



# THE WEEKEND READER

"Your Weekly Read on Debt, Development & Socio-Economic Justice"

## CITIZEN'S ASPIRATIONS FOR THE 2024 NATIONAL BUDGET

The Zimbabwe Coalition on Debt and Development (ZIMCODD) undertook a national survey on the people's aspirations of the 2024 national budget. The survey had a catchment area of 5600 participants from every district and province of the country. The survey was timely and worthwhile as its findings will be used to inform the Parliamentary Committee on Budget and Investments Promotion in its budget formulation process.

### Methodology

- Interviews and Focused Group Discussions were used to gather citizens opinions and aspirations for the 2024 national budget.
- A total of 5600 citizens participated.
- Women were 3350 while men were 2250.
- A total of 357 Persons with Disability participated.
- 2967 of the participants were youth.

### People's Aspirations

#### *Economic Growth and Stability*

- To minimize public resource leakages,
  - there is a need for robust implementation of reforms identified under the ongoing Structured Debt Dialogue Platform – Economic; Governance; Land Tenure Systems Reforms.
  - strengthen the capacity of oversight and accountability institutions such as Parliament, ZACC, National Prosecuting Authority and ZRP to effectively curb corruption.
  - strengthen security systems at the country's ports of entry and exit to curb smuggling.
- Address ballooning public debt that is currently estimated at US\$18 billion:
  - Public debt must be contracted with Parliamentary approval.
  - Set aside resources to undertake an independent debt audit to come up with a clear sustainable and inclusive debt management strategy or framework.
  - Abolish collateralized borrowing (Resource Backed Loans).
- Tax reform to thwart the current regressive regime
  - Scrap or reduce regressive taxes like the 2% tax.
  - Avoid unsustainable tax incentives for already rich multi-national corporates.
  - Lower effective personal income tax rate for those earning below the Poverty Datum Line (PDL).
  - Promotion of use of the Zimbabwe dollar (ZWL). The bulk of taxes must be collected in ZWL, remove or at least reduce all IMTT tax on electronic transactions, reduce bank charges.

- Abolish quasi-fiscal activities from the Reserve Bank of Zimbabwe (RBZ). All spending by government must be funded via the national budget.
- Increase Domestic Resource Mobilization (DRM) by formalizing the informal sector including artisanal miners.
- Maintain sustainable budget deficit not exceeding 5% of national output (GDP).

#### *Human Capital Development and Innovation*

A number of financial packages were proposed to ensure the attainability of optimum human capital development and innovation. The proposed funding are presented hereunder although some already exist:

##### **a. Youth Development Fund**

The citizens proposed the formation of an inclusive Youth Development Fund (YDF) that caters for the needs and aspirations of the youth. The citizens demand that, at least 5% of the budget should be reserved for YDF. This funding can be generated from the mining sector with Multinational Corporations (MNCs) contributing to the fund.

##### **b. Children Empowerment Fund**

The citizens demanded that the 2024 national budget should establish the Children Empowerment Fund (CEF) to address the plight of the children. Currently children are exposed to a number of social and economic ills such as child poverty, malnutrition, drug abuse, child marriage to mention but a few. Thus, the establishment of the CEF will help redressing the challenges being experienced by children.

##### **c. Women Development Fund**

Women demand for transparency and accountability of the utilisation of the Women Development Fund (WDF). It was submitted that, approximately 5% of the total budget be reserved for women empowerment projects. The revenue can be generated from increasing the tax base and not tax rates.

##### **d. Disability Fund**

The citizens demanded for accountability in the use of Disability Fund (DF). A call for increasing the allocation towards Persons with Disability (PWD) was also made. The citizens demanded that, the revenue being lost through gold leakages must be harnessed towards the betterment of PWDs.

##### **e. Small to Medium Enterprise Development Fund**

The citizens demanded for the establishment of the Small to Medium Enterprise Development Fund (SME DF). The funding must target striving SMEs businesses. Amalgamation or merging of SMEs operating in one sector must be done to ensure optimum funding and productivity.

While it is crucial for the government to honour the 15% Abuja Declaration, the citizens demand that timely disbursements be made to the health sector. The revenue for the health sector can be generated from a number of streams such as sin tax in the tobacco sector, alcohol and curbing of resource leakages.

