# PUBLIC RESOURCES MANAGEMENT SITUATIONAL REPORT





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### **1. Introduction and Background**

Zimbabwe's use of public resources is examined in the August 2023 Public Resource Management Situational Report (PRM SitRep). The PRM SitRep evaluates how well the central government and local governments use their resources to provide the highest quality services. The SitRep covers issues such as trade justice, sustainable livelihoods, fiscal accountability, responsibility, public debt, public service delivery, climate change, and domestic resource mobilization. The SitRep ends with possible alternative recommendations after the examination of 57 districts. At the centre of the PRM SitRep is the need to:

- To build citizen agency in public resource monitoring.
- To promote participation in economic governance from local to central government.
- To promote just trade policies that foster sustainable Livelihoods.
- 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 study used a triangulation of qualitative and quantitative methodology that was beneficial for the PRM SitRep. To achieve this, convenience and purposeful sampling in conjunction with systematic and stratified random sampling was used to create a study that accurately depicts the realities on the ground. The application of qualitative sampling was successful in reaching saturation in the investigation and on the other hand quantitative helped to eliminate bias to increase the dependability, trustworthiness, and reliability of research. Human Interest Stories (HIS) produced by Community Resource Agents (CORA) in 57 districts nationwide were utilized to support the study's findings. The study population is captured in Fig 1 below which shows the study catchment area.





### 3. Context

In the month of August, the government published the mid-term review budget statement which examined how the government has utilised the 2023 budgeted funds so far. Of interest was government `s vague statement on social expenditure as the statement did not provide intimate details with respect to social spending. The unavailability of such critical data is not a new phenomenon in Zimbabwe's Public Finance Management (PFM) as the government benefits from its opaqueness. The mid-term review shows that the government "disbursed ZWL\$48.2 billion for social protection programmes during the first half of the year, towards BEAM (ZWL\$36.1 billion), drought mitigation (ZWL\$6 billion), and harmonized cash transfers (ZWL\$3.2 billion), among others". Interestingly, the government is almost exhausting social protection resources without bringing any meaningful social transformation.

The evidence from the review of the 2023 national budget also shows a 56.9% overexpenditure in the Basic Education Assistance Module (BEAM) which translates to ZWL13.1 billion. While Drought Mitigation (DM) and Harmonised Cash Transfer (HCT) utilized approximately 50% of and 34.7% of the allocated funds respectively.



Thus, BEAM, HCT, and DM mid-term expenditures are approximately ZWL45.3 billion which is less than the submitted social protection figure of ZWL48.2 billion. Therefore, instead of using an opaque statement like "among others", it is critical that the government clearly specify what the ZWL 2.9 billion variance was used for. For juxtaposition an evidenced-based analysis is presented hereunder in Fig 2: Extract from the 2023 National Budget which shows social protection allocation.

Fig 2: 2023 National Budget Social Protection Program Funds Allocation (In ZWL
Billion).

Programme	Amount
Basic Education Assistance Module	23,000
Children in difficult circumstances	1,230
Children in the street	430
Drought Mitigation	12,100
Harmonised Cash transfers	9,280
Health assistance	1,100
Support to elderly persons	400
Pauper burial	500
Support to disabled persons	1,464
Sustainable Livelihoods	635
Management Information System	105
Covid Response	200
Total	50,444

Source: MoFED

It is with no doubt from the above examination that, social protection resources are almost exhausted yet no meaningful transformation has been witnessed. Of critical importance is the deliberate negation and divergence of funds for other social protection programmes such as Health Assistance, Support to the elderly, Pauper Burial, Support to Persons with Disabilities, Sustainable Livelihoods, Children in the Streets, Management Information Systems, COVID-19 Response and Children in Difficulty Circumstances. This narrative stands true unless there is an overexpenditure that was not stated or captured in the mid-term review statement. If indeed there is over-expenditure that was not captured, which means that the government has not spent money on other social protection programs such as Health Assistance, Support to the elderly, Pauper Burial, Support to Persons with Disabilities, Sustainable Livelihoods, Children in the Streets, Management Information System, COVID-19 Response and Children in Difficulty Circumstances. This scenario entrenches and institutionalizes inequalities across the country.

