



A Critical Review of the Progress in Implementing the Reform Matrix for Zimbabwe's External Debt Arrears Clearance

1. Introduction

This paper presents the perspectives of Transparency International Zimbabwe (TI Z) on progress made with implementing the Reform Matrix for clearing Zimbabwe's external debt arrears. In December 2022 the Government of Zimbabwe (GoZ) launched a platform as part of the implementation of its Arrears Clearance Strategy, to engage its creditors and development partners in a structured dialogue on economic and governance reforms necessary to support the clearance of arrears (AFRODAD & ZIMCODD, 2023; Ncube, 2023). A series of High-Level Debt Resolution Forums has been convened, with the fourth being held in Harare on the 15th of May 2023. The AfDB in consultation with stakeholders has facilitated the formation of three sector working groups with matrices of reforms on (i) Economic Growth and Macroeconomic Stability, (ii) Governance and (iii) Land Reform and Compensation which feed into the high-level policy dialogue on arrears clearance.¹ TI Z participates in the Governance Reforms working group composed of GoZ representatives, development partners, CSOs and the private sector. Being based only on publicly available documentation, this paper is highly selective in its assessment of the matrices, focusing on the status of reforms which are relevant to TI Z's organisational objectives.

2. Why the Reform Matrix Matters to Civil Society

As an anti-corruption civil society organization (CSO) that promotes transparency, accountability, and integrity (TAI) in all sectors to achieve good governance, TI Z is mainly interested in implementing strategies in the Governance Matrix that promote the fight against corruption. Closely linked to this, TI Z sees the launch of a discourse around the matrices as

¹ At the time of writing, there was an ongoing discussion on some of the reforms, with the implementation of others having begun e.g., the commencement of a Staff Monitored Programme (SMP), the establishment of a market-determined exchange rate, and ending quasi-fiscal activities in line with the Economic Reforms Matrix. Many of these reforms have been included in the Transitional Stabilisation Plan (TSP) of October 2018 to December 2020, and the First National Development Strategy (NDS1) 2021 to 2025 (See Ministry of Finance and Economic Development, 2022).

an opportunity to push for greater vertical and horizontal accountability in Zimbabwe.² Paramount in this is the objective of achieving transparency and accountability in public finance management (PFM). Over and above this issue other CSOs have raised concerns about the country's current debt situation in line with their objectives.

The Zimbabwe Coalition on Debt and Development (ZIMCODD) and the African Forum and Network on Debt and Development (AFRODAD) have highlighted multifaceted challenges Zimbabwe faces in resolving the debt overhang haunting it since the year 2000. Arrears and penalties constitute 76% of external debt, with total debt at US\$17.6 billion as of November 2022 (ZIMCODD & AFRODAD, 2023). The US\$17.6 billion translates to a debt-to-GDP ratio of 96% (MoFED, 2023) which is well above the maximum legal threshold prescribed by the Public Debt Management Act. At the same time, ongoing macroeconomic conditions (characterised by high inflation, exchange rate instability, unemployment, and infrastructure problems; and the global knock-on effects of the Russia-Ukraine War) complicate the economic situation of the country (ZIMCODD & AFRODAD, 2023). The levels of domestic and foreign remittances, as well as foreign aid, are dwindling, whilst domestic revenue is sub-optimal due to illicit financial flows (IFFS) estimated at US\$32 billion in the past two decades (ZIMCODD & AFRODAD, 2023).

Overall, key debt concerns from a civic perspective include issues to do with Responsible, Transparent, and Prudent Borrowing (complicated by resource-backed loans at non-concessionary rates, and growth in domestic borrowing); a slow and ineffective Global Sovereign Debt Resolution Mechanism; concerns with Transparency and Accountability in PFM; the usage and reporting on the US\$650 billion Special Drawing Rights (SDR) *and* Domestic Resource Mobilisation (affected by frequent natural disasters, IFFs, and high levels of informalisation of the economy) (ZIMCODD & AFRODAD, 2023).

