 Road Networks



Zimbabwe’s 2020 budget statement made it clear that “a road is an economy.” This is because a good road network helps in attaining sustainability goals,<sup>24</sup> helps control traffic speeds, reduces delays to public transportation and facilitates commerce. In addition, good road networks help reduce poverty by providing easy access to employment, social, health, and education services. Although the government is now seized with road maintenance across the country through the Emergence Road Rehabilitation Programme (ERRP), limited fiscal space is constraining the programme’s scope against the national demand especially in rural areas.

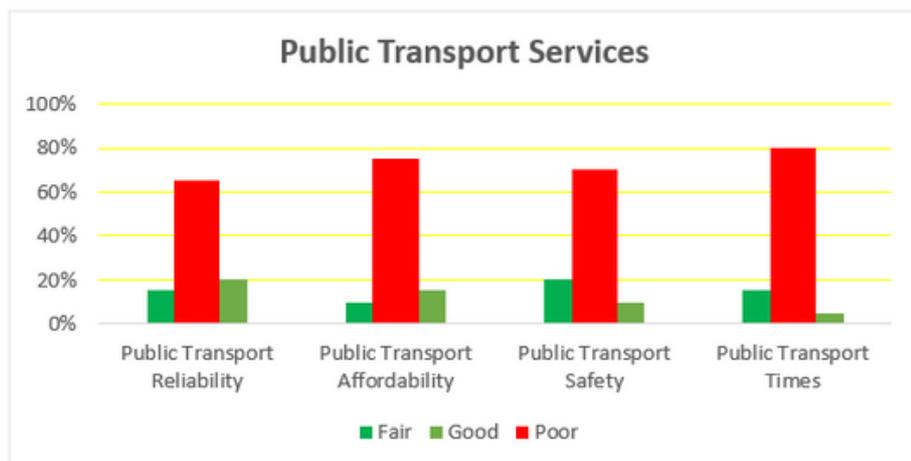
#### **HIS: Bindura Municipality disavows responsibility for the state of the bad roads.**

The Municipality of Bindura has distanced itself from the state of the roads linking the business center. This came after a rise in road accidents between November 2022 and January 2023 as reported by the Zimbabwe Republic Police recently. The roads have very significant potholes and craters that have been neglected, leading to serious road fatalities in the past three months. The local government body argued that it does not have the necessary resources to carry out a complete redo of the Harare Bindura- Shamva A2 road. Despite this lack of resources, the Bindura Allied Residents Trust has appealed to the Ministry of Public Infrastructure to allocate funds in order to repair and maintain the roads. The state of the roads has been a major safety concern for the past three months, but it was not until recently that citizens expressed their concerns to the local council.

#### 4.4.5. Public Transportation

As alluded in the December 2022 report, an efficient mass transit system improves the economic circumstances for households, businesses, and government by cutting costs like fuel and time as well as enhancing public health, mobility, and safety.

24. World Counts posits that vehicles are heavy air polluters as they are a largest source of greenhouse gases.



The ZIMCODD survey established that public transport systems are very poor in many parts across the country. A supermajority of the 57 districts surveyed reported unreliable, unaffordable, and unsafe public transport systems. The situation is, however, expected to improve as the government has re-opened the public transport sector. This is now allowing private players to compete with a parastatal for public transportation, ZUPCO, which has inadequate bus fleet to service all routes.

#### 4.5. Engendering Public Service Delivery

The state of gender responsive public service delivery remains unchanged with public service delivery in Zimbabwe being generally poor. Once it is looked into with the gendered lens – it is evident that Zimbabwe has a long way to go in the fulfilment of women’s rights especially where public service delivery is concerned. A number of human rights instruments including the Convention on the Elimination of All Forms Discrimination Against Women (CEDAW), elaborate on the nature of women’s civil and political rights and the steps required to promote equality between women and men. Zimbabwe’s Vision 2030 cannot be achieved without gender equality and the equal participation of both men and women at every level in the mainstream economy. Inequality in society must be addressed because when women receive the same education and job opportunities as men, they can improve society. Diversity of all types (gender, race, sexual identity, etc) increases society’s productivity and innovation. When women are well represented and are able to make their own choices, there is provision for better education, quality healthcare, healthier food, increased security and improved lifestyle.