Furthermore, a reflection on the current humanitarian situation in the country tempts one to align with the above submission that, the government is yet to spend on other social protection programs presented above. The health sector is currently in shambles coupled with dilapidating and infrastructural gaps. Child support, support for the elderly, and persons with disabilities are all wanting. This scenario raises a lot of questions with respect to the rights of the minority and vulnerable clusters of the community. School dropouts, poverty, and malnutrition have become common characteristics of the Zimbabwean humanitarian ecology.



In the month under review, the plight of small-holder farmers continued to worsen as institutionalized trade-injustices were made more visible. It is alleged that; the Grain Marketing Board (GMB) is struggling to pay farmers who delivered grain to their depots. The last payments that the GMB did were on 8 July 2023 and since then no farmers have been paid. This is not the first time farmers have delivered grain and failed to be paid on time. However, this time the delay is a deliberate ploy by the government to micro and pseudo-manage the exchange rate as the government has stopped paying all tenders. Such decisions illuminate a top-down approach that is not people-centered and is created to manipulate the electorate for political expediency. The decision perpetuates trade injustices and undermines livelihoods.

Furthermore, policy inaction and inertia have proven to be a wicked problem in the Zimbabwean public policy ecology. Its malignant and inimical effects are visible across the public sector as critical institutions are dilapidating while the government continues to turn a blind eye. In the month under review, the former Zimbabwe Iron and Steel Company Board Chairman, Professor Gift Mugano, gave scintillating revelations on why parastatals and state enterprises fail in Zimbabwe. The former Board Chair accused the government of not listening to viable policy advice on how to resuscitate parastatals for 18 years<sup>2</sup>. The Professor argued that the demise of the Zimbabwean public sector is self-made as the government is unwilling to implement progressive reforms culminating in the infrastructure gaps across all public sector institutions. This is because the incentives of a dysfunctional public sector are greater than those of a functioning public sector to those who are connected to the highest echelons of power. Therefore, it is such benefits that inform decision-making and not appetite for national growth and development.

On the mineral resource governance front, enhanced citizen accountability was witnessed after Mutoko villagers won a case against a Chinese mining company called Labenmon Investments. The villagers approached the magistrate's court represented by the Zimbabwe Lawyers for Human Rights (ZLHR) in a case against Labenmon Investments Investment which was accused of not following the prescribed processes of acquiring an Environmental Impact Assessment (EIA) certificate. The magistrate ruled in favour of the villagers and stopped Labenmon Investments from conducting any form of mining activity in Moyosvi, Chibanda, Gumbeze, and Kadore<sup>3</sup>. ZIMCODD welcomes the judgment and acknowledges this as an impact of the District Alternative Mining Indabas (DAMI) which it has been carrying out with its partners for the past 5 years in Mutoko in a bid to raise citizen agency and consciousness.

The July Mutoko DAMI served as the last nail in the coffin as villages who attended the meeting promised to approach the court against the Chinese company for deflating EIA processes. Thus, citizen transparency and accountability processes are an important aspect of natural resource governance.



1. https://businesstimes.co.zw/government-struggles-to-pay-farmers-creating-a-worrying-backlog/

3. https://thenewshawks.com/mutoko-villagers-evict-chinese-miner/

<sup>2.</sup> https://www.pindula.co.zw/2023/08/20/former-zisco-board-chairman-says-18-years-of-policy-advice-to-zimbabwean-government went-unheard/

#### 4. Emerging Issues

#### 4.1 4.1 The State of Public Service Delivery

#### 4.1.1 Healthcare

The state of public health services continues to decline as the government is failing to invest in optimum health care. A survey conducted by ZIMCODD in the month of August shows that 83% of the respondents stated that Zimbabwe has poor health facilities, while 10% stated that it has fair health facilities and 7% believed that the health sector was operating optimally.

#### Fig 3 Healthcare Facility Status



Source: Primary Data Compiled By ZIMCODD

#### 4.1.2 Access to Sanitation and Social Amenities

The survey found that 80% of the districts have costly housing, 92% of the districts surveyed have poor garbage collection and 81% have poor public toilets accessibility. This is consistent with the undesirable dilapidation of the public service and infrastructure across the country. Fig 4 below shows the state of access to sanitation and social amenities.



Fig 4 The State of Access to Sanitation and Social Amenities.



#### 4.1.3 Water Supply

According to the survey, only 12% indicated that water is supplied regularly, 38% said it was irregular, and 50% indicated that water is not supplied at all. This scenario brings to light the current water crisis. Thus, there is a need for urgent intervention by the government to address water challenges if the national aspirations of becoming an upper-middle-class economy by 2030 are to be witnessed.





