

OUTCOME STATEMENT



The African Forum and Network on Debt and Development (AFRODAD) in collaboration with its partner organization Zimbabwe Coalition on Debt and Development (ZIMCODD) launched the African Conference on Debt and Development (AfCoDD 2022) Zimbabwe-In Country Session which is a build-up session to the AfCoDD 2022 which will be held in Malawi from the 24th to 26th August 2022. AfCoDD 2022 will bring together political, religious, technical, Civil Society Organisations (CSOs), government leaders and multilateral stakeholders to discuss and agree on commitments that safeguard the macroeconomic sustainability of the continent towards achieving a 'New Debt Movement', and outlook on issues of domestic resource mobilisation and international development finance mechanisms in the African continent towards the structural transformation in Agenda 2063.

The purpose of AfCoDD 2022 is establishing national civic movement building in a sustained manner beyond the current debt crisis. It will be anchored on the African Borrowing Charter as a commitment to actively participate in national debt dialogues and call for greater transparency, accountability and governance on public debt matters. It will be the foundation for launch of the African Day for Debt Action (ADDA) to be held on the eve of the annual African Union (AU) Finance Ministers Meetings.

To this end, the AfCoDD Zimbabwe in country Session was calibrated to enhance the broader purpose of the AfCoDD to be held in Malawi with the primary objective of strengthening transparency, accountability and governance on Debt management. Thus, the following topics guided the Zimbabwe in country Session: Zimbabwe Arrears Clearance Strategy; Taking Stock of Special Drawing Rights Effect on Debt and Development; COVID-19 Factor on Zimbabwe Debt Stock; The Nexus of Foreign Direct "Investment" and Debt in Zimbabwe Climate Change and Debt Justice – to discuss climate finances in the form of loans (to finance droughts, agriculture, floods etc).

After successful deliberations it was resolved:

- 1 Zimbabwe is in Debt distress due to debt mismanagement and the opaque nature of debt contracting systems. Therefore, there is need for parliament to implore the Auditor-General to conduct a Debt audit.
- 2 The utilisation of the Special Drawing Rights (SDRs) was being done in secrecy and the public has not been furnished with the granular details of how the SDRs are being utilised. There is need to compel the Minister of Finance and Economic Development to disclose disaggregated data on SDRs utilization on a quarterly basis.
- 3 Zimbabwe was failing to access climate finances from International Financing Institutions, partners and donors due to its poor debt servicing record. To this end, two proposals were made which are: the need to come up with locally based climate funds and revitalisation of a debt servicing strategy.
- 4 The current debt servicing strategy, the "Zimbabwe Arrears Clearance, Debt Relief and Restructuring Strategy" is not inclusive as it does not capture the reality on the ground and reflect on citizens' aspirations. It lacks a broader citizen and CSO inclusive approach. Therefore, there is need for the government to see to it that all policies are inclusive as they directly impact the people.

5 Zimbabwe`s borrowing appetite was also considered as one of the major reasons why Zimbabwe is in debt distress. It was agreed that, rather than borrowing, Zimbabwe should leverage on its resources through an enhanced Domestic Resource Mobilisation (DRM) that plugs out Illicit Financial Flows (IFFs), profiting shifting, tax invasion and avoidance.

6 It was noted that parastatals have become a conduit of corruption, revenue leakages and tender-preneurship and there was a deliberate ploy to invest none performing State Enterprises and Parastatal so as to loot resources. Therefore, it was suggested that, the borrowed funds be invested in revenue generation projects that help in transforming the lives of the citizens.