

#debtconference2020



## AFRODAD-ZIMCODD MULTI-SECTOR AND MULTI-STAKEHOLDER



**Bulawayo, Zimbabwe, 9 October 2020.** ZIMCODD and AFRODAD held an advanced multi-stakeholder conference on public debt in Bulawayo from 7-9 October 2020. The conference included speakers, discussants, and participants from the Parliament of Zimbabwe, Zimbabwe Revenue Authority, Ministry of Finance and Economic Development, Reserve Bank of Zimbabwe, private business organizations, youths, women groups, civil society, and developmental partners. This communique is delivered as a shadow report on the chronic problem of public debt in Zimbabwe and is framed through the lens of feminist, developmental, rights-based-cum-gendered approach, and innovative multi-sectoral responses to eradicating public debt in Zimbabwe. Zimbabwe has a weak economic performance and stakeholders agreed to lobby government, parliamentarians, and developmental institutions from the perspective of shifting geographies of capital. The conversation was held beyond the right/leftist narrative and ideation on debt ideology in Zimbabwe, and Zimbabweans must be sincere enough to give public debt a gendered responsive face and political economy analysis that considers the lived realities of women, youths, and other marginalised and vulnerable sections of the Zimbabwean society.

# FUNDAMENTAL AND SPECIAL RESOLUTION



- 01•** The starting point is that Zimbabwe is in a serious debt crisis and the resolution of the debt should involve civil society. Significantly, a conference report was produced based on the papers that speak to the nexus between debt and women, children, human rights, illicit financial flows, natural resources, corruption, transparency and accountability, politics, economics and security. Africa has become an impoverished net lender to the world and loses US\$88 billion annually to illicit financial flows from criminal activities, commercial crimes, and corruption. This threatens the much-treasured sovereignty of African countries and their people. The debt woes affecting Africa and various countries have eroded public confidence and created a culture of trust deficit. This is exacerbated by the fact that Africa has also not been spared by the Coronavirus pandemic and other emerging geopolitical threats. Countries in the SADC sub-region such as Mozambique have pushed the African consciousness on debt through strategic litigation in local courts. Zimbabwe which is saddled with public debt which asphyxiates public and social service delivery can also interrogate seriously the odiousness of its debt from the colonial era and after independence.
- 02•** Zimbabwe should focus on feminisation of public debt by emphasizing on women-centered analysis of the debt debacle. While public debt in its variegated forms: external or domestic, odious or profligate, sustainable or unsustainable has a human face, the stakeholders resolved unanimously that public debt should be feminized and given the face of a woman and other sectorial faces such as the youths, persons with disabilities and other vulnerable and marginalized groups in Zimbabwe. While the gender analysis should speak to all the gendered dimensions in Zimbabwe, the corpus of debt strategies, dialogic and participatory spaces should not stigmatise, romanticise and fictionalise the participation of marginalised and vulnerable sections of Zimbabwe. Their lived realities must urgently be adopted through deliberate policies to promote their equal participation in public debt meetings held by all stakeholders and practitioners as well as other state and non-state institutions. It was unanimously agreed that ZIMCODD and AFRODAD and all stakeholders should prioritise women's issues in the debt question in Zimbabwe since women are mostly affected by the debt challenges.
- 03•** Notching a debt justice movement that genuinely proffers an expose of the ideology and ideological state apparatuses or political economy analysis of the debt question should be essentialised and visibilised in Zimbabwe's debt engagement and resolution strategies. Fundamentally, lessons should be

drawn from strategic initiatives such as Mozambique's interrogation of the odiousness of various categories of debts through the active participation and engagement between the state and citizens.