Source: Primary Data Compiled by ZIMCODD

#### 4.1.4 Road Networks

Notwithstanding, efforts being made by the government to revitalise road networks across the country the Zimbabwean road network remains a death-trap with majority of them in a deplorable state. This is because, government reconstruction efforts are mainly concentrated on the Harare- Beitbridge highway rehabilitation process. Local communities' road networks are found wanting. Fig 6 below shows the findings from the survey conducted in the month of August with respect to the road network.





Source: Primary Data Compiled by ZIMCODD

#### 4.2 Budget Transparency

The attainment of budget transparency remains problematic in Zimbabwe and it calls for urgent interventions from various stakeholders in budget literacy. Budget transparency allows citizens to undertake pre-budget implementation, implementation, and post-implementation evaluations which are important. This serves to open the government to those it serves, that is allowing the public to participate and be informed of the government's budgets, spending, and projects. As such, increased budget transparency is an indispensable weapon against corruption because when government processes become transparent, there will be limited scope for public officials to engage in corrupt activities. More so, budget transparency is critical in budget monitoring and expenditure tracking which is quintessential in fostering national growth and development.

A fiscally accountable and transparent government is responsive to the needs of the public it serves since it listens to the voices of all citizens and uses citizen feedback to shape and improve its policies and programs. So, the Treasury is required to provide clear budget information such as budget-related documents including the Mid-year Implementation Report. The August PRM SitRep analyses the impacts of the budget information relative to in-year execution reports. In addition to its use for budget oversight, the mid-year implementation report can also yield useful insights that can inform the pre-budget deliberations for the following year. It is generally accepted that this report should be published within 6 weeks of the start of the mid-year.

However, despite an unlimited flow of benefits of budget transparency the government continues to create opaque scenarios by not furnishing the public with the granular details of budget expenditure. The 2023 Mid-term Budget Review is a clear testimony to this assertion as it falls short of all budget transparency thresholds (national, regional, and international).

This budget review was done to tick the box and not to guarantee budget transparency. The Treasury did not publicly avail the full mid-term budget review (at the time of writing) except for a 7-page press statement which was released on the 11th of August 2023. Consequently, with no access to a comprehensive mid-year report, the public is only relying on this brief press statement; a factor that militates against effective Public Finance Management. Nonetheless, it is worth acknowledging that the government has already publicly released the 2024 Budget Strategy Paper (BSP). Although the BSP is another budget document used as a yardstick measure for budget transparency is not adequate on its own. This is because the BSP only defines the ideologies underpinning the next annual budget while providing the status quo of the fundamentals that inform the selection of priorities in the budget allocations.



#### 4.3 Public Debt

Treasury statistics show that as of the end of 2022, total Public and Publicly Guaranteed (PPG) debt amounted to US\$18.03 billion, which constitutes about 99.6% of 2022 GDP. As such, the nation is trapped in debt distress – inability to service obligations when they are due and debt restructuring is required. For instance, of the US\$12 billion PPG debt owed externally, about 52% are arrears (interest & principal) and penalties. Also, high indebtedness is now crowding out public service delivery & infrastructure development as more resources are earmarked for debt servicing. For instance, in the first half of 2023 (1HY23), the Treasury mobilized resources amounting to ZWL191.6 billion through Treasury Bills (TBs) issuance. All the raised funds were channelled toward the liquidation of maturing TBs and Bonds worth ZWL144.2 billion and external debt payments totalling US\$28.2 million instead of providing crucial social services like water, sanitation, healthcare, housing, and education.

As highlighted in the ZIMCODD report that analysed the 2022 Public Debt Bulletin, Zimbabwe's unsustainable debt levels are directly damaging capital inflows into the economy and have led to a vicious debt cycle – a cycle of continuous borrowing, accumulating payment burden, and eventual default. The previous debt defaults have caused the nation to lose market access and suffer higher borrowing costs, in addition to harming growth and investment. To resolve this conundrum, authorities have since crafted an arrears clearance, debt relief, and debt resolution strategy and are currently engaging with its creditors through a high-level Structured Debt Dialogue Platform (SDP).