While it is commendable that some city councils have taken actionable steps to improve on service delivery, the gendered aspect remains ignored. One such example is the instance of the widespread road rehabilitation programme; however, it is important to remember that road networks do not only encompass major tarred roads. Road networks rehabilitation must benefit the most rural and marginalised communities, including routes that are not used by motor vehicles such as foot bridges, pathways and routes created for scotch carts.

7. <https://asiapacific.unwomen.org/en/focus-areas/women-poverty-economics/gender-responsive-budgeting>

8. <https://equinetafrica.org/sites/default/files/uploads/documents/EQ%20Diss124%20Health%20fin%20%20and%20COVID%20Jan2022.pdf>



This facilitates easy mobility and ensures the safety of women as they move about from place to place performing their various societal roles and responsibilities. Furthermore, the rehabilitation of roads must be durable and sustainable, in that, road rehabilitation should surpass the rain seasons. Currently, recently rehabilitated roads are being affected by the rain with potholes that were recently filled re-emerging thereby taking roads back to the previous state of disaster. In Gweru, there has been an outcry from motorists as accidents are becoming more frequent due to the malfunctioning of traffic lights. In February 2019, Gweru City Council paid \$500 000 for solar powered traffic lights which are no longer working. The City of Gweru paid Emobuild Construction US\$360 000 as part payment for the US\$500 000 charged for the installation of solar-powered traffic lights at the city's major intersections. Gweru City Council awarded the contract to a Chinese company; Drewland, in 2013 with a target of installing traffic lights at 16 intersections in the city. To date there is only one intersection at Mtapu with functional traffic lights.

It is evident that Zimbabwe has a long way to go in the fulfilment of women's rights especially where public service delivery is concerned. One of the main challenges being faced by women in various communities is the issue of access to water with water and sanitation remaining a cause for concern in Zimbabwe. Women are the primary end users of water. They perform most of the household duties that require water including cooking, cleaning and washing. Women also practice subsistence farming which needs water. In many areas across the country, there is a general absence of public ablution facilities and this remains a cause for concern. One of the contributing factors is the lack of access to water, coupled with poor infrastructure particularly in communal spaces such as public markets and shopping centres. To which end, the dehumanising spectre of public defecation has become normalised. Furthermore, it has created room for diseases. Negligence by councils in the maintenance of sewer and water systems including poor drainage systems has led to sewage pools in streets where children can be found playing, where women sell their wares and notwithstanding that these are daily walking routes for many people. Poor water governance in Zimbabwe has resulted in many deaths due to water borne diseases such as cholera, diarrhoea, bilharzia, typhoid and dysentery.

Access to healthcare services has proved to be in a dire state. Challenges in accessing healthcare services continue to persist despite the fact that Section 76 of the Constitution of Zimbabwe guarantees citizens the right to basic healthcare services. Such services must be accessible and available to all who need them. Provision of healthcare services is of the utmost importance to women as they seek maternal healthcare services, services for their children and as the primary caregivers in their homes. It is also important that these services address the needs of other marginalized groups such as persons with disabilities and those with HIV/AIDS.

In Zimbabwe, many public buildings including hospitals and clinics remain inaccessible over and above the challenges of inadequate staff, shortage of medication and hospital equipment. In the most remote areas, such clinics and hospitals are inaccessible due to poor road networks and distance as well as unfriendly infrastructure towards persons with disabilities.

In order to achieve sustainable, people-centered development and the fulfilment of socio-economic rights, women must be fairly represented and accounted for. There must be equitable representation of men and women at all decision-making processes in order to protect the interests of all citizens. Gender responsiveness, particularly in the context of socio-economic rights, is a precondition for sustainable development. This can be achieved through gender-mainstreaming in policies and strategies.

