



## CALL FOR PAPERS

### The Zimbabwe Multi-Stakeholder Debt Conference, September 2021

#### 1.0 Introduction

The Zimbabwe Multi-stakeholder Debt Conference is hosted by African Forum and Network on Debt and Development (AFRODAD) in collaboration with the Zimbabwe Coalition on Debt and Development (ZIMCODD) to discuss public finance management in Zimbabwe. The conference will bring together different stakeholders from diverse backgrounds such as government, parliamentarians, think tanks, civil society organizations, International Financial Institutions, the private sector, academia and the media.

#### 1.1 Context

Public debt was projected by IMF to reach 84% of GDP in 2020 before the pandemic, however recent estimates indicate it is reaching a record level of 100% of GDP from 83% in 2019 (IMF, 2021<sup>1</sup>). Globally fiscal expenditures of about US\$11.6 trillion were necessitated by COVID-19 and this will push public debt to unsustainable levels (IMF Fiscal Monitor Report October 2020). On the African continent, debt has been increasing rapidly funding mainly infrastructure projects. However, the composition of public debt has been shifting with private creditors increasingly accounting for a bigger share. This has led to rising debt while the ability to generate revenue and resilience to external shocks have not changed. Africa has been experiencing low foreign direct investment yet huge resources are lost through illicit financial flows (about US\$50 billion annually<sup>2</sup>). Most of the FDI that has been coming to Africa goes into extractive industry while manufacturing gets a paltry share. Most countries especially in Sub-Saharan Africa need development finance to meet their national, regional and international developmental goals. Policy makers are faced with a difficult task of balancing public borrowing and at the same time steering the country on a sustainable economic development path. There have been growing calls for leveraging the vast natural

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<sup>1</sup> IMF, World Economic Outlook Update, January 2021.

<sup>2</sup> AfDB Africa Statistical Yearbook 2020

resources for economic development coupled with reforms that enhance long term development. Domestic resource mobilization has gained prominence as a sustainable way of financing national development plans.

Developing strategic and coherent approaches to sustainable public debt management that maximise the impact of state resources and leverage in private sector resources also requires significant research and analysis. The 2021 Annual Debt Conference will explore transparency and accountability issues around public finance management as well as issues around sustainable debt management with the ultimate objective of promoting inclusive development.

## **2.0 Call for Papers**

The Debt Conference is a high-level conference that will bring together policymakers, researchers, academics, International Financial Institutions, Diplomats, CSOs, Development Partners and industry players who are involved in various aspects of fiscal justice. AFRODAD & ZIMCODD is calling for expression of interest on the following thematic areas:

### **I. Local Government Financing trends & Service Delivery Nexus**

Cities, towns and other local authorities are assets and possess huge untapped potential for creating wealth and economic opportunities for all. Strategic public investments must go hand in hand with strategic funding mechanisms and supporting governance systems. Many local governments in the country face the near-impossible task of funding the infrastructure and services required to meet the basic needs of growing urban populations, while forward-looking capital investments are not possible for financial reasons. Lags in investment by local authorities affect urban efficiency and economic activities which may ignite a cycle of budgetary shortfalls which may debilitate service provision ultimately resulting in economic stagnation.

The research paper will explore factors that hinder investment in infrastructure by local authorities that include regulatory frameworks, political factors, revenue generation/collection tools. Most local authorities struggle to collect revenue from residents. This requires interrogation such as transparency issues, finance management which may help to rebuild the trust between local authorities and citizens. There are a number of tax incentives in various local authorities; there is need for evaluation of the uptake and justification of such incentives. The research should endeavour to answer the following questions: What are the most suitable sources of tax revenue for local authorities in Zimbabwe? What charges and fees can increase to become a more meaningful part of local authorities' budgets? What are the ideal properties of intergovernmental transfers to facilitate revenue autonomy and financial adequacy of local authorities? What are some of the

mechanisms available for local authorities to access private sector capital and other external sources of finance, to allow implementation of their urban development and infrastructure plans? What can be done to facilitate borrowing from capital markets by urban authorities? What are the necessary institutional and legal reforms that can enhance efficiency of local authorities?

## **2. Extractive Sector and Public Debt Management**

Zimbabwe has been receiving low FDI compared to other countries in the region. However, most of the FDI that has been coming to the country has been going into extractive industry despite the unconducive business environment. Naturally Zimbabwe is endowed with a lot of minerals that has the potential to boost the life of citizens. The research paper will explore relationship between public debt and the extractive sector. Transparency and accountability in mining sector revenue will be explored together with government participation in the sector. The various tax incentives will also be interrogated to establish if there is any net social benefit.

## **3. Covid-19, Debt & Public Finance Management in Zimbabwe**

The Covid-19 pandemic which started in March 2020 disrupted economic activities and destroyed people's lives. Government revenue declined due to lower economic activities yet more expenditure was required to save lives. About 39 million people in Africa may fall into extreme poverty in 2021 due to the Covid-19 pandemic. Zimbabwe recorded a huge number (over 40%) of the population being food insecure in 2020. The paper will explore the impact of Covid-19 and the lockdown on social service delivery in Zimbabwe. Social services are critical for economic recovery since they enhance productivity in the economy. Conversely, when people do not receive quality services in a timely fashion, future challenges in their lives can become more serious and persistent and can require more extensive and expensive interventions later on – ultimately imposing greater direct and indirect costs for them, our taxpayers and society.

## **4. Climate change and its impact on public debt: case of Zimbabwe**

Climate change effects such as frequent droughts, flooding, rising temperature, tropical cyclones have been affecting the country threatening to undo the development that have been achieved since independence. This obviously have profound effect on national budgets. Climate change is exposing Africa to exponential collateral damage, posing systemic risks to its economies, infrastructure investments, water and food systems, public health, agriculture, and livelihoods, threatening to undo its modest development gains and slip into higher levels of extreme poverty. Estimates indicate that about US\$3 trillion will be needed to finance adaptation and mitigation to climate change in Africa

by 2030 (AfDB, 2019<sup>3</sup>). The paper will explore the impact of climate change on public debt. Huge resources are needed to mitigate and adapt to climate change while at the same time climate change phenomena disrupts economic activities which depresses government revenue.

### **3.0 Timelines**

To be considered, an expression of interest, CV and Budget (US\$) should be submitted by **13 May 2021** to [afrodad@afrodad.org](mailto:afrodad@afrodad.org) cc [reginald@afrodad.org](mailto:reginald@afrodad.org) . Authors will be notified of the decision by **18 May 2021**. Final papers are due for submission by **31 July 2021**. All expression of interest must be original contributions. Papers submitted elsewhere will not be accepted.

**The criteria for assessing the proposals shall include:**

- Qualifications of author;
- Understanding of the assignment;
- Detailed methodology and approach proposed;
- Appropriateness of the proposed work plan for the entire assignment;
- Concrete quality assurance measures;
- Financial proposal.

Only successful candidates will be contacted.

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<sup>3</sup> <https://www.afdb.org/en/cop25/climate-change-africa>