3. Reflections on The Three-pronged Matrix Approach to Reforms

Notwithstanding the split of matrices of reforms into three different streams, TI Z contends they must be approached holistically, because the economy (in which issues of public debt are domiciled), does not operate in a vacuum. In fact, the success in attaining milestones in all of the proposed economic reforms hinges on the Governance Reforms pillar. To illustrate this point, examples of key sectors or issues normally associated with governance but impacting the economy include the justice sector and respect for human rights, which are all matters of interest to creditors, donors, and investors. The justice sector influences the rule of law, respect for ownership, and title to property which investors are keenly interested in. On the other hand, a country with a poor human rights record risks experiencing political instability, social unrest, and economic disruption resulting in financial losses for investors and funding partners (Barro, 1991; Alesina and Perotti, 1996 in Bernal-Verdugo, Furceri and Guillaume, 2013; Blume,

² Vertical accountability holds public officials accountable to the electorate or citizenry, whilst horizontal accountability subjects public officials to checks and balances by other government agencies (e.g. the courts and auditing agencies) (See the Transparency International Plain Language Guide, 2009, p.2)

Lorenz; Voigt, Stefan, 2004). Closely linked to this, empirical evidence shows that economic activity declines following spikes in social unrest due to lower business and consumer confidence, and increased uncertainty - with the negative impacts more easily experienced in countries with weaker institutions and limited policy space (Hadzi-Vaskov, Pienknagura and 2021). Creditors, such as banks and other financial institutions, may also consider a country's human rights situation when assessing its creditworthiness (Lumina, 2019; Nuzzo & Aspin, 2022). To further illustrate the conceptual interconnectedness in the three work streams, when country risk is assessed, the economic, social, and political conditions which may affect a financial institution's operations or interests are considered *in toto*. Funding partners (including international NGOs) may also consider a country's human rights situation when deciding whether to provide aid. In this regard, countries that respect human rights and have strong governance structures are likely to be prioritised.

The interconnectedness of the economy with political and social conditions is highlighted in the 2022 Transparency International Global Corruption Perception Index (CPI) theme, '*Corruption, Conflict and Security*'. In picking this theme, Transparency International highlights the idea that corruption undermines political, social, and economic stability, ultimately threatening peace, safety, and human security. As Figure 1 extracted from the 2022 CPI results will show, a high score on the CPI (one of many indicators for good governance globally) corresponds with high levels of national income (Transparency International, 2023). Not surprisingly a relatively high CPI score corresponds with the nature of governance prevailing in a country (Transparency International, 2023).

Figure 1.



(Source, Transparency International, 2023)

In view of the above, the process of re-engagement by the GoZ with bilateral and multilateral creditors is central to the success of the arrears clearance strategy. As a recap, the country's indebtedness challenges began in the early 2000s with concerns over economic mismanagement and undemocratic practices. Over and above concerns raised by citizens, these issues led to friction with bilateral creditors who not only have the potential to provide Zimbabwe with debt relief but make influential decisions within the International Financial Institutions (IFIs) and multilateral development banks e.g., in the context of the Zimbabwe Democracy and Economic Recovery Act (ZDERA).

However, successful re-engagement is hinged on the implementation of key domestic reforms, whose non-implementation has haunted the country since 2000, hence our call for a holistic approach. Zimbabwe is therefore faced with the choice to atrophy (in the economic sense) or re-engage meaningfully with key bilateral partners for inclusive and sustainable economic recovery. Implementing the agreed reforms is, therefore, an opportunity very much in GoZ’s control through domestic policy, to deal with the myriad concerns to the satisfaction of stakeholders (internal and external), beyond the financial and technical issues associated with restructuring public debt. This is not to say splitting the proposed reforms into different work streams is not useful. TI Z is merely highlighting that the matrices must speak to each other, albeit with the governance issue featuring prominently. Figure 2 below summarises the concerns of various stakeholders, which are anchored on governance.

Figure 2 A Reflection on Long-Standing/Unresolved Governance Issues

From a Realist perspective, various bilateral creditors have and will continue to use negotiations around Zimbabwe’s arrears clearance to address their interests on issues such as economic mismanagement; undemocratic practices; respect for the rule of law (i.e., respect for ownership and title to property, freedom of speech and association, and an end to lawlessness, violence, and intimidation), and geopolitical issues linked to the DRC conflict (See ZDERA, 2001). Other countries with significant voting power on the IFIs have concerns to do with land reform (compensation for farm developments) and valuation of Bilateral Investment Protection and Promotion Agreements (BIPPAs) among other things and this may also become a factor in negotiations.

CSOs in Zimbabwe have raised concerns with GoZ over political and electoral reforms. They also emphasise several governance issues necessary for successful re-engagement, such as alignment of laws to the constitution, improved government-citizen relations, clamping down on corruption, a review of anti-development policies and improved service delivery (ZIMCODD & AFRODAD, 2022). Closely linked to this, CSOs also add economic governance issues, in particular, the non-implementation by GoZ of its own debt policies; lack of debt transparency and accountability; resource-backed loans/collateralisation; poor oversight of state enterprises, parastatals, and local authorities and lack of a debt restructuring mechanism (ZIMCODD & AFRODAD, 2022). While GoZ has made steps to re-engage with its creditors in the past however, CSOs have criticised them for pursuing a ‘technicist’ approach to solving the debt which shies away from solving governance issues summarised above (ZIMCODD & AFRODAD, 2022).

