

NewThinking Review

Towards an Open and Accountable Government:
Context and Way Forward for Zimbabwe

Spotlight Publication





ABOUT NEWTHINKING DEVELOPMENT

NewThinking Development is an initiative led by young people that encourage collective action between government, the private sector and civil society to promote citizen focused innovation and policy-making. The NewThinking approach is premised on the philosophy that lasting solutions to challenges must be designed, developed and implemented domestically. This ensures ownership, sustainability and offers the greatest chance to transform human lives.

In the context of its efforts to encourage citizens focused innovation and policy making, the NewThinking Review Publication is providing an analysis of important transformative reforms from an open government approach in Zimbabwe.

This series of the NewThinking Review presents important facts and analysis '**Towards an Open and Accountable Government: Context and Way Forward for Zimbabwe**'. Focusing on the following elements:

1. Context and open government approach.

Introduction to the political and socio-economic environment in Zimbabwe and how an open government agenda can be realized.

2. Thematic areas to advance open government reforms. Discuss important areas to advance open government reforms, challenges and possible recommendations.

3. Lessons that Zimbabwe can learn from other countries. Impact and transformation achieved by countries implementing open government reforms.





WHAT THE OPEN GOVERNMENT APPROACH CAN DO FOR ZIMBABWE

The Organization for Economic Co-operation and Development (OECD) defines Open Government as “a culture of governance based on innovative, sustainable policies and practices inspired by the principles of transparency, accountability, and participation that fosters democracy and inclusive growth”

An open government approach improves the quality of democratic life for citizens by ensuring government meets their basic needs.

The impact and benefits of the open government approach are shared by all, including business, citizens and government. These benefits include:

- Building trust between government, citizens and business
- Effective and efficient public service delivery
- Inclusive socio-economic development
- Government efficiency and saving money
- Open and fair business environment
- Better policy outcomes that fosters innovation

THE EVIDENCE

Kaduna State- Nigeria

The Government of Kaduna State carried out an audit that identified corruption in the building of health care centers that only existed on paper. Using a mobile app, citizens have been empowered by technology to be the 'eyes and ears' of government. Citizens are uploading photos and giving feedback directly to the Governor's office and the State Legislature on all infrastructural projects in the State. The State Government is disclosing budget and contract information of infrastructural projects and in turn citizens are monitoring and giving feedback. This has seen record completion of 500 schools

and 200 hospitals, improving maternal health and safety in the State.¹

Paraguay

In 2014, the Government of Paraguay, using digital technology, allowed public access to detailed information about all tenders and contracts awarded by national and municipal government institutions dating back to 2010. This allowed media and citizen monitoring that saw government making savings of around PYG 400 billion.²

Ukraine

The Ministry of Economic Development and Trade of Ukraine and State-owned Enterprises (SOE) created the **ProZorro** platform that publishes all procurement information. Followed by **Dozorro** a public monitoring and complaints mechanisms for government contracts. Official estimates report savings of €1.19 billion since its launch, with 2,000 healthcare organizations saving an average of 15% on all their procurements.³

Brazil

In Brazil municipalities that voluntarily adopted participatory budgeting programs collect 39% more locally generated taxes (property, sales, + fees) than similar municipalities without these programs. This corresponds to over 3% of municipalities' budgets and is equivalent to 40% of their capital investment spending.⁴

¹ How citizens have become 'eyes and ears' in Nigeria's Kaduna State <https://www.opengovpartnership.org/stories/how-citizens-have-become-eyes-and-ears-nigeria-s-kaduna-state>

² Open Government Partnership: The Skeptic's Guide <https://www.opengovpartnership.org/resources/skeptics-guide-open-government>

³ Open Government Partnership: The Skeptic's Guide

⁴ Policy Research Working Paper 8797, Of Governance and Revenue: Participatory Institutions and Tax Compliance in Brazil <http://documents.worldbank.org/curated/en/855201553787807050/Of-Governance-and-Revenue-Participatory-Institutions-and-Tax-Compliance-in-Brazil>



ZIMBABWE CURRENT CONTEXT

Government's **New Dispensation Strategy Document**⁵ spells out the current administration's vision, core values, and reforms. It highlights governance reforms that include implementation of **key open government principles** such as participation, transparency, inclusivity and accountability. This is a step in the right direction as the vision has the potential to place citizens at the heart of the current reform process. Coupled with the implementation of the 2013 Constitution, the vision will address the governance challenges the country has faced.