#### **4.6. Climate Change**

Climate change threatens the effective enjoyment of a range of human rights including but not limited to the right to life, water and sanitation, food, health, housing, self-determination, culture and development.<sup>25</sup> Existing climate governance does not adequately support inclusivity as women are rarely heard when climate decisions are being made. Women, youth, indigenous people, and other marginalized groups are the most noticeably absent – and yet these groups bear the brunt of climate change impacts.<sup>26</sup> States have an obligation to prevent the adverse effects of climate change and ensure that those affected by it, particularly those in vulnerable situations, have access to effective remedies and means of adaptation to fully enjoy their rights and live dignified lives.

The key climate change risks in Zimbabwe stem from increasing temperatures, more variable rainfall, and the intensification of extreme weather events. The climate crisis is a societal challenge with ethical and human rights impacts occurring alongside a number of already existing inequalities based on gender, socioeconomic class, race, ethnicity, nationality, ability, sexual orientation, and age. Climate change negatively affects the production, availability and accessibility of resources, such as land, water and food. Women constitute most of the world's poor and are often directly dependent on natural resources as their main source of food and income. Many smallholder farmers are women, and their livelihoods and food sources are at risk from climate change. Women are more exposed to food insecurity than men and this can affect them differently because of their nutritional needs especially during pregnancy and lactation. Male-dominated structures often govern land ownership, making it a challenge for women to access, control and own fertile land. The record-breaking heat, floods, storms, drought, and wildfires devastating communities further underscore the grave risks women already face. Recurrent drought and flooding disasters, deforestation, scarcity of water for households, industry and agriculture, and pollution are just a few ways that climate and human behaviour are taking a toll on our resources.

25. <https://www.ohchr.org/en/climate-change#:~:text=Climate%20change%20threatens%20the%20effective,%20determination%2C%20culture%20and%20development>

26. <https://www.akinamamawaafrika.org/global-south-perspectives-on-why-the-climate-crisis-is-a-feminist-issue/>

Women tend to suffer more from indoor air pollution due to their use of polluting fuels used for cooking and heating.<sup>27</sup> Extreme weather events and increased incidence of vector-borne diseases such as malaria, coupled with unequal care burdens, can cause undue pressure on women to support their families. In this regard, women have less “formal” working time and this deepens inequalities in the job market where women already face significant obstacles. Intersecting dynamics, such as indigenous or disability status, compound the vulnerability of some women, particularly when adequate social protection systems are lacking. Climate action that excludes women intensifies these challenges. Following natural disasters, women may be expected to attend to increased family demands and deprived of time and opportunities necessary for re-joining the labour market, limiting their income generation.

Adequate climate financing is one of the ways in which we can address the issue of climate change. However, climate finance is repeatedly failing to reach local solutions together with the people that need it most. Most climate finance efforts have been focused on mitigation creating an increasing need to mobilise more adaptation finance to help achieve the targets set in the Paris Agreement.<sup>28</sup> Feminist human rights approaches in climate justice focus on women and marginalized groups/communities and calls for the re-imagining of usual gender mainstreaming strategies in climate action by integrating feminist intersectional approaches, theories and principles. For lasting, sustainable solutions, emphasis must be placed on building women’s socioeconomic and cultural agency in coping with climate change impacts instead of merely seeking handouts.

#### **4.7. Trade Justice and Livelihoods: A Glimpse at Women in the Informal Sector**

The case study below is a practical demonstration of women’s lived realities in the informal sector.

##### **Case study: Chikanga Sports Fields Market**

*The informal traders/vendors at Chikanga Sports Field Market are trading in an open space with the City of Mutare failing to provide a convenient market for the traders. There are no vending stalls or sheds, with nothing to protect them or their wares from the weather elements. They are exposed to direct sunlight, high temperatures, wind and rain, they are incurring losses because their produce and/or vegetables are affected by these high temperatures and rain. The market is not convenient for people living with disabilities as it is not designed for easy mobility for those with mobility impairments who require wheelchairs. Traders also incur losses due to theft since they are no storage facilities for their wares. Traders are paying ZWL740.00 per day to the City of Mutare for them to trade, yet the local authority is failing to create a conducive market place with acceptable infrastructure. During this rainy season, water borne diseases such as cholera and typhoid are on the rise.*