4. Specific Areas of Interest from a Transparency and Accountability Perspective

As highlighted above, TI Z is interested in the implementation of specific reforms in the matrices which promote the fight against corruption. Apart from enhancing the implementation of the National Anti-Corruption Strategy (NACS) 2020-2024, GoZ has an opportunity to demonstrate its commitment to good governance as part of negotiations with its creditors for debt forgiveness. Based on its organisational objectives, therefore, TI Z gives an overview of the progress towards the implementation of specific reforms in the following paragraphs.

4.1. The Economic Reform Matrix

4.1.1. A single registry of vulnerable people and an Information Management System (IMS)

The Economic Reform Matrix includes one reform of ensuring the availability of social protection for all, with measures to improve access to beneficiaries inclusively. One strategy to achieve this is to establish a single registry of vulnerable people and an IMS for social assistance. However, TI Z notes that the Office of the Auditor General (OAG) raised issues of concern in the special report on the utilization and management of COVID-19 Relief Funds in 2021. The report revealed that there were anomalies with databases of beneficiaries, found to be not up to date, having wrong or incomplete information, duplicates and even having ‘ghost beneficiaries’ (OAG Zimbabwe, 2021). The state of these databases makes it extremely challenging to ascertain how many needy people were reached with the resources and hence impacted positively.

It is more concerning when considering that the Parliamentary Portfolio Committee on Public Accounts (PAC) subsequently did not receive the details it requested on the recipients of the funds from the Ministries, Departments and Agencies (MDAs) involved in the distribution of those resources. Transparency and accountability on the true beneficiaries of these resources are important, particularly noting that COVID-19 relief was an area of huge expenditure by GoZ, through public procurement. Knowing the true beneficiaries is also important noting that GoZ has in general increased social spending as a percentage of GDP from 0.1% in 2018 to 0.7% in 2020 (MoFED, 2022).

In view of the foregoing, TI Z contends that the full implementation of an integrated IMS will address an area of corruption risks by plugging holes in the distribution of social assistance, something which will improve the country’s success in instilling confidence and good faith with creditors and donors. Implementing the IMS follows the spirit of Article 9 subsections (1) and (2) of the United Nations Convention against Corruption (UNCAC) which generally urges state parties to promote transparency and accountability in public procurement, and the management of public finances (UNODC, 2004). As a reminder, apart from using domestic resources GoZ also received support from the IFIs in the form of Special Drawing Rights (SDR), as well as donations from bilateral and international donors and other well-wishers who expect accountability in the usage of resources. This is particularly important noting that the country is likely to require further external assistance, due to climate change-induced national emergencies in future.

A single registry of vulnerable people and an Information Management System (IMS) will plug holes in the distribution of social assistance.

4.2. The Governance Reforms Matrix

4.2.1. Enhancing Justice Delivery

4.2.1.1. Establish the Integrated Electronic Case Management System (IECMS)

Enhancing Justice Delivery is an important area of reform in the Governance matrix which has several strategies, targets, and outcomes. One relates to the Judicial Services Commission (JSC) establishing an IECMS. Briefly, this web-based system connects all institutions in the justice delivery system, and tracks all aspects of a case life cycle, from initial filing through to the disposition and appeal (Swarei, 2021; Synergy 2022).

The second phase of the IECMS was successfully implemented in February 2023, with progress to roll out the system at the High Court and Magistrates Court underway (JSC, 2023). In 2022, the system was introduced in the Constitutional Court, the Supreme Court, and the first paperless court in Zimbabwe, the Commercial Division of the High Court (JSC, 2023). The system was also introduced to the Labour Court and the Administrative Court in the first quarter of 2023. When all phases are rolled out it means the IECMS will be accessible to agencies in the justice delivery chain, and what has been achieved so far contributes towards the realisation of reforms in this matrix. This is because the IECMS helps stakeholders to track the progression of cases through the justice system. TI Z perceives a corruption risk with a manual-based system, which is mitigated when all the required information is processed and stored digitally. What however is important to emphasise is that the IECMS must also be accessible to all institutions contributing towards transparency and accountability, beyond the court system such as the Zimbabwe Republic Police (ZRP) and the Zimbabwe Anticorruption Commission (ZACC), for seamless, inter-departmental coordination in fighting crimes and corruption.