#### *Devolution*

The citizens demanded that,

- the government should ensure that Devolution and Decentralisation Policy (DDP) has been optimally implemented.
- a devolution disbursement matrix must be developed.
- local communities must be the principal beneficiary of public resources within their locality.
- mining companies must establish Community Development Fund (CDF) that are operated by local governments.
- companies operating in various communities for different kind of purposes must remit back to the communities according to their level of revenue generation.

#### *Effective Institution Building and Governance*

The citizens demanded that,

- the government invest in institutional building and effective governance.
- watchdog institutions such as Office of the Auditor General (OAG), Zimbabwe Anti-Corruption Commission (ZACC), Parliament, Zimbabwe Human Rights Commission (ZHRC) to mention but a few must be financially capacitated to undertake their mandate.
- the whistleblower fund must be reinstated.
- governance reforms must be implemented across the public sector.
- majority of the demands on effective institution building and governance can be easily achieved through political will and does not demand much funding.

#### *Women, Gender, Equity and SMEs*

Women and SMEs actors demanded that the 2024 national budget should strive to address their plights. The establishment of the WDF and SME DF should be prioritized as stated under Human Capital Development and Innovation.

#### *Water And Sanitation*

The government must prioritized the renovation and upgrading of all water works across the country. The proposed 350 boreholes in the NDS1 are not sufficient to address the water crisis. Thus, the 2024 national budget must address the water crisis.

#### *Climate Change*

- The 2024 national budget must prioritize climate change to ensure that Zimbabwe makes positive strides to fulfill its Nationally Determined Contribution (NDC).
- Companies operating in mining and manufacturing who are in a way contributing to the emission of carbon dioxide and environmental degradation must contribute to climate financing.
- The budget must address energy crisis by investing in hydro-electricity.
- Increased allocation for decentralized renewable energy technologies.
- Invest in climate research.

### *Emergencies/ Disaster Management*

Citizens demands for the establishment of emergency or disaster management fund. Mining companies and artisanal small-scale miners must contribute towards emergency management.

### *Food & Nutrition*

- At least 10% of 2024 budget must be earmarked for the Agric sector.
- Climate proofing the agriculture sector through water harvesting, support of smallholder irrigation schemes, short maize varieties, traditional grains for deficit producing regions.
- Strengthen Agric research & development, support agriculture extension services,
- Maintain government agriculture subsidies such as provision of farming inputs to vulnerable smallholder farmers.
- Improve farmers' access to finance by reforming the existing land tenure systems to make them bankable.
- Land audits to improve land utilization – reduce land ownership disputes, monitoring underutilized farms, reducing multiple farm ownerships, reduce

### *Value Chains*

- Tax incentives such as duty rebates for companies that increase investments in the manufacturing value chain.
- Revolving fund to support small & medium enterprises.
- Collaboration to develop innovative new products
- Financial support to innovation hubs already established in tertiary institutions
- Integrated approach to supply-chain optimization, redesigning processes together to reduce waste & redundant effort.

### *Transport, Infrastructure & Utilities*

- Set aside funds to capacitate transport parastatals: ZUPCO– increase bus fleet & NRZ– modernize the railway services.
- Rebate of duty for buses imported by private transport players.
- Put back the administration of the Road Levy & Vehicle Licensing Fees to local authorities to improve local roads.
- Provide incentives for participation of private players in the energy sector.
- Maintain suspension of duty on green energy technologies like solar panels

### *Housing Delivery*

- Rein in on land barons.
- Formalize the informal/illegal settlements.
- Land servicing before selling housing units.
- Set aside funds to provide housing allowance for public servants.
- Utilize Private-Public Partnership (PPP) in the housing sector.
- Tax incentives for housing materials such as cement

### *Youth, Sport & Culture*

- Set up and resource the Youth Development Fund
- Improve youth participation in the natural resource governance e.g. Youth in Mining, Youth in Agric, Youth in Manufacturing, etc.
- Support construction of public sport fields across all the country's provinces

## **Conclusion**

These are the priorities identified by citizens that Treasury must consider in drafting the 2024 national budget if Zimbabwe is to attain an upper-middle income status by 2030. The uptake of people's submissions in the final budget is critical in ensuring that the budget is a people's budget. ZIMCODD therefore calls for a budget that makes a deliberate effort to reduce poverty, inequalities and regional disparities and calls upon the government to improve accountability with respect to budget expenditure.