27. <https://www.ohchr.org/sites/default/files/Documents/Issues/ClimateChange/materials/2PGenderLight.pdf>

28. [https://unfccc.int/sites/default/files/english\\_paris\\_agreement.pdf](https://unfccc.int/sites/default/files/english_paris_agreement.pdf)

In developing countries, such as Zimbabwe, the informal sector has great potential to generate growth, support sustainable development, and reduce poverty. The sector makes up the larger part of Zimbabwe's economy. It remains unregulated and this offers little to no protection by the law to workers in this sector. The true figures pertaining to Zimbabwe's informal trade remain largely unknown due to failure in capturing the size of informal trade which is sustaining most families in Zimbabwe.

The informal economy thrives in a high unemployment atmosphere, underemployment, poverty, gender disparity and unstable work. It plays a substantial role under such conditions, especially in income generation, due to the fact that it is fairly easy to penetrate the informal sector as the requirements pertaining to skill, education and technology are low and sometimes non-existent. Although less favourable, the informal sector provides women with an opportunity to earn livelihoods while trying to balance their triple roles; reproductive, productive and community roles. These roles are largely characterized by unpaid care work. While some activities offer sustainable livelihoods and incomes, most people with low literacy levels involved in informal economic activities are exposed to unsatisfactory and hazardous working conditions. Those in the informal sector have lower, irregular incomes and are plagued by long working hours, an absence of collective bargaining as well as representation of their rights. Women's work in the informal sector is excluded from labour regulations which protect pregnant women, offer social security schemes, offer time off work and regulates health and safety of the worker.

Employment of young women in the informal sector leads to notable job insecurity, as well as lack of access to training, credit and productive assets, little to no social protection and other valuable resources, making them more vulnerable to poverty. Of the many types of informal employment, women tend to be over-represented among domestic workers, home-based workers, street vendors and sex workers<sup>29</sup>. The formal sector remains dominated by men; the conditions, educational requirements, working hours and work environment are unfriendly towards both the practical and strategic needs of women. Young girls drop out of school at an earlier age than boys due to a number of reasons that include poverty and emergencies as just experienced during the current COVID-19 pandemic where there has been a boom of teenage pregnancies. Their education is not prioritised, and some religions advocate for child marriage which also leads to the high drop-out rate of young girls. This reduces the chances of women being formally employed as they would not have met the minimum educational requirements demanded by most industries.

The Government of Zimbabwe ratified international and regional instruments such as the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) that support women's empowerment. The Constitution of Zimbabwe also attests to gender and women empowerment commitment.

29. [https://www.ilo.org/wcmsp5/groups/public/---ed\\_emp/---emp\\_ent/---coop/documents/genericdocument/wcms\\_743758.pdf](https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/---coop/documents/genericdocument/wcms_743758.pdf)

Despite a progressive Constitution, existing policy provisions on gender equality and women's empowerment, as well as efforts by development partners to address gender gaps, improving the social, political and economic status of women in Zimbabwe has remained low. Women often bear a disproportionate share of social, economic, and environmental risks connected to the informal sector. To eliminate inequities and ensure that the extractive sector is handled in the best interests of all citizens, promoting equal involvement in decision-making is vital. Governments and enterprises can guarantee that resources are handled more equitably by recognizing and promoting women's engagement in the informal sector as informal industries can provide prospects for a better living for women, such as employment, money, and increased investment in the local community.

The real contribution of the informal sector to sustainable development has been hampered by financial, economic, governance, social and environmental concerns.<sup>30</sup> Women have the same right to development as men, hence, limiting their access to economic and social growth violates this human right. Supporting the growth and capacities of informal traders would go a long way in ensuring that women in the industry continue to grow and develop and this will motivate their steady integration into the formal sector should they wish. Women must have equitable access to employment opportunities, education, and participation in decision making processes. It is crucial to work with civil society that ensures legislative measures and actions to eradicate the marginalization of women from socio-economic and political arenas are adopted. It is also important for Zimbabwe to link the implementation of frameworks such as Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW), the SADC Protocol on Gender and Development and the Protocol to the African Charter on Human and Peoples' Rights on the Rights of Women in Africa to its development efforts. This, coupled with the strengthening of gender policies and use of gender statistics for decision-making contributes to social justice, and more particularly gender justice.