#### 04 Other judicious concerns

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- a The esteemed multi-stakeholders unanimously agreed that inclusive, transparent, and widely consultative debt resolution strategies are the best way to involve citizens in the debt discourse. This is a welcome opportunity for state, oversight bodies, private and public citizens to institutionalise to work with community-based organisations and various sections of the Zimbabwean society in the debt resolution strategies.
- b Africa and Zimbabwe are endowed with natural resources and these should be used as vectors of development. Zimbabweans must be the proper stewards of their natural resources, especially mineral resources. The conference was thus a clarion call on the need to lessen the trade in raw materials and ensure that Zimbabwe and other African countries consider the social and economic implications of exporting raw minerals and oil resources. Linked to this is the need to unravel the ideological babel that focuses on debt forgiveness, austerity, and unstated debt that is not known within the radar of Parliament, civil society organisations, and transparency and accountability institutions. In this milieu, the stakeholders agreed to prioritise the political economy, security, and economic dimensions of debt by breathing life to noble policies such as the Lagos Plan of Action on poverty alleviation and elimination; the Mexico Declaration on aid (2002), the Doha Conference and Addis Ababa declaration (2015) which are important sources of international law that can help Zimbabwe deal with the debt question.
- c To this end, a human agency framework that focuses on various levels of leadership: the state, local authorities, civil society organisations, faith-based organisations, academic, and community-based leaders should be seen as the vectors of resource mobilisation. Human leadership offers an opportunity for innovative collective efforts that help Zimbabwe to avoid the path towards democratic deconsolidation, economic regression, and protectionism. There is a need for critical thought leadership which is also informed by Africa's trajectory towards 'African capitalism.' Specifically, the innovative human agency miraculously saved countries such as Rwanda from the debilitating

effects of the Rwandan genocide and made Rwanda a stable economy.

- d The multisector engagement is also seen as a clarion call for Africa to have a common position on public debt. With Africa losing about US488 billion in through illicit financial flows annually, Africa must adopt a debt position on various creditors such as China, the Paris, and non-Paris clubs and other international financial institutions. Critically, there is a need for an Africa-Sino Debt approach that goes beyond the focus of the Forum for China-Africa Cooperation (FOCAC). It is in this that the multi-sector stakeholders also celebrated the current Government, the Second Republic's efforts in making the Continental Free Trade Area the vortex of development and economic growth for Zimbabwe.
- e From the perspective of 4th generation human rights or the 4th industrial revolution, the multi-stakeholders resolved that state-owned entities, labour, and private sector should prioritise technological interventions to resolving the domestic and external debt. This calls for Zimbabweans to inject cancer that ends corruption decisively and combats the shadow economy that includes tax evasion and avoidance. The exploitation of opportunities offered by investing through the Fortune 500 should encourage Zimbabwe to be a good investment destination. Further, Zimbabwe must urgently draw lessons from South Africa which has a Commission that takes the fourth industrialisation issues such as artificial intelligence and biochemicals seriously. Linked to this is the need for the Ministry of Finance and Economic Development to ensure there is access to updated information on public debt; borrowing to support viable projects; and stoppage of fiscal incentives such as tax holidays. The Debt Management Office should ensure there is coordinated reportage from parastatals that is framed from good governance and corporate governance perspective. The role of the state in steering economic growth must also essentialise job-led economic growth and sound corporate governance. This can be achieved by closing the ideological vacuum on public debt as well as giving a nuanced analysis of the political economy challenges that are linked to the debt question.
- f Importantly, while there is a need to formalise the informal sector in Zimbabwe, there is a need for innovative management of public resources; domestic resource mobilisation; responsible citizenry; multi-sector responses to service responses; and progressive taxation frameworks, and revenue

generation. There is a need to shun the analysis of debts after borrowing for consumption. Zimbabwe must borrow for capital expenditure and institutions such as Unki, Mimosa and ZIMPLATS must be capacitated to prevent the exportation of gold with platinum wealth. From the perspective of representative and constitutional democracy, the state should seriously ensure that Parliament is appraised as contemplated by the Constitution on the delays in establishing a smelting centre for the three institutions especially given that they were given 2.5% tax concessions. Local communities serviced by various companies in the extractives must also benefit as contemplated by section 13 of the Constitution.

- g** From a developmental and good governance perspective, Zimbabwe must decisively fight the twin challenges of corruption and debt which electrocute national development, stifle public finance management and threaten the rule of law and make elusive the enjoyment of various generations of human rights entrenched in the Constitution. The debt challenges must be given a human face that is steeped in the realisation that the cost of corruption and debt is hefty. While the arrest of persons that are accused of corruption is welcomed, the multi-stakeholders felt that prosecutions of such persons are not enough. The Zimbabwe Anti-Corruption Commission (ZACC) and various organisations it signed memorandum of understandings should profile people who are linked to corruption. Those accused of corruption should not be allowed to occupy public office until their cases are finalised and they are absolved of wrongdoing. Linked to this is the need to ensure that citizens are regularly and properly informed on the status of the Government's biometric processes on registration of public servants since Zimbabwe is losing \$4million to ghost workers. There is a need to deal decisively with the conflation of state and party interests in procurement projects; publicization of information on loans by the public debt management office; and active involvement of the Procurement Regulatory Authority of Zimbabwe (PRAZ) in the development of procurement guidelines for line ministries. The latter is critical especially following the Ministry of Health's failure to adhere to guidelines that culminated in the arrest of the former Minister of Health.
- h** Parliament's arms such as the Africa Parliamentary Network against Corruption (APNAC) Zimbabwe and its partners such as Transparency International Zimbabwe must emboss their oversight role in the management of the financial purse and also in demanding accountability from local