4.2.1.2. Improved access to courts for People with Disabilities (PWDs) [and] Improved Access to Justice for Vulnerable People and Minorities

Transparency International and the Equal Rights Trust (2021, as cited in Jenkins & McDonald, 2022) observed that corruption and discrimination mutually reinforce each other, and one area where this manifests is the impact of corruption on PWDs. One way in which this occurs is that "discrimination [on the basis of disability] presents barriers to challenging corruption, while corruption can obstruct victims of discrimination from accessing justice" [emphasis added] (Jenkins & McDonald, 2022). This in our view makes the strategy of improved access to courts for PWDs an important area of reform within the governance matrix. Facilitating PWDs' easy access to the courts and other related institutions is consistent with the UNCAC's

recommendation for state parties to facilitate the participation of non-state actors in preventing and combating corruption (UNODC, 2004). This is also consistent with Article 13 of the UN Convention on the Rights of Persons with Disabilities which encourages state parties to guarantee PWDs’ access to justice on an equal basis with others through the provision of procedural and age-appropriate accommodations [physical adjustments or modifications in all legal proceedings] and training for persons administering justice [emphasis added] (United Nations, 2006)

In this regard, TI Z notes that the JSC launched several projects with the theme “*Court Automation and Integration: Breaking Barriers for Persons with Disabilities*” which contribute to improved access for PWDs (Swarei, 2021). A few examples include the development of a Sign Language manual in collaboration with the United Nations Development Programme (UNDP) and the training of its staff in Sign Language in collaboration with the Deaf Zimbabwe Trust (Swarei, 2021; JSC, 2021). The JSC also constructed access ramps at court stations around the country, as well as repairing elevators at the High Court and Magistrates Courts in Harare and Bulawayo (Swarei, 2021; Nkiwane, 2021; Mafura, 2022). Other projects earmarked for improved access to courts by PWDs include the production of Braille Statutes for the Maintenance Act, Children's Act, Domestic Violence Act and the Victim Friendly Courts (VFC) protocol in collaboration with the United Nations Population Fund (UNFPA) (Swarei, 2021).

The second strategy of access to justice for vulnerable people and minorities is closely related to access to courts for PWDs above, and this is also related to the challenge of discrimination. Viewed together, their concerns are best understood in the context of *Discriminatory Corruption* (i.e., the abuse of entrusted power that discriminates against people based on their characteristics such as gender, disability, race, ethnicity etc. (Transparency International & Equal Rights Trust, 2021 as cited in Jenkins & McDonald, 2022).

At the time of writing, a virtual court system had been in operation for just over a year, being commissioned in February 2022 (Mafura, 2023). The system which addresses delays (due to non-appearance caused by transport challenges), high traffic at courts and COVID-19 exposure, as well as case backlogs among other things, is now operational at Magistrates, Administrative and Labour courts around the country (Mafura, 2023). Together with the IEMCS, the virtual court system makes justice accessible to all segments of the society since stakeholders may not need to travel to different places to serve papers or file cases since the same process is now done online (Rusakaniko, 2023). Over and above the benefits of efficiency, the new system also saves costs (Rusakaniko, 2023) hence it’s plausible to assert that it benefits vulnerable people and those from minorities with affordable justice. The implementation of the IEMCS should also be viewed on the background of swearing in of additional magistrates as part of a decentralisation drive (JSC, 2021), and establishing more courts across the country (Chibune, 2022).

4.2.1.3. Alignment of Legislation to the 2013 Constitution

At the time of writing, there were several Acts yet to be aligned with the 2013 constitution, whilst additional, new Acts are still to be enacted for compliance with the supreme document (Veritas, 2021). Some of these existing and pending legislation are critical in the fight against corruption. As regards alignment, Veritas (2021) noted that the Anti-Corruption Commission Act [Chapter 9:22] needs alignment in several areas such as the Commission's objects and functions, the appointment of the Chairperson; and the tenure, disqualification and dismissal of members of the Commission. Furthermore, they highlight that the Audit Office Act [Chapter 22:18] needs to align with the Constitution, particularly regarding the Auditor General's functions.

As regards new acts, "An Act of Parliament must provide for Parliamentary oversight of expenditure by the State and by all institutions of government, including parastatals and provincial councils and local authorities (section 299 of the Constitution)" (Veritas, 2021: p.27). In this regard, the Public Finance Management Amendment Bill, 2021 (H.B. 4, 2021) (also a strategy for the reform of Public Sector Transparency discussed in the next section) was introduced into Parliament but was not yet passed at the time of writing. Having noted this inclusion of an Act giving oversight over public expenditure, it is noteworthy that there is no other meaningful role for Parliament included in the Governance Matrix. This is a glaring omission noting that Parliament through their representative, legislative and oversight role ought to 'own' public debt on behalf of the citizens they represent, who ultimately shoulder the debt through the levies and taxes they pay (and indeed the opportunity cost of high debt service at the expense of their basic needs). To borrow from Dubrow (2022) as cited in Duri, Ferri and Villeneuve (2022), the matrices should include reforms and strategies to strengthen parliamentary oversight over public finance, in particular scrutinising the debt at various key stages such as the formulation and approval stages of the budget; as well as in-year and ex-post oversight.