For the past three decades Zimbabwe's political and administrative system was characterized by high levels of centralization and decline of the country's economy and democracy. The Mo Ibrahim Index⁶ scores Zimbabwe 44 out of 100, ranking 39 out of 54 countries. The report gives Zimbabwe poor scores on indicators that unpin the principles and values of the open government approach.

Moving towards a stable political climate: After decades of violence and intimidation of opposition parties, there are indications of improved freedom of expression and criticism of government with no interference. Zimbabwe still requires several governance reforms in order to improve on global governance indicators and align with the 2013 constitution.

Struggling to turn around the economy: Zimbabwe's economic reforms are facing challenges due to severe shortages of both local and foreign currency, surging inflation, low foreign investment and high government debt. In 2018 the economy grew by 3.5%, below the initial target of 4.5%, mainly supported by agriculture and a fiscal deficit estimated at 10.7% in the same year. The government looks to significantly turn around the economy, for Zimbabwe to be a middle-income-country by 2030.⁷

Open for business policy: This is the cornerstone of government's economic and investment policy to assist economic recovery, facilitate economic growth, and encourage a climate conducive to attract investors into the country. More reforms are needed to fully achieve this; for instance, the doing business report⁸ ranks Zimbabwe 155 out of 190 global economies, with a score of 50.44 out of 100.

⁵TOWARDS AN UPPER-MIDDLE INCOME ECONOMY BY 2030 "New Dispensation Core Values"
http://www.veritaszim.net/sites/veritas_d/files/GoZ%20Presentation%20DC%20-%2019-4-2018.pdf

⁶The 2018 Mo Ibrahim Governance Report see:
<http://mo.ibrahim.foundation/iiag/downloads/>

⁷Africa Development Bank: Zimbabwe Economic Outlook
<https://www.afdb.org/en/countries/southern-africa/zimbabwe/zimbabwe-economic-outlook/>

⁸The 2019 World Bank Doing Business Report: Training for Reformers
<http://www.doingbusiness.org/content/dam/doingBusiness/country/z/zimbabwe/ZWE.pdf>

Indicator	Score out of 100	Ranking out of 54 countries
Transparency & Accountability	26	38
Participation	31	39
Rights	28	44
Business Environment	20	48

2018 IIAG Zimbabwe Scores, Ranks & Trends



MAIN SOCIO-ECONOMIC AND GOVERNANCE CHALLENGES

Slow implementation of economic reforms due to business and citizen lack of trust in government.

Decades of bad policies, corruption and poor management of resources has resulted in economic decline and low levels of trust in government. This has given rise to dependence on foreign investment and donor funding, weak private sector activity and high import levels. High unemployment and low economic participation rates continue to affect all groups in society but in particular women (52.2% of the population) and youth.

Centralization of political power and administrative organization in policy planning and service delivery. Failure to improve administrative capacities and self-generated resources at provincial and municipality levels has resulted in dissatisfaction with the performance of local government. The success of the decentralization policy will depend on the existence of a robust national debate on the appropriate governance architecture.

Implementation of governance reforms that support accountability, transparency and participation has been hampered by the absence of institutionalized forms of citizen engagement across all levels of government, that are outside political party structures. These are the shortcomings of the current political system and the legacy of the traditional structures in rural areas. This has hindered equal opportunities for all segments of society, including women and youth, to fully participate in all spheres of public life.