authority on efficient reporting on public accounts. To this end, the role of the Ministry responsible for local government administration must also be interrogated in the public debt discourse. APNAC Zimbabwe and its partners must play an important role in driving ZACC's fight to investigate, identify, and implement the process for recovering assets including property converted to 'clean' money and stored outside Zimbabwe. Linked to this is the need to ensure that ZACC's Asset tracing, and recovery of assets initiative which is done with the assistance of international agencies will be futile without proper whistle-blower legislation. Whistle-blowers have shown that almost \$US7 billion in unexplained wealth is contributing to the ballooning debt for the country.

- j** In ensuring that ZACC's investigative work is efficient, the stakeholders implored the prosecution services under the National Prosecution Authority to deal with the huge docket from ZACC. At the moment, ZACC's call to participate in drafting the Lay Bill on Whistle-blower Protection should be celebrated and Zimbabweans should utilise ZACC's portal on reporting corruption at [www.zacc.online](http://www.zacc.online)>tipoffs. It was agreed that emphasis must be placed on the fact that the "anti-corruption fight is a multi-stakeholder fight.' As such, the National Anti-Corruption Strategy under the auspices of a steering committee with ZACC and organisations such as National Association of Non-Governmental Organisations (NANGO), Transparency International Zimbabwe (TIZ), Ministry of Finance and Economic Development, the Law Society of Zimbabwe, the Judicial Service Commission, National Prosecuting Authority (NPA), and sub-committees must be publicised across all sections of the Zimbabwean population. ZACC partners such as the NPA must delegate some of their functions to ZACC to ensure the investigations-led approach to prosecuting corruption crimes. With ZACC empowered to hire specialised prosecutors for corruption cases, there is need for the RBZ's Finance Intelligence Unit, internal controls in the Ministry of Finance, the Special Anti-corruption Unit, and ZACC's partners to avoid overlapping roles in fighting corruption and financial crimes in Zimbabwe. This would ensure cohesion between such institutions.
- j** Further, there is an honest need to deal with fragilities, explosions and implosions in the economy that continue to suffocate public health, education, and food and water rights. There is need to ensure that water is affordable, accessible and available as contemplated by General Comment 15 under

international law. There should be honest reportage on Zimbabwe's commitment to the Abuja declaration on health, and also need to ensure that age is not used as a restriction to access healthcare. This also comes in the wake of increasing media reportage of the challenges faced by female adolescents in accessing medication during cases of unplanned pregnancy, sexually transmitted infections and other sexual reproductive services. Added to this is the lack of amenities to adhere to arrest high maternal mortality and infant mortality rates. Zimbabwe should focus on both the ability to pay and the ability to service the public debt so that there is a gender-responsive approach to public service.

- k** Being serious about gender-responsive strategies help Zimbabwe deal with its high-risk country. There is a need to close the inequality gap and ensure that focus is not only placed on recurrent expenditures and non-capital developments. With the ZWL18billion stimulus package, there must be a prudent risk management system. This will ensure that Zimbabwe embosses intergenerational equity. There is a need to emphasize the ideology and morality on debt so that we seriously interrogate the odiousness nature of the debt: war-related, imposed, and regime debts. This will enable Zimbabwe to deal with challenges that short-circuit the capacity of local authorities and the nation to resolve their debts. Ultimately, national interests must be shaped in a manner that shuns organised racketeering and voracious appetites to borrow un-sustainably in contra-distinction to the constitutional ethos such as human rights, good governance, and the rule of law.

# CONCLUSION

Indeed, a multi-sector approach to fighting debt stems from the realisation that 'debt is the worst poverty' as was monumentally remarked by Fuller.