Finally, where anticorruption is concerned Veritas (2021: p.27) highlights that "an Act must provide for the disclosure of assets by all public officers, including the President, Ministers, judges, permanent secretaries, army officers etc. (section 198 of the Constitution)" and this still needs to be done.

In the area of fighting corruption, Parliament needs to align several Acts with the 2013 Constitution and enact new ones for compliance with the supreme document.

4.2.2. Public Sector Transparency and Accountability

4.2.2.1. Strengthening Institutions of Accountability [and] Strengthening the Oversight Role of Parliament and the OAG

These two strategies are targeted at strengthening institutions of accountability such as the OAG, the ZACC, the National Prosecutions Authority (NPA) and the JSC, whilst ensuring their impartiality. The targets and outcomes for this strategy include institutional checks and balances, absence of undue influence on government, civic checks and balances and disclosure and accessibility of public records. A few issues can be raised regarding progress on this strategy.

On institutional checks and balances, the Mo Ibrahim Index includes among other things, measures to assess the existence of separation of powers, and limits on government powers by both the legislature and the judiciary (see page 11 of the Governance Reforms Matrix). Linked to this, Transparency International also advocates for effective Parliamentary Oversight, highlighting that “parliaments can work to ensure that other oversight institutions are adequately resourced, operate independently from Executive influence, and that their reports or other outputs receive due attention and action is taken to address any wrongdoing” (Duri, Ferri and Villeneuve, 2022; p.6). Article 6 (2) of the UNCAC also encourages all state parties to grant anti-corruption bodies the independence necessary for them to carry out their functions (UNODC, 2004).

However, in practice, TI Z notes that the Parliament of Zimbabwe has basic involvement in the appointment of members of independent institutions such as the judiciary, independent commissions, and the supreme audit institution. Although the Parliament is involved in shortlisting and recommending candidates to serve on these institutions, MPs do not have a role in the final decision to appoint or dismiss them. It is therefore plausible to assert that in theory, the legal framework has weak institutional checks and balances to guarantee the impartiality of institutions of accountability. Indeed, it’s important to minimise the risk of political interference in the functioning of institutions of accountability so that they carry out their functions seamlessly and effectively.

Furthermore, the inclusion of civic checks and balances as one of the outcomes of this reform implies a situation where CSOs can participate in and support the work of public accountability institutions as they carry out their mandate. For example, Article 13 of the UNCAC encourages state parties to promote the active participation of non-state actors i.e., individuals, nongovernmental organisations (NGOs) and community-based organisations (CBOs) in raising public awareness of and fighting against corruption. This includes ensuring that the public has effective access to information (UNODC, 2004). The spirit of encouraging civic participation in anti-corruption work is also captured in the NACS (Government of Zimbabwe, 2020).

At the time of writing, however, (TI Z, 2023) notes that Government-CSO relations in Zimbabwe need to improve significantly so that the rewards of collaboration on activities to fight corruption such as asset recovery can be reaped optimally. This can be achieved by

reviewing the imminent decision to promulgate legislation which many stakeholders view as limiting the independence and operations of non-state actors (OHCHRUN, 2023; Bulawayo 24 news, 2023), as well as limiting the right of access to information, including freedom of expression (Nkala, S., & Sibindi, n/d; Zimeye, 2023) which is necessary to promote their participation in fighting corruption. In other words, civic checks and balances needed to support the Public Sector Transparency and Accountability reform are a figment in a context of ongoing mutual mistrust and non-cooperation between GoZ and CSOs.

Last is the issue of disclosure and accessibility of public records necessary to strengthen institutions of accountability. As regards practice, the concerning example of MDAs failing to furnish the OAG, and subsequently the PAC with the details on the distribution of COVID-19 relief funds does not inspire confidence that GoZ is currently doing well on this strategy. Closely linked to this, TI Z applauded the retraction of General Notice 635 of 2023 which purported to place procurement of certain goods outside public scrutiny on grounds of “national interest” (TI Z, 2023). As the handling of the COVID-19 pandemic in Zimbabwe will show, public emergencies involve the release of vast resources in a short space of time necessitating correspondingly high levels of accountability in the handling of the increased expenditure (Matanga, 2022). Some of these resources come from multilateral development agencies, donors and the private sector (including potential investors) who as highlighted above, make good governance a precondition for providing support. The disclosure and accessibility of public records to institutions of accountability (and indeed the public) therefore cannot be overemphasised as part of reforms needed to support the ongoing diplomacy on arrears clearance.