However, the damning preliminary reports on the August 2023 harmonized elections from Election Observer Missions (EOM) such as the SADC EOM risk derailing the ongoing engagement with creditors as well as re-engagement with the international community. Holding free, fair, and credible elections was the litmus test for the success of the ongoing SDP. EOMs identified various irregularities in violation of the constitution and electoral law such as voter intimidation, flawed delimitation processes, failure to provide voters' roll to all candidates, disruption of opposition rallies, and restrictive nomination fees. Be that as it may, there is a chance (though minimal) for the survival of the SDP processes. This is hinged on whether or not the new government will be able to garner adequate political will to swiftly implement agreed SDP reform matrices: Governance, Land tenure, and Economic reforms.

#### 4.4 Trade Justice and Livelihoods

#### Empowering Rural Women for Sustainable Agricultural Practices in Subsistence Farming

Rural women play a pivotal role in ensuring food security and sustainable agricultural practices in subsistence farming. They are responsible for various essential tasks such as planting, weeding, harvesting, and processing crops. Additionally, they manage small livestock, provide care for family members, and contribute significantly to household food security.



The knowledge and skills possessed by rural women are crucial for the success of subsistence farming. Despite their indispensable contributions, they often face significant challenges related to gender inequality, limited access to resources, and traditional roles.

Some of the challenges faced by rural women include limited access to resources as rural women often lack equal access to land, credit, and agricultural inputs, which hinders their ability to improve farming practices and productivity. They also experience discriminatory social norms and practices which can restrict their participation in decision-making processes and limit their influence over agricultural practices. Through these limitations, there are often education and training gaps wherein there is insufficient access to education and agricultural training for women, which hampers their ability to adopt modern and sustainable farming techniques.

In light of the above, it is important to empower rural women for sustainable agriculture by providing them with access to resources through the provision of secure land rights, access to credit, and agricultural inputs which can empower them to invest in sustainable farming practices. In addition to this, the implementation of climate-smart agriculture practices and supporting women in adopting these practices can make subsistence farming more resilient to climate change. This can be done by offering targeted agricultural education and training programs to rural women which will enhance their skills and knowledge in sustainable farming techniques. Furthermore, the promotion of gender equality through awareness campaigns and legal reforms could go a long way in reducing gender-based discrimination and ensuring women's participation in decision-making.

Empowering rural women has a lot of benefits for countries, these include increased food security through increased agricultural productivity, ensuring food security for their families and communities. Consequently, sustainable agricultural practices help generate income for rural women, resulting in poverty reduction and improving their overall quality of life. Supporting rural women and empowering them can further foster environmental conservation as women often have a deep connection to the land and can play a vital role in promoting sustainable and eco-friendly farming practices, leading to a sustainable tomorrow.



#### 4.5 Climate Change

Striking a Balance Between Job Creation and Land Degradation at Mining Sites Human Interest Story: Goromonzi



In Goromonzi district, ward 15 there is a quarry company (Royal Parlor Quarry Production) that has been in operation for the past four years. The company has created employment opportunities for the local population, however its environmental detriment to the same community cannot be overlooked. Residents in ward 15 can no longer open their windows for ventilation because of the recurrent dust that penetrates through the open windows, many houses in the community are cracked due to the ongoing blasting amongst. The mining activities are also a threat to the agricultural production that is happening in the ward as supported by dam irrigation. The blasting is done too close to the Mapfeni Dam and since the community is quickly approaching the rainy season where water bodies could be full, the blasting could cause a burst of the dam thereby causing flooding to the villages. The community also has limited access to boreholes and Mapfeni Dam was an alternative source of water for the local community which has not been the case for a while. The water quality has also been compromised because of the continuous release of chemical pollutants by the Royal Parlor Quarry Company which is disturbing noting that access to clean water is a constitutional right in Zimbabwe and should therefore be respected. There should be a balance between small-scale farmers and large-scale mining companies to achieve sustainable mining and agricultural activities.

The mining activities that commenced four years ago have caused a lot of environmental harm in the community but the silence of EMA and ZINWA is deafening. There are factors that have ensured this atrocity continues which include the huge political influence in the mining sector, a lack of corporate social responsibility initiatives by the mining company, and the illiteracy of the current Councilor as he cannot adequately negotiate favorable terms and conditions for proposed projects in the community. Ours is another case of a "resource curse".



Mining, a vital industry for resource extraction and economic growth, often presents a conundrum: the creation of jobs versus land degradation. On one hand, mining operations can provide employment opportunities for communities, contributing to their socioeconomic development. On the other hand, these operations can lead to environmental degradation, disrupting ecosystems and causing lasting harm to the land. Striking a balance between these two seemingly opposing forces is a challenge that demands a multifaceted approach incorporating responsible mining practices, environmental stewardship, and community engagement. As the nation strives for economic growth and development, the need to generate employment opportunities often clashes with the imperative of conserving and sustainably managing natural resources, including land.

