

## **STATEMENT ON AFRICAN ANTI-CORRUPTION DAY**

### **“STRATEGIES AND MECHANISMS FOR THE TRANSPARENT MANAGEMENT OF COVID-19 FUNDS”**

The Zimbabwe Coalition on Debt and Development (ZIMCodd) joins other African countries to commemorate the 6th edition of the African Union Anti-Corruption Day (AUACD) on 11 July 2022. This year’s edition, running under the theme Strategies and Mechanisms for the Transparent Management of COVID-19 Funds could not have been more relevant especially as the media has been awash with cases of abuse of pandemic resources across the continent. From the [Drax Scandal](#) in Zimbabwe to the [South Africa COVID-19 funds scandal](#) worth 2.1 Billion Rands, the evidence points to a growing rather than declining crisis. This is a reflection of the wider predicament of graft which has a human cost and has become prevalent in Africa. According to African Union estimates, the continent lose US\$140 Billion annually to corruption.<sup>1</sup> Conscious of this severe loss, there is need for African Governments to engage in deliberate efforts to genuinely investigate and implement punitive measures against the corrupt.

It should be acknowledged that to date, 47 countries have ratified the African Union Convention on Preventing and Combatting Corruption (AUCPCC), thereby taking the first step in addressing the challenge of corruption. However, development for the same countries has been stunted due to the various forms of graft that include economies of affection in procurement, illicit financial flows (IFF) and tax evasion. This is even more discouraging because a majority of the cases of grand corruption involve government leaders or their cronies. This presents a disparity in the publicly declared commitment to fight corruption whilst at the same time facts on the ground show worsening inequality caused by this social ill.

This year’s theme resonates well with ZIMCodd work on strengthening transparency and accountability in the management of public resources. As a pro-poor movement, we are gravely concerned by the inimical and malevolent effects and prejudice that results from corruption as the lives of general citizens continue to worsen where resources meant for economic improvement are channeled to personal enrichment. The institutionalization of corruption has undermined optimum service delivery and culminated in the violation of enjoyment of basic human rights on the enjoyment of such through: poor Public Service, poverty, lack of proper justice, increases in unemployment, poor health and hygiene, infrastructural gaps and low life

1. <https://guardian.ng/business-services/140bn-yearly-loss-to-corruption-can-address-africas-power-challenge/>

expectancy which have all undermined human capital development and national competitive advantage.

### **Recommendations**

Following these specific challenges, as ZIMCodd, we make the below recommendations to African leaders and the Government of Zimbabwe in particular in the fight against corruption:

- **Curbing Illicit Financial Flows-** According to the UN Conference on Trade and Development (UNCTAD), Africa loses about US\$88.6 billion to IFF's annually. This is 3.7% of continental Gross Domestic Product. Our governments should then strengthen our systems especially around taxation of Multi- National Companies who are a major culprit in remitting value to their home countries without any benefit to locals.
- **Strengthening Weak Institutions-** There is need to capacitate and strengthen key institutions such as Parliament and procurement boards which have a key oversight role on public contracts. Majority of 'mega deals' in Zimbabwe which have resulted in public prejudice should have been flagged by Members of Parliament who have a responsibility to ensure transparency and accountability.
- **Investment in Asset Recovery-** While multiple cases of corruption have been noted across the continent, there is not enough being done to recover the resources that are lost to graft. There is need for authorities to recover lost assets and redirect them to specific need areas.
- **Open Contracting-** Public Procurement in Africa is mainly victimized by foreign shell companies from Europe whose owners are unknown. African governments should adopt open contracting where owners of these companies are known, making it easier to flag cases of money laundering and other IFF's.
- **Compliance with ratified treaties-** The AUCPCC makes demands for countries to report on their progress on implementation of its recommendations. Of late, only a few countries have done so and this affects the overall indicators across the board. The remaining countries should invest in reporting as this encourages growth, cross-learning and improvement of the effort.

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