The disclosure and accessibility of public records are necessary to strengthen institutions of accountability (such as the OAG and Parliament) and enable scrutiny by the public and other stakeholders who provide financial and material resources.

4.2.2.2. Accelerated Adoption of E-governance and Alignment of the PFM Legal Framework to the 2013 Constitution

GoZ has implemented numerous E-services which were planned for implementation using the E-Government Framework and Implementation Strategy 2011 – 2015, as a key reference and guide (National Archives of Zimbabwe, n/d). It was not clear at the time of writing whether there is a successor E-Government framework, as well as the status of or extent of implementation of services under the current one. However, in the context of this discussion, there are some notable results in the adoption of E-governance for greater Public Sector Transparency and Accountability. One important area where this is noted is public procurement, where Zimbabwe is adopting Electronic Government Procurement (EGP) or E-procurement.

Among other things, the EGP reduces or eliminates human interference in the public procurement process leading to corruption and other malpractices, which were prevalent in the previous manual-based system (Tome & Nkomo, 2023; Share, 2023). At the time of writing,

the first phase in the rollout of this system by the Procurement Regulatory Authority of Zimbabwe (PRAZ) was scheduled for completion by the end of the first quarter of 2023 (Share, 2023). Among the systems envisaged online, Supplier Registration was available at the time of writing. The installation of the electronic data management system (EDMS) is currently underway and when completed at the end of the second quarter of 2023, would mean Phase 1 of the EGP will be complete (Share, 2023). The stages still to be completed for full EGP include E-bidding (by suppliers) and E-evaluation of tenders, with 1-2 years needed for the full implementation of EGP (Share, 2023). Alongside the rollout of this E-service, PRAZ has also been conducting training for accounting officers in various public procuring entities on the provisions of the Public Procurement and Disposal of Public Assets (PPDPA) Act, as well as public awareness through various platforms (PRAZ, 2023).

Having noted this application of E-government tools in public procurement, it's important to highlight that stakeholders continue to be concerned with the way procurement for various projects has been conducted. For example, the 2021 OAG special report on the usage of COVID-19 funds unearthed anomalies in public procurement and tendering [sic] of COVID-19 Relief Funds (Chifamba, 2022). Harare City Council officials also accused the central government of imposing contracts "without following both tender and procurement procedures and the inclusion of relevant stakeholders including the public, in the bidding for and awarding of tenders" (Chifamba, 2022). In carrying out their oversight, MPs also echoed the council officials' concerns over the purchase of equipment without competitive bidding outside public procurement legislation, in a manner which saddled the country with contingent liabilities without Parliamentary approval (The Hansard, Parliament of Zimbabwe, 2022). "Treasury has also unearthed fraudulent conduct in the public procurement system where the Government pays for the goods or services, but suppliers do not deliver on their obligations, prejudicing the Government of huge sums of money" (Kazunga, 2023). In 2022, Treasury also suspended payments to service providers suspected of using grey market rates for currency in their pricing, thereby overcharging the government (The Herald, 2023).

Lastly, in the Governance Matrix, there was an expectation that the PFM legal framework will be aligned with the Constitution as mentioned above. However, this had not been done at the time of writing, noting that the 9th Parliament will adjourn for elections soon. TI Z asserts that the implementation of best practices through comprehensive E-government, as well as amendments to the PFM framework, are necessary to foster trust and confidence among creditors, development agencies and donors which is helpful in the context of ongoing arrears clearance diplomacy.

4.2.3. Combating Corruption

4.2.3.1. Speedy Prosecution and Resolution of all Corruption Cases

Zimbabwe currently faces the challenge of apathy and lack of public confidence in the systems to fight corruption. Testimony of this is the low scores Zimbabwe attains on the annual Transparency International Global CPI, as well as findings from various surveys conducted by TI Z, such as the National Bribes Payers Index (NBPI) study which it commissioned in 2021, after noting an increase in reports of public sector corruption in its numerous engagements with diverse stakeholders. Briefly, most citizens surveyed in the NBPI (2,583) expressed low levels of confidence in organisations tasked to tackle corruption and their strategies and efforts (TI Z, 2022). Briefly, 45,2% of surveyed respondents expressed a lack of confidence in the NACS. In addition, 58.9% expressed a lack of confidence in the ZRP, whilst 43,1% expressed a lack of confidence in the ZACC. More concerning, 71,6% of respondents preferred to report their experiences of paying bribes, or requests for bribes by public officials with family members or friends, as opposed to the competent authorities (TI Z, 2022).