OPEN GOVERNMENT APPROACH: WAY FORWARD FOR ZIMBABWE

The 2013 Constitution of Zimbabwe reflects the commitment to move towards participatory democracy, transparent governance and holding government accountable. The country's strategy document commits to transparency, accountability, inclusivity and full

participation as the bed-rock of the new era. However, these commitments still need to be realized to deal with some key challenges facing Zimbabwe today.

Create a governance architecture for decentralization that is inclusive. The current decentralization policy of government provides an opportunity to promote participatory democracy and to allow equal opportunities for all citizens, especially women and youth. Engagement is needed with all stakeholders (civil society, grassroots, business, entrepreneurs) to identify the best model for Zimbabwe that is inclusive of all sectors of society.

Conduct a review of all current policies and laws to identify those that impede reforms so as to revise all policies and legislation that hinder a culture of open and participatory policy-making across all levels of government. Strengthen public institutions and align policies and actual practices with the principles of openness, transparency, accountability and citizen participation. Hence changing the culture of how government operates.

Establishment of a multi-stakeholder platform to drive reforms in Zimbabwe. Creating a community of reform champions from public officials, civil society and private sector stakeholders to improve the government-orchestrated character of reforms. This will help reconcile increasing tensions between government and civil society in shaping policies, planning and development agenda. This will ensure citizens become active drivers of the national planning and development process.

Joining the African Peer Review Mechanism (APRM) and Open Government Partnership (OGP). Initiatives that encourage and support governments to implement governance reforms that are transformative, and citizens focused. This will enable government to develop action plans with commitments to implement key governance reforms that are time bound, measured and reviewed at the end of each cycle.



EMPOWERING CITIZENS TO SHAPE POLICIES WITH ACCESS TO INFORMATION

Access to information is the bedrock of the open government approach, it empowers citizens to know how policies and decisions are made. This enables citizens to shape policies, build trust in government and catalyze innovation and economic growth. Section 62 of the Constitution of Zimbabwe Amendment No. 20 of 2013 provides for the right of access to information.

HIGHLIGHTS OF CHALLENGES

Though guaranteed by the constitution, achieving the principles and values of access to information in Zimbabwe still require reforms and cultural change. Several policies and laws still exist that limit access to information and act contrary to the principle. Laws such as the Access to Information and Protection of Privacy Act, Broadcasting Services Act, Public Order and Security Act and the Criminal Law (Codification and Reform) Act all hinder and limit citizen access to information.

Decades of political instability and polarization in Zimbabwe created a culture of intolerance to citizen's access to information. Previous experience suggests that government saw citizens having access to information as a threat rather than an opportunity. Policies and laws developed in the last decades indicate that government saw citizens as the enemy of the state that needed to be controlled by limiting information.

Weak gatekeepers that protect and promote access to information, remains a challenge in Zimbabwe. The protection of access to information and disclosure of information requires strong state institutions that are apolitical. The full participation of citizens in decision making and on issues that matter to them heavily depends on these gatekeepers protecting the citizen's right to information.

RECOMMENDATIONS

Revise all policies and legislation that limit access to information, to align with the constitution. Passing the Freedom of Information Bill is the first step to empowering citizens to participate and have informed dialogue on matters that affect them. Access to information gives citizens access to justice - to claim what is rightfully theirs, hold government accountable, and shape services that impact their lives. Once passed into law the Freedom of Information Bill will require full implementation and safeguarding by all state institutions.

Policies and laws that encourage information disclosure by default, should define government's strategy for the release of data. This will introduce legally enforceable rules for making public and private data available to, and accessible by, the public without the need for formal processes. Open by default increases the level of openness and participation to strengthen participatory democracy, service delivery and builds trust between citizens and all levels of government.

Strengthen Chapter 13 institutions and regulatory entities, to promote and protect access to information and information disclosure. These institutions can also foster some of the basic tenets of openness, transparency, accountability, responsiveness, and ethical governance. Recapacitate these institutions with trained and independent personnel that are non-partisan.