#### **4.8. Trade Highlights**

While it is widely acknowledged that trade fuels economic growth and development, international trade and global supply chains remain vulnerable to the Russia-Ukraine war which has been going on since February 2022. This continues to cause distortions and disruptions to the macroeconomic indicators such as Gross Domestic Product (GDP) and Zimbabwe has not been spared. High inflation, currency depreciation, high fuel prices, massive power cuts and limited energy options, rampant corruption and illicit flows characterise the Zimbabwean macroeconomy and negatively impacts on trade at the local, national, regional and global level.

30. [https://www.un.org/sites/un2.un.org/files/sg\\_policy\\_brief\\_extractives.pdf](https://www.un.org/sites/un2.un.org/files/sg_policy_brief_extractives.pdf)

Within this quandary, the January trade highlights review how Zimbabwe performed in terms of international trade in the year 2022. Focus for this SitRep is on Zimbabwe's external trade as exports have the potential to generate the much-needed foreign currency for this financially hamstrung country. Zimbabwe's main exports include gold, platinum, chrome, tobacco, and cotton however, exports continue to lag behind imports leading to trade deficits. Below are the major trade highlights:

- Zimbabwe's merchandise exports for the period November 2022 were valued at US\$671.3 million,<sup>31</sup> a 34.7% increase from US\$498.5 million recorded in October 2022.
- The merchandise imports for the same period were valued at US\$797.9 million, a 5.2% increase from the October 2022 imports which were valued at US\$758.8 million.
- Trade deficit for November 2022 was -US\$126.6million, a decrease from a deficit of -US\$260.3million recorded in October 2022.
- Total exports for the period January to November 2022 were valued at US\$5.9 billion, a 9.3% increase from the US\$5.4 billion total exports achieved in 2021 for the same period.
- Total imports for the January to November 2022 period were valued at US\$7.9 billion, a 17% increase from US\$6.8 billion recorded in 2021.
- The trade deficit for the January to November 2022 period was US\$1.96 billion, a decrease from the US\$1.32 billion deficit experienced in 2021 during the same period.
- Minerals account for over 70% of total export earnings per year while contributing to approximately 15% of the country's GDP. In the period January to November 2022, the main exports were semi-manufactured gold (31%), nickel mattes (18%), nickel ores and concentrates (17%), tobacco (12%), ferrochromium (6%), and platinum unwrought (3%).
- For the country's top foreign currency generator, gold, artisanal and small-scale miners contributed approximately 65% of the total gold<sup>32</sup> exports (35.4 tonnes in 2022)
- Top destinations for Zimbabwe's exports accounting for about 41.3% was South Africa; United Arab Emirates (33%), China (8.9%), Mozambique (3.1%), and Belgium (2.97%).
- The top imports in the same period were 18.17%, mineral fuels, and mineral oils & their products (18.17%); boilers, machinery & mechanical appliances (13.96%); vehicles (8.26%); fertilizers (5.3%); electrical machinery & equipment (5.2%); and cereals (3.46%).
- Zimbabwe received the bulk of its imports from South Africa (41.03%); China (13.6%); Singapore (13.13%); and Mozambique (3.7%).

31. [https://www.zimstat.co.zw/wp-content/uploads/2022/12/Trade\\_Summary\\_with\\_BEC\\_November\\_2022.xls](https://www.zimstat.co.zw/wp-content/uploads/2022/12/Trade_Summary_with_BEC_November_2022.xls)

32. <https://www.zimeye.net/2023/01/27/zim-targets-40-tonnes-of-gold/>

While we celebrate growth in the volume of exports from 2021 to 2022 which is intricately linked to productivity and economic growth, the government needs to ensure that the benefits brought by international trade are more inclusive and responsive to people's needs, national development priorities and Sustainable Development Goals. For Zimbabwe, it is worrying to note that our participation in the global economy has brought more harm than good as evidenced by growing poverty and inequalities particularly in the communities where precious minerals are extracted or where cash crops are grown. For Zimbabwe, the major flaws in international trade have manifested in heightened corruption, illicit financial flows and trade practices which have often sidelined fundamental human rights including life, livelihood, labour and environmental rights. This continues to militate against attainment of SDG 1 which calls for an end to poverty in all its forms, SDG 10 calling for reduced inequalities and the Zimbabwe's leave no one behind mantra as wealth continues to accumulate in the hands of the few.