Responsible mining is an important practice where companies employ sustainable techniques that minimize environmental damage. These techniques include precise drilling and blasting, efficient water and energy use, and the reduction of waste generation. By employing these methods, the industry can significantly reduce its ecological footprint. One crucial aspect of mitigating land degradation is land reclamation. Mining companies should be legally required to rehabilitate mined areas to their original or improved ecological state once operations cease. This can involve reforesting, reshaping landscapes, and ensuring water quality restoration. Effective post-closure management plans must be put in place, including monitoring and maintenance of reclaimed lands for years after mining operations have ceased. This ensures the long-term ecological health of the affected areas.

In order to reduce the destruction of land through mining activities, it is important to invest in education and skill development programs for mining workers. This makes it easier for them to transition to other industries when mining operations decline. This reduces the negative impact on local economies when mines close. Furthermore, to reduce the reliance on mining as the primary source of employment in mining communities, diversification is key. Governments and mining companies can support the development of sustainable economic alternatives, such as tourism, agriculture, or renewable energy projects, to create additional job opportunities. Rigorous environmental impact assessments should be conducted before mining operations begin. This would help identify potential risks and allow for the development of mitigation strategies.

#### 4.6 Natural Resource Governance or Natural Resource Curse?

While hard data shows rising mining exports, mining communities are marred by poor infrastructure and residents are languishing in abject poverty and infrastructure. This begs the question, is Zimbabwe like many of its African counterparts experiencing a "natural resource curse?"



Dusty fumes continuously surround the horizon of the little town of Hwange. It is there when you look up to the sky, whether you are home or in the playgrounds where little children play, It is a constant reminder that Hwange is a mining town. At the schools, dust particles are found on top of tables, chairs, and even on classroom floors. This is the air that children, women, youths, and the elderly alike are constantly breathing.

Pneumoconiosis is one of a group of interstitial lung diseases caused by breathing in certain kinds of dust particles that damage your lungs.; it cannot be treated. It can also cause impairment, disability, and premature death. In a study in the United States pneumoconiosis (CWP) were the contributing cause of death for a total of 75 178 miners between 1970-2016.<sup>Z</sup> In Zimbabwe, miners have legal provisions that protect them against these diseases even if they contract them. The Pneumoconiosis Act of 1971, the Labour Act, and the NSSA (Accident Prevention) (Workers' Compensation Scheme) Notice No. 68 of 1990 are amongst these provisions. While this is commendable, the large deafening silence on the protection of the people who live in mining towns is problematic.

Mining is a deeply invasive process in that it demands the interruption of the environment, the way of life of the people in that area, and as research shows, the alteration of the health of the people concerned. A study in India concluded that people living in mining towns are at a higher risk of diseases than those who do not, with the risk going up to triple in some cases. In Zimbabwe, towns such as Hwange and Zvishavane which are famous for their mining activities are victims of incessant outbreaks of tuberculosis and malaria. Dirty or ambient air pollutants cause tuberculosis while mining pits breed mosquitoes. All these diseases amongst others are because of mining activities and do not only affect the miners themselves but the residents of mining towns.

In 2014 Zvishavane battled with an outbreak of tuberculosis which left many dead but a closer look into the history of the town will reveal that tuberculosis outbreaks are common and that in a space of three years 2 152 villagers were infected with the disease.<sup>8</sup> But it is not just respiratory disease and malaria that mining communities must contend with, a quick Google search will show that provinces such as Matabeleland South, a mining community top the list of the highest HIV cases in the country. This is because sex work pedalled by poverty-stricken little girls is very common in mining towns. But how does poverty exist in a mining community, particularly a sector that produces billions of United States dollars annually?

The mining industry is among the most profitable industries in Zimbabwe contributing to 88% of the country's exports last year. According to the Mines and Minerals Act, mining takes precedence over any other activity on land.

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The mining sector has created employment for half a million artisanal miners but as evidence above has proven, mining activities have devasting consequences for the residents that live close to them. In a country with a fractured healthcare system where clinics and hospitals are short of everything except nurses with bad attitudes, mining companies should do their bit in fixing part of the problem they help create.