Implement technical and infrastructural mechanisms, to ensure that the policy and legislative environment has a solid foundation for sustainable reforms. There is an urgent need for the right technical and infrastructural development to be put in place for effective implementation.

COUNTERVAILING FORCE AGAINST CORRUPTION

Corruption remains a political, economic and social problems in Zimbabwe, from petty corruption to grand corruption. The 2018 Corruption Perception Index scores Zimbabwe 22 out of 100, ranking 160 out of 180 countries. Corruption has been identified as a contributing factor to the decline of service delivery and poor progress of human development indicators at local and national levels. The 2018 Auditor General report flags procurement corruption that have affected services like electricity, the Zimbabwe Electricity Distribution Companies (ZETDC) paid US\$ 1,7 million for services that were not delivered. The Zimbabwe Power Company paid US\$ 3, 6 million for a solar project that was not delivered.

HIGHLIGHTS OF CHALLENGES

Weak state institutions to investigate and prosecute corruption cases remains a challenge in Zimbabwe. Capacity, resources and personnel affect institutions like the Zimbabwe Anti-Corruption Commission (ZACC), National Prosecuting Authority, Police, Comptroller and Auditor General to fully exercise their duties to combat and prosecute corruption cases. Political interference further weakens these institutions and, in some cases, used to settle political scores.

The limited political willpower and leadership to address corruption is visible. Corruption in Zimbabwe is entrenched in public and private procurement, politics, economy and social life. Poor leadership to put in place combating and enforcement mechanisms continues. Several high-level government and private officials have been implicated in corruption scandals with no consequences.

The absence of a coordinated anti-corruption policy and strategy that coordinates anti-corruption agencies, enlist anti-corruption priorities and provides for a framework to communicate the results of anti-corruption actions. The lack of such a strategy has enabled the creation of corruption fighting agencies that are not coordinated effectively and objectively measured as well as communicated to the general public.

RECOMMENDATIONS

Strengthening anti-corruption institutions, will enable combating and enforcement of corruption cases. Strengthening the ZACC will be critical in combating corruption in Zimbabwe, giving the institution a legal mandate, professional personnel and resources. This will further require a judiciary and law enforcement agency that is apolitical and has the capacity and leadership to prosecute politically exposed persons (PEP).

Citizens driven anti-corruption policy and strategy that empowers citizens to monitor, detect and report corrupt activities. Created and coordinated by ZACC such a strategy has the potential to change the tide on corruption as citizens are currently powerless in the face of grand corruption and impunity



When citizens are empowered to follow the money, violations and irregularities are easily identified because they have the most to lose from corruption activities. Important is the protection of whistle-blowers who report corrupt activities in public and private sector.

Disclosure of procurement information to citizens to be able to follow the money. Publishing public procurement data, beneficial ownership⁹ and public officials wealth, information empowers citizens to know how public money is being spent. Countries that implemented such measures have recorded a 14% decrease in procurement costs, a 50% increase in entrepreneurs bidding for government contracts and saving government US\$ 1 billion to date.

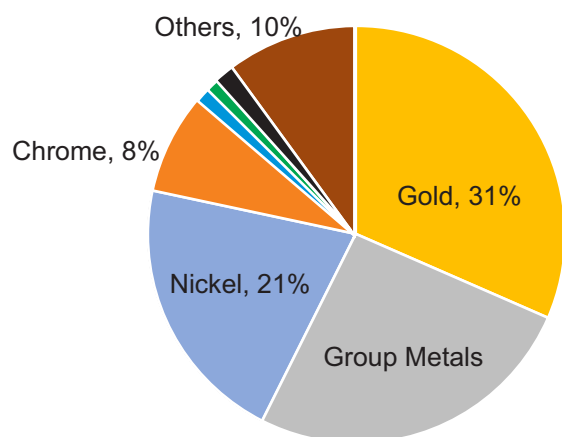
Stakeholder partnership between government, the private sector and civil society with concrete actions with accountability. This enables reforms from all sides to fight with integrity the entrenched networks of corruption. Forging coalitions and movements as countervailing forces creates collective action and overcomes vested interests.

