



THE Weekend Reader

"Your Weekly Read on Debt, Development & Social & Economic Justice"

A BUDGET TRANSPARENCY COMPARATIVE ANALYSIS BETWEEN THE FIRST AND SECOND REPUBLIC IN ZIMBABWE

In November 2017, the country witnessed a change of leadership from the Mugabe administration which held the reins of power since the attainment of independence in 1980 to the current administration led by President E.D Mnangagwa. The current administration promised to reform the country including in the political, economic, and electoral processes. Furthermore, the Second Republic promised to decisively deal with corruption in the public sector through ensuing the prosecution of perpetrators without fear or favour.

Having travelled a four (4) year journey with the current administration, it is important to ascertain whether there are any significant changes realized to date or not in as far as budget transparency issues are concerned. The budget process was used as the assessment tool because of its national budget vitality as a key government policy. It is through the national budget that the government funds public goods and services, alleviate poverty, reduce inequalities. Below are some highlights from this analysis:

- Clear Budget Information from Government**

The government should publish and share with the public all budget-related documents. The first one is the Budget Strategy Paper (BSP) which makes it easy to check the congruency of the budget priorities against higher, over-arching mid-term and long-term policy alignments such as the National Development Strategy 1 (NDS1) and Vision 2030. Apart from the BSP, the government is also expected to produce in-year (execution) reports of the budget, mid-year (implementation) reports, and supplementary budgets whenever necessary. ZIMCODD's analysis found an improvement, in terms of production of these documents, in the current administration compared to the previous. Zimbabwe's IBP ranking 2019 score was 49/100 up from score of 12 achieved in 2012.

- Parliamentary Scrutiny**

According to the Organization for Economic Cooperation and Development (OECD), parliament has a fundamental role in authorizing budget decisions and in holding the

executive to account. As such, countries should offer opportunities for the parliament and its committees to engage with the budget process at all key stages of the budget cycle, both ex-ante and ex-post as appropriate. ZIMCODD's analysis established that since Zimbabwe has been under the administration of the ZANU PF government with more majority seat in parliament, the parliament has rarely been afforded a chance to publicly scrutinize the executive budgets and offer amendments in an objective manner. The system under both Mugabe and President Mnangagwa administrations, is a 100% whipping system where members of a party vote according to their party's given positions rather than according to their ideology or will of their constituents.

- **Openness and Civic Engagement**

The Constitution stipulates that all citizens have a right to participate directly in public debate and discussion over the design and implementation of fiscal policies. This can be achieved through budget consultations -the broad national governance structure which falls under participatory governance. Effective budget consultations constitute the bedrock for sound public finance management and also promotes inclusive and people driven socio-economic development. However, both administrations are characterized by window dressing budget consultations as these are only done for duty sake and to tick boxes. Pseudo budget consultation refers to quasi or mock budget engagements. Thus, whatever outcome from the consultation will not deter the government's intentions and aspirations.

- **Independent Oversight and Control**

For effective fiscal transparency, Supreme Audit Institutions like Zimbabwe's Office of the Auditor General (OAG) must be afforded maximum statutory independence from the Executive as well as unlimited access to relevant information, adequate resources to fulfil their audit functions and publicly report on the use of taxpayers' money. The analysis found that audit reports were not submitted to parliament on time and regularly by both regimes. Nevertheless, despite grey areas in both regimes, the President Mnangagwa regime has never dismissed the Auditor-General just to derail transparency and accountability of public finance like what was done by late President Mugabe who dismissed Mildred Chiri in 2017 before she was reinstalled by President Mnangagwa in the same year.

- **Promoting Integrity Within the Public Sector- Procurement**

This entails the opening up of the entire public procurement cycle. This ensures a fair and equitable treatment of all potential suppliers and increases competition thus contributing to better value for money for citizens. Openness pertains to procurement systems including procedures, regulations, and institutional frameworks, competitive tendering, bidding documents, contract documents, and evaluation reports. However, ZIMCODD found no change between Mugabe and President Mnangagwa administrations when it comes to public procurement. The 2 republics are marred by procurement scandals which are prejudicing the Treasury funds needed to support developmental programmes.

- **Debt Transparency**

The analysis found a slight improvement in debt transparency under the current administration. The current administration is publishing annual debt bulletins and for the first time, the 2021 National Budget was accompanied by a Public Debt Statement. Whilst this is a welcome development, the borrowing process continues to be marred in secrecy due to collateralized borrowing (resource-backed loans).

- **What was the conclusion?**

ZIMCODD's analysis concluded that the budget process particularly the release of budget-related documents has slightly improved under the current regime but most of the previous administration's fiscal transparency struggles continue to linger in the new administration. Access the full analysis on https://zimcodd.org/sdm_downloads/budget-transparency-comparative-analysis_first-vs-second-republic-in-zimbabwe/.