The Mines and Mineral Amendment Bill that is currently before Parliament must include clauses where permanent residents of mining towns are afforded free and annual medical check-ups at the expense of mining companies. There is also a need for the nation's Pneumonotomies Act to be amended to include compensation for residents from mining towns who fall sick or die because of inhaling polluted air. The Act should not just consider miners only so as to protect other individuals exposed to fine dust. In the national aspirations toward an upper middle-class economy by 2030 government must not forget that it is people who produce revenue not the other way round.

#### 4.7 Inequality Highlights

# Political Disparities during the Election Period: Is an Even and Equal Political Field Attainable in Zimbabwe

Democracy is supposed to be rooted in the citizenry. Having a democratic regime meant having the citizenry as the ultimate authority. Citizens are supposed to have an equal opportunity to input in the decision-making process. One major anchor of democracy is electoral voting which gives the citizens the authority to decide who makes decisions that pertain to their socio-economic and political development. Zimbabwe recently held its general election to elect local Councillors, Members of Parliament, and the President of the state. However, the electoral process was marred with gross electoral irregulates which showed inequalities characterising the flawed process. Inequality in a democratic process such as voting comes when an individual or a certain group possesses superior power to make binding decisions without regard for the citizen's collective decisions. Some of the inequalities that were availed during the Zimbabwe 2023 election include:

**Media Coverage-** When it comes to media coverage, not all political parties and campaigning candidates had access to state media and had their content aired. The media houses were largely biased against the opposition political parties and candidates. Electoral content broadcasts were mainly run for the ruling party. There is a need for equitable media coverage to level the playing field in the electoral process so that citizens get to make informed decisions about the candidates they want with all the information presented to them.



**Electoral Management-** It is also important to note that the Zimbabwe Electoral Commission (ZEC) failed to ensure equitable distribution of voting materials i.e., ballot boxes and ballot paper in major urban areas; i.e., Harare, Bulawayo, and Mutare failed to receive their ballot papers on time leading to some of the polling stations postponing the elections the next day. Having some areas with ballot papers and others having to wait for 24 hours or more to cast their votes shows the lack of equal treatment when it comes to voting or preferential treatment of some constituencies and polling stations over others. This can largely impact the democratic process as some voters were frustrated which may have affected the voter turnout leaving the process to be determined by a certain population and leaving out others which interferes with the democratic process of having all citizens have an equal opportunity to elect who is responsible for their wellbeing.

**Freedom of Assembly-** A lot of concerns were raised over the cancelling of mostly the main opposition party rallies by the Zimbabwe Republic Police. According to the SADC electoral observer mission report, there was inconsistent application of the notice period for election campaign gatherings with certain political parties stating that the ZRP required a seven day notice instead of the three day notice that is applicable during election periods according to the Maintenance of Peace and Order Act.<sup>11</sup> With ZRP implementing these laws inconsistently according to the applicants, this led to certain political parties getting preferential treatment to hold rallies over others with tempers with the rule of law that effects equal treatment of everyone before the law.

**Gender Representation-** Women's representation remains worrisomely low and stagnant which makes it difficult to achieve gender equality even with the quota system in place which is supposed to encourage the participation of women and balance the gender disparity<sup>12</sup> Compared to the 2018 elections, 25 women (11.9%) made the cut to the National Assembly. However, in the 2023 election, the numbers dwindled to only 22 (10.5) women making it to parliament out of the 210 parliamentary seats when not taking into account the quota system. The low representation of women in the parliament perpetuates the patriarchal society and reduces women's influence level in the decision-making process which may benefit the women and push for gender equality, thereby growing gender inequalities in Zimbabwe. So much still needs to be done in Zimbabwe with regard to the electoral process so that the playing field is even for everyone. This should be done in order to create a democracy that allows every citizen with the authority to make input as this determines how the state will be governed over the stipulated period time, a fair and equal process need to be set in place.



#### 4.8 Domestic Resource Mobilisation •

The mobilisation of domestic resources is seen as the key to self-sustaining growth, particularly in nations with abundant natural resources like Zimbabwe. Domestic resources play a significant role in funding domestic projects and the provision of essential services. Due to the inability to use the revenues made from the sale of natural resources for the benefit of the general citizens Zimbabwe is struggling to find the resources needed to finance growth in the economy and the alleviation of poverty. Zimbabwe has relied on external financing for development in previous decades, which has left the nation in a debt trap. It's important to note that despite Zimbabwe's debt default, there hasn't been any appreciable change that can be measured from the long-term debt.