Poverty continues to deepen, the World Food Programme<sup>33</sup> has reported that about 63% of Zimbabwe's 15.6 million population is living below the poverty line while 27% of children have stunted growth. According to the World Food Programme (WFP), an estimated 3.8 million people are projected to face acute food insecurity during the upcoming peak lean season i.e., January–March 2023.<sup>34</sup>

#### **4.9 . Sustainable livelihoods**

Agriculture remains the backbone of the Zimbabwean economy as more than 70% of the economy depends on it. Agriculture provides employment and income for 60-70% of the population, supplies 60% of the raw materials required by industry while contributing to over 40% of total export earnings. Accordingly, the Food and Agriculture Organization (FAO), calls Zimbabwe an agro-based economy, with agriculture having contributed approximately 36% of the Gross Domestic Product in 2021. Agriculture is predominantly the main source of livelihood for most of the rural populace, thus, performance of agriculture remains a key determinant for sustainable rural livelihoods and reduction of poverty levels. This calls for the need by the government to promote the development of the agricultural sector towards attainment of the US\$ 8.2 billion agriculture economy by 2025. Against this background, the January SitRep looks at the right to sustainable livelihoods for smallholder farmers in the context of agricultural trade in Gokwe, Mwenezi, Chimanimani, Chipinge and Mutasa areas.

The monetary policies pursued by the country coupled with corruption led to a near collapse of the economy in the 2007 and 2008 period and this led to many losing their wealth such as livestock, especially in rural Zimbabwe as farmers tried to make ends meet. The hope of recovery came with the adoption of the dollarization reform in 2009 which enabled citizens to rebuild.

33. <https://www.wfp.org/countries/zimbabwe>

34. [https://docs.wfp.org/api/documents/WFP0000142656/download/?\\_ga=2.170441190.739883562.1674960424-1186535427.1674960424](https://docs.wfp.org/api/documents/WFP0000142656/download/?_ga=2.170441190.739883562.1674960424-1186535427.1674960424)

However, this was short-lived and citizens plunged back into poverty as a result of failed currency reforms of 2019. This was exacerbated by cyclone Idai of 2019 and COVID-19 from 2020 onwards. The twin effects of cyclones and COVID-19 have decimated the small-scale economy which constitutes over 80% of employment in Zimbabwe and largely employs women and youth. In the 2021/2022 agricultural season the country experienced erratic rainfall patterns resulting in 1.5m metric tonnes of maize being harvested, 0.7m metric tonnes required for both human and livestock consumption at national level. To this effect, the World Food Programme (WFP) projects an estimated 3.8 million people are likely to face acute food insecurity during the upcoming lean season for 2023.<sup>35</sup>

Livestock production in Zimbabwe also contributes significantly to the national economy while providing livelihoods for both small and large-scale farmers. However, the sector continues to encounter a myriad of challenges affecting its contribution to the national economy and sustainable livelihoods for farmers. Further, the impact of climate change cannot be overemphasized on the operations of Zimbabwean smallholder farmers. The effects of climate change have worsened the state of physical infrastructure such as roads and water systems which are central in supporting smallholder farmers. Due to the lack of an updated disaster preparedness system, the country has not significantly invested in rehabilitating physical infrastructure and this has affected market access for smallholder farmers. To this end, the government needs to do more with respect to sustainable agriculture. Below we explore some of the challenges hindering sustainable livelihoods in Chipinge, Honde Valley, Hauna, Chimanimani, Gokwe and Mwenezi communal areas which are dominated by pineapple, banana, avocado, livestock and cotton value chains.