Indeed, the low conviction rate for grand corruption impacts on public confidence in the system. This has led the mass media to coin the phrase ‘catch and release syndrome’ following a trend of high-profile corruption cases where politically exposed persons (PEPs) are arrested and the cases drag, or those charged are eventually released on technical grounds (Dzoma, 2022). These concerns emerge notwithstanding moves by GoZ which ought to speed up resolution of corruption cases. For instance, they established Specialised Anti-Corruption Courts in Harare, Bulawayo, Gweru, Masvingo and Mutare (MoFED, 2022). "The National Prosecuting Authority has also established a Special Anti-Corruption Unit to complement the efforts of the Judicial Service Commission (JSC)" (MoFED; 2022, p.15). As highlighted above, the rule of law is of paramount importance to creditors, donors and investors, and this includes ensuring that all crimes are successfully prosecuted. It is therefore important to guarantee that inter-departmental coordination and cooperation among institutions of transparency and accountability works seamlessly for speedy prosecution and resolution of all corruption cases.

4.2.3.2. Capacitate Institutions of Transparency and Accountability

The Matrix includes the strategy of capacitating institutions of transparency and accountability, namely the ZACC, the NPA, the ZRP and the Judiciary. TI Z advances several assertions based on insights from the NBPI study. The NBPI survey included among other things, questions on respondents’ levels of confidence in their anti-corruption efforts as well as their experiences in engaging them. Some respondents narrated their experiences with engaging them, highlighting "how they [institutions of transparency and accountability] had failed to respond in a *timely and efficient manner* to cases which they reported. In their view, the lack of professional etiquette, perceived politically biased appointments and *limited resources* inhibit effective

institutional response [to corruption efforts]” [emphasis added] (TI Z: 2022, p. xii). These experiences illuminate some of the capacity constraints which these institutions currently experience.

Whilst these institutions are experiencing capacity challenges and sometimes responding ineffectually in the eyes of the public, corrupt individuals and institutions have become increasingly sophisticated in their methods of hiding their corrupt acts. As the Panama Papers showed, Zimbabwe has struggled to stop individuals and companies from abusing shell companies and offshore accounts to conceal the true ownership of assets, moving and laundering money across borders without detection (Maguchu, 2022). As a result, ZACC announced in February 2020, that a staggering US\$7 Billion worth of assets were illegally held in foreign bank accounts (The Herald, 2020). TI Z (2023) observes that,

This translates to half of Zimbabwe’s external debt stock... While the country continues to face enormous economic challenges, the vast amount of public funds which would be channelled towards the realization of citizens’ social and economic rights, and potentially lift it out of its current macroeconomic challenges remain illegally stashed abroad.

Media reports suggest that the money recovered so far dwarfs the \$7 Billion, possibly caused by the capacity constraints in the institutions of transparency (and other technical factors such as slow response or reluctance from requested countries for cooperation) (Maguchu, 2022). Another institution deserving of this support includes the OAG which experiences a serious brain drain of experienced staff, due to low salaries (Mapira, 2018; Machivenyika, 2022). Other challenges at the OAG include a shortage of transport and computer hardware and software (Machivenyika, 2022). This retards progress on audits needed for transparent PFM, which needed to build confidence in all stakeholders, including donors and creditors. The foregoing illustrates the need to urgently provide institutions of transparency and accountability with the necessary material and technical support so that they deliver on their mandate in line with the NACS. This will directly contribute towards more positive perceptions of the levels of corruption in the country, resulting in an improved score for Zimbabwe in the CPI.

4.2.3.3. Passage of Legislation to Protect Whistle-Blowers Who Report Corruption

Fear of retribution is a significant factor in the low levels of public participation and confidence in the fight against corruption. In its engagements with various communities since its inception, TI Z realised that citizens are not proactive in reporting incidences of corruption due to fear, lack of information and even cultural limitations for some segments such as women. The low rate of conviction noted particularly in high-profile corruption cases can be attributed to the intimidation of whistle-blowers and witnesses, so they refuse to testify against suspects in court (Chitumba, 2022). This fear is caused by the lack of robust whistle-blower and witness protection legislation and mechanisms in the country.