State institutions such as parliament and judiciary have a critical role to play in both combating corruption and enforcement. When parliament and the judiciary are compromised any efforts by citizens and the media to monitor, investigate and report corruption are fruitless. These institutions need to play the role of gatekeepers of anti-corruption measures and encourage both political and citizen leadership.

⁹**Beneficial ownership** refers to the true owner of a company, anyone who enjoys the benefits of a company without being on the record as being the owner.

PARTICIPATORY GOVERNANCE OF EXTRACTIVE SECTOR IN ZIMBABWE

Zimbabwe is endowed with deposits of an estimated 40 minerals, approximately half of which are actively produced. Only a handful of minerals make a significant contribution to the economy; gold, platinum group metals, nickel, diamonds, coal and granite. While billions have been generated from the extractive sector, it has failed to translate into economic growth and sustainable opportunities for citizens. Zimbabwe was losing US\$ 50 million a month between 2006- 2016 to smuggling, corruption and illicit financial flows, from both established and small-scale miners.



Mineral exports by value (January to June 2018).
Source: Reserve Bank of Zimbabwe

HIGHLIGHTS OF CHALLENGES

Failure of policies and laws to combat smuggling, corruption and illicit financial flows in the extractive sector. Zimbabwe has passed some 'best practice' laws and policies to combat corruption and illicit financial flows that have had very limited results. These include the Prevention of Corruption Act, Public Service Act, The Ombudsperson Amendment Act, Anti-Corruption Commission Bill, The Criminal Law (Codification and Reform) Act, Bank Use Promotion and Suppression of Money Laundering Act, Criminal Procedure and Evidence Amendment Act and Criminal Law (Codification and Reform) Act.

Current policies and laws that govern the extractive sector encourage secrecy and opaqueness of payments and contracts. The Income Tax Act declares company tax information and any company payments to government as confidential; Placing inadequate public disclosure requirements on mining companies except for particular information to be disclosed to selected government agencies.

Poor coordination of government agencies that collect extractive revenue. Various government agencies, including local authorities, are involved in the collection of mineral revenue. These include ZIMRA, Environmental Management Agency (EMA), Ministry of Mines and Mining Development, Zimbabwe Mining Development

Corporation (ZMDC) and Minerals Marketing Corporation of Zimbabwe (MMCZ). The various uncoordinated collections not only compromise viability of the sector, but also present transparency and accountability of revenue and payments challenges.

RECOMMENDATIONS

Implementation of the Public Enterprises Corporate Governance Act, passed in 2018, is important for the extractive sector. The act helps to address several challenges the extractive sector is currently facing including issues of corruption in the public sector, corporate disclosure, communication and mechanisms for creating trust between shareholders, boards, management and employees.

Mandatory disclosure of payments: The Extractive Sector Transparency Measures Act (ESTMA), a Canadian law passed in 2014, has resulted in several companies operating in Zimbabwe disclosing payments made to the Government of Zimbabwe. Disclosures from companies like Caledonia Limited and Blanket Mine give citizens useful information about those companies' payments. There is need for Zimbabwe to put in place policies and laws that force companies to disclose the following: production entitlements; taxes levied on income, production or profits of companies, royalties; dividends; signature, discovery and production bonuses; license fees, rental fees, entry fees and others; as well as payments for infrastructure improvement.

Disclosure of contracts and beneficial ownership information in open data format, for public scrutiny. Public disclosure of this information is important for citizen participation, building citizen trust in government, holding governments and the extractive industry accountable. Mining contracts between governments and extractive companies detail the key terms of the agreement in extractive investments such as environmental impact, fiscal terms, local content requirements and production timing.

Revive the process of joining the Extractives Industry Transparency Initiative (EITI), which began in 2011 with the establishment of the Zimbabwe Mineral Revenue Transparency (ZMRT) Initiative. This will enable a national participatory process to promote dialogue and trust among stakeholders in the extractives industry and enable greater transparency of Zimbabwe's extractives revenues and sector information.