#### 4.9.1. Factors militating against the right to sustainable livelihoods:

- **Lack of organisation-** Despite women being the majority of smallholder farmers, the patriarchal nature of the Zimbabwean society has often excluded them in decision making positions and processes. In areas such as Chipinge, Mwenezi, Gokwe, Chimanimani, Honde valley and Mutasa, most women smallholder farmers are not organised in commodity associations and are not affiliated to farmers unions. This makes farmers vulnerable and unable to negotiate just trade practices.
- **Lack of information-** there remains an information gap between what smallholder farmers are producing and requirements of the export market in regards to quality of produce, handling mechanisms and meeting the required quantities. Lack of information and lack of access to export markets where they can sell their produce at premium rates militates against their right to sustainable livelihoods. This is because once they fail to meet the minimum internationally recognised standards, their produce remains fit for the domestic and local market.

35. [https://docs.wfp.org/api/documents/WFP0000142656/download/?\\_ga=2.170441190.739883562.1674960424-1186535427.1674960424](https://docs.wfp.org/api/documents/WFP0000142656/download/?_ga=2.170441190.739883562.1674960424-1186535427.1674960424)

- **Limited agricultural extension services-** across all the sampled districts, agricultural extension services are severely limited with one Agritex Officer supporting at least 1 ward each with an average population of 400 households. Their limited capacity also speaks to inadequate resources and equipment to carry out extension support while the current agricultural extension system is biased towards the production of traditional and staple grains.
- **Lack of government support-** another factor militating against sustainable livelihoods for smallholder farmers is lack of government support in terms of both policy and practice. This is evidenced by less attention being given to high value crop production due to lack of a deliberate policy stance on horticulture production while many government schemes are skewed towards grain and wheat production.
- **No value addition-** Smallholder farmers in the 6 sampled districts are predominantly producing for the domestic commercial supply as they sell their produce mainly in their raw state. These farmers are adversely affected by inefficiencies in production, processing, and marketing. This exposes them to external market forces, and without power to collectively challenge strong corporations that are manipulative, thus they remain in poverty.
- **Women do not own the means of production-** only 30% of women own A1 and A2 farms<sup>36</sup> while 32% have economic decision power. As such women, who are the majority smallholder farmers are subjected to unfair trade norms. In the case of Honde Valley, Rusitu and Chipinge smallholder farmers are mainly selling their produce (bananas and avocados) to local markets and distant markets through middle men who in turn sell to retail outlets and international markets at profitable prices. Ultimately, these smallholder producers bearing the brunt of production do not derive much value from their work as they get less than 15% of the value while greater value of 85%+ is enjoyed and shared across other value chain actors such as middlemen, transporters, processors, wholesalers, and retailers.
- **Limited access to affordable finance-** Zimbabwe's financial services architecture is not designed for smallholder farmers but commercial farmers who are already established and have collateral security. This has affected meaningful participation of smallholder farmers to upscale their production and processing and to reduce losses and invest in climate related preparedness. Smallholder farmers have often been battered by climatic related shocks leaving them impoverished while making sustainable livelihoods a pipedream for many.
- **Access to markets -** access to markets remains a barrier to sustainable livelihoods. Smallholder farmers often have challenges in accessing markets due to inadequate infrastructure, poor post-harvest practices, low productivity as well as inconsistency in supply. The private market system in Zimbabwe is designed in a manner that excludes smallholder farmers or makes it impossible for them to compete with big corporates.

36. <https://www.amazon.com/Reform-Diminishing-Spaces-Women-Zimbabwe/dp/3846533920>

The bottlenecks in meeting requirements that need to be satisfied are beyond the reach of many small holder farmers as they demand formalisation which cannot be easily accessed by smallholder farmers in the 6 districts sampled. Market structures are not developed in these areas and this results in heavy losses endured by the smallholder farmers who lack post-harvest technology.

- **Unfavourable payment mechanisms-** farmers in Gokwe, Checheche and Mwenezi, among other areas have been victims of unfair trade practices by parastatals such as COTTCO. Smallholder farmers who depend entirely on cotton for their livelihood, have continued to sink deeper in poverty as they have been subjected to late payments and being paid using groceries instead of paying them in cash, mobile money or bank transfers. Cotton farmers have been plunged in household debt and abject poverty as they are left with no choice but to borrow for them to meet the losses they incur in producing cotton while hoping for better returns in each season.