Zimbabwe ceased to have access to credit lines after it defaulted on loan payments in 1999, which had a severe impact on the country's economy. Increasing domestic resource mobilisation is essential for the country's economy going forward as conversations to resume obtaining financing from international institutions are currently underway. This is also an opportunity for the country to completely leverage its natural resources for domestic resource mobilisation.

For instance, Zimbabwe possesses one of the largest lithium deposits in the world, which, if properly managed, can fulfil the fortunes that gold and diamond have failed to do due to ineffective policies and willful resource theft. It is against this backdrop that we ought to explore the factors that can be considered to increase domestic resource mobilization in the plight of the discovery of lithium in Zimbabwe:

- Tax Reforms: Implement progressive tax reforms to make sure the lithium mining industry is fairly and effectively taxed. To achieve this, tax laws must be reviewed and updated, tax loopholes must be closed, and mining companies must pay their fair amount of taxes. Zimbabwe's ability to mobilise domestic resources can be improved through maximising tax revenue collection.
- Royalties and Licensing Fees: Set reasonable licensing and royalty rates for lithium mining activities. Make rigorous assessments to ensure that the rates reflect the resource's value and offer the nation adequate returns. To maximize revenue generation and fit with market conditions, examine and alter these rates frequently.
- Local Content Requirements: Adopt policies to encourage local participation and local content in the lithium mining industry. This entails establishing benchmarks or standards for local recruitment, employment, and technology transfer. Encouragement of local involvement in the value chain will boost domestic resource mobilisation, promote economic growth, and generate employment opportunities.



**Strengthening Regulatory Frameworks:** Create effective regulatory structures to oversee the lithium mining industry. Making ensure that rules are precise, enforceable, and consistent with global best practices. Regulatory agencies should be strengthened and given greater authority to check compliance, halt illicit activity, and impose fines when breaches occur.

# 5. Conclusion

The government's deliberate delay in releasing the 2023 Mid-term Budget Review is a cause of concern given that this was an election year and resources might have been diverted for campaigning. Also, Zimbabwe's utilization of public resources is still wanting due to institutionalized corruption, resource smuggling, and leakages. A sad reality that has enabled the dysfunctionality of the entire public sector. Weak and dilapidated public service delivery has become the order of the day coupled with an unsustainable debt balloon that chokes development. To redress some of the challenges raised by the SitRep, the government must consider the following options.

### 6. Recommendations

#### **Service Delivery**

- The government must prioritise service delivery and the welfare of the citizens. Local Authorities must be held to account for failing to maintain water pipers, local clinics and sewer systems. At the same time, line ministries responsible must be hold accountable for dilapidating services.
- Performance assessments of Ministers, Permanent Secretaries, and Local Authority CEOs must reflect what is on the ground.
- Wider consultation with the citizens for effective evaluation of Local Authorities with respect to service delivery must be undertaken.
- The central government must timely disburse the 2023 allocated resources to their ministries and Local Authorities (Devolution Fund) to ensure effective service delivery.

#### Independent Debt Audit(s)

• There is a need to undertake an independent public debt audit that will inform the scale and nature of the country's debts, which are often not transparently publicized.

#### **Full Debt Disclosure**

• There must be full disclosure of public borrowings and public debt to increase oversight of public borrowings, ensuring transparency and accountability.

#### Setting a Limit on Public Borrowing

• The Treasury must set a limit on public borrowing following the provision of the Constitution and the Public Debt Management Act as held by the High Court in a matter between ZIMCODD and the Treasury.<sup>13</sup>



#### **Capacity Building**

• There is a need to capacitate all local authorities (LAs) and oversight institutions on strengthening transparency and accountability in Public Finance Management (PFM).

#### **Budget Documents**

• Detailed budget-related documents must be produced on time. For instance, the mid-year report should be published within six (6) weeks of mid-year while the year-end report should be released within six (6) months of the following fiscal year.

#### **Climate Change**

- The government must involve various stakeholders in the decision-making process, ensuring that the local community's concerns are heard and addressed.
- The government should enact and enforce stringent regulations that prioritize environmental protection and worker safety. These regulations should include clear guidelines for responsible mining practices, environmental standards, and penalties for non-compliance.

#### **Resource Governance**

- Sustainable resource management should be at the core of mining operations across the country.
- Mining companies must account for the health, environment, and social effects of their operations by ensuring that the community is developed in a progressive and inclusive manner that withstand mining effects.