In his State of the Nation Address (SONA) whilst opening the fifth session of the 9th Parliament the President of Zimbabwe called for the tabling of the Public Interest Disclosure (Protection of the Whistle-Blowers) Bill, and Witness Protection Bill (Mnangagwa, 2022). At the time of writing, the NACS Sub-committee 4 which focuses on Whistleblower Protection reported that the development of the Whistle-Blowers bill, and review of the Anti-Corruption Commission Act, had gone to tender (NACS Subcommittee 4, 2023). This initiative is being funded by the AfDB, under the Support for Arrear Clearance and Governance Enhancement Programme (SACAGE) (NACS Subcommittee 4, 2023). So whilst the introduction of this legislation in the tenure of the 9th Parliament is unlikely given the imminent elections, GoZ is on track to implement this key strategy which contributes to the reform of improved Public Sector Transparency and Accountability.

4.2.3.4. Enforcement of assets forfeiture and implementation of the NACS

In its analysis, TI Z notes that many challenges persist despite the existence of several institutions of accountability, and the development of normative legal frameworks for the implementation of asset recovery (Maguchu, 2022). Zimbabwe amended several key pieces of legislation and enacted new ones on unexplained wealth orders (UWOs), as well as declaring several moratoriums allowing individuals and companies to return illegally externalized funds and assets (Maguchu, 2022). In fact, Zimbabwe became one of three countries in the world to adopt full UWOs and the first in Africa. (Maguchu, 2022). ZACC (in collaboration with the Bankers Association of Zimbabwe) also started engagements to encourage the financial sector and other intermediaries locally to collaborate to stop the flows of proceeds of corruption and crime by sharing information, with the convening in November 2021 of a National Financial Crimes Indaba.

Notwithstanding this progress, there remain some specific gaps to be addressed. One of the complications is that agencies locally and in different jurisdictions need to collaborate to share information to improve the success rate of recovery. Internationally this needs the signing of Mutual Legal Assistance (MLA) treaties between countries in line with article 54 of the UNCAC on Mechanisms for recovery of property through international cooperation in confiscation. It is also important to reiterate the contribution that organised civil society can make if given a meaningful role in asset recovery. CSOs can play a role in raising public awareness, research, advocacy, case management and monitoring returned assets (Maguchu, 2021). This can be achieved through legislation and an operating environment where GoZ and CSOs can collaborate without mutual suspicions and disruptions in the operations of the latter.

GoZ should sign mutual legal assistance treaties with other jurisdictions for sharing information for investigations and prosecutions, including the facilitation of asset recovery.

5. Conclusions

This paper has critically reviewed the implementation of the Reform Matrices for Zimbabwe's External Debt Arrears Clearance. The main focus has been those reforms and strategies linked to TI Z's agenda of promoting TAI in all sectors to achieve good governance. TI Z argues that the reform matrices must be viewed as mutually reinforcing strategies, which ultimately contribute to Zimbabwe's success in its diplomacy to address the existing external arrears. The pillar of Governance Reforms however needs to be given prominence due to the pervasive need for good governance in achieving all proposed reforms.

Overall, progress on specific reforms and strategies is advancing at an uneven pace depending on the pillar in question. Notable progress is seen in reforms to enhance justice delivery, in particular introducing various innovations for efficiency in, and accessibility of the justice delivery system. There is an opportunity to deepen and accelerate the implementation of reforms and strategies in other areas, such as the alignment of legislation to the 2013 constitution, strengthening institutions of accountability and oversight, and passage of legislation to protect whistle-blowers. It requires political will to ensure that such reforms are implemented in the shortest possible time, in essence addressing the long-standing concerns of domestic stakeholders, whilst unlocking the goodwill from external creditors necessary for arrears clearance. From our organisational perspective, addressing reforms which contribute to the fight against corruption will positively influence a broad cross-section of stakeholders including donors, creditors and investors.

This publication is based on a presentation made by TI Z at the 5th edition of the Zimbabwe Debt Conference jointly hosted by ZIMCODD and AFRODAD in Harare from 17-19 May 2023. The meeting, which ran with the theme "*Strengthening Transparency and Accountability in Public Finance Management to Build Resilient, Inclusive and Sustainable Development*" is a CSO space parallel to the high-level policy dialogues mentioned in the introduction. This forum aimed to find ways of speeding up the implementation of reforms in the various matrices and making them inclusive and sustainable.

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About Transparency International Zimbabwe (TI Z)

Transparency International Zimbabwe (TI Z) is a non-profit, non-partisan, systems-oriented local chapter of the international movement against corruption. Its broad mandate is to fight corruption and related vices through networks of integrity that are in line with the