## 5. Conclusion

Public Resource Management in Zimbabwe remains wanting coupled with poor public service delivery. The state and nature of public service delivery shows that attaining vision 2030 is a fairy-tale unless structural reforms are implemented across the public sector. Resource leakages, corruption and nepotism continue to undermine government's efforts. The monopoly entrenched in the sugar industry weakens collaborative efforts to fight against trade injustices. A situation that has widened the inequality gap in the value and supply chains of sugar. Public debt is now unsustainable, undermining public expenditure in service delivery. However, the adoption of the proposed recommendation hereunder, will reduce inequality, improve the state of public services and livelihoods of the citizens.

## 6. Recommendations

Citizen's budget

- Publish a citizens' version of the OAG report.
- Establish accessible mechanisms to engage public
- Prioritize economic literacy

Budget reports

- Mid-year report should be published within 6 weeks of having achieved the mid-year
- Year-end report should be released within 6 months of the fiscal year
- Publicly publish and timely and widely disseminate the BSP

Public Oversight

- Provide website link to Parliament reports on budget implementation
- Prepare supplementary budget before spending excess revenues

## Public Participation

- Publish M&E reports during budget implementation
- Adopt digital platforms & social media to gather public inputs

Devolve national budget consultations to provincial councils to ensure robust national budget consultation and a wider reach to citizens.

Capacitate local authorities and oversight institutions on Strengthening Transparency and Accountability in Public Finance Management

Open the civic space by ditching regressive legislations like the Private Voluntary Organization (PVO) Bill

Human and institutional capacity building at all stages in the Zimbabwean PFM value chain should be prioritized as it suggests the modernization of tax administration, and political will and mindset change at all levels.

Political leaders must have the will to change the current situation in Zimbabwe.

The benefits of domestic resource mobilization will only accrue to the country if the political leadership is prepared to shift its mindset away from aid and debt-dependence syndromes.

There is a need for some research areas aimed at supporting the domestic resource mobilization agenda in Zimbabwe

Government should fully embrace the principles of the Fourth Industrial Revolution (4IR) and extensive technological savviness in tax administration, and in monitoring and tracing financial crimes.

Government must narrow gender gaps and ensure that strategies are put in place to guarantee gender considerations in the formulation and implementation of policies where public service delivery is concerned.

Maximise available public resources, notably tax revenues, to invest in gender responsive public services that will help to end gender inequality and fulfil all women's human rights.

Policies targeted at the different government sectors must employ gender mainstreaming strategies to respond more effectively to the different, intersecting needs of men, women, boys and girls.

Development of climate-resilient agricultural value chains and increased knowledge and understanding of climate variability and change-induced risks through climate information services for agriculture targeted to smallholder farmers.



Strengthening resilience of agricultural livelihoods of vulnerable communities, particularly women.

Creation of climate-smart food systems that promote sustainable productivity improvements, resilient crop and livestock production, enhanced digital tools, and inclusive, equitable, and sustainable food systems. Capacity building of the Agricultural Extension Officers and smallholder farmers on agroecological practices and value addition is critical if sustainable livelihoods are to be attained by smallholder farmers.

Prioritization of women and youth smallholder farmers' financial inclusion is central in the creation of local economies that will transform and sustain livelihoods and agricultural value chains.

Women and youth smallholder farmers should be supported to access tailor-made agricultural finance from financial institutions to allow for improved value chain participation.

There is a need to strengthen smallholder farmer participation in the local and export markets through organizing them into groups and thereby building social movements that will act as advocacy agents for an improved policy operating environment. This also calls for the need to ensure fair prices for commodities for smallholder producers.

The government must facilitate increased transparency and accountability in formulation of national trade policies and international trade rules.

The Ministry of Agriculture must ensure that a comprehensive value chain system is put in place. The establishment of the value chain must be informed by a social and economic justice approach that takes into account people's aspirations and the need to foster national development and growth.