EMPOWERING CITIZENS THROUGH FISCAL TRANSPARENCY

The Open Budget Index¹⁰ scores Zimbabwe 23 out of 100, on budget transparency meaning Zimbabwe provides minimum budget information to citizens. Moreso, Zimbabwe provides very few opportunities for the public to engage in the budget process, with a score of 9 out of 100. Fiscal indiscipline, opacity and poor fiscal management in state institutions are some key issues contributing to the economic challenges facing Zimbabwe. Transparency coupled with citizen participation is vital to improve governance and realize the positive outcomes associated with fiscal discipline.

HIGHLIGHTS OF CHALLENGES

There is insufficient disclosure and publication of fiscal information, to the public. Since 2015, there has been a decrease in the availability of budget information by failing to publish the in-year reports in a timely manner and reducing the information provided in the executive budget proposal and pre-budget statement. Furthermore, Zimbabwe has failed to make progress in producing a citizen budget.

Inaccurate fiscal reporting and unreliable expenditure data continues to be a challenge for government and State Enterprises and Parastatals. Data on resources availed to service delivery units is not readily available during the course of the budget year and not reported in any year-end reports. Of the 107 State Enterprises and Parastatals (SEPs), only 85 had financial data available between 2014 and 2018. There is a lack of disaggregated data which point to how women, men, boys and girls of different groups benefit from government services and related budget allocations from government departments.

Limited oversight of parliament throughout the budget cycle, is a reflection of the weak accountability mechanisms for government. Large government operations are not reported in the budget or any other consolidated format which limits the effectiveness of parliamentary oversight of budget execution. Between the period 2013- 2017, parliament has taken 16- 20 months to review and analyze the Auditor General's report. Furthermore, parliament does not publish reports on the executive budget proposal analysis and reports on in-year budget implementation.

Failure of State Enterprises, Parastatals and Local Authorities to publish financial statements and audit report. The 2018 Public Expenditure and Financial

Accountability (PEFA) report revealed that out of a sample of 37 state enterprises (representing 80% of expenditure) just under half of the enterprises (weighted) had publicized their financial statements for the year 2016. Of the 70 local authorities that had not submitted financial statement for 2016, 35 had also failed to submit financial statements for 2015. The 2018 National Budget Statement revealed that, public enterprises remain a draw back through inefficiencies, with their contribution to the economy down from around 60% to levels of about 2%.

RECOMMENDATIONS

Participatory governance of the fiscus needs to be more interactive, inclusive and citizens should be empowered with accurate and timely information and data. Participatory governance is a powerful disincentive for officials to misuse or misappropriate funds since their actions are more likely to be scrutinized. This leads to less corruption. If budgets are open to the public and effective legislative scrutiny, there is less room for deviation from policy decisions and reversal of budget allocations.

Strengthening e-Governance and the use of digital technology for information disclosure. Digital technology has the potential to radically transform how government delivers services to citizens by raising transparency and accountability. Government needs to introduce digital systems that enable the disclosure of information to citizens and allow feedback on budget allocations, expenditures and service delivery. This feedback, combined with reduced corruption, results in more efficient use of resources.

Pilot mechanisms led by the Ministry of Finance and Economic Development for citizens and government to exchange views on national budget matters during both the formulation of the national budget and the monitoring of its implementation. These mechanisms could build on innovations, such as participatory budgeting and social audits.

Parliamentary oversight is important in fostering a culture of transparency and accountability. To strengthen the public hearings already taking place, parliaments needs to publish reports on analysis of the executive budget proposal and reports on in-year budget. Furthermore, parliament needs to hold public hearings on the audit report, during which citizens and civil society organizations can testify.

¹⁰Open Budget Index by the International Budget Partnerships
<https://www.internationalbudget.org/wp-content/uploads/zimbabwe-open-budget-survey-2017-summary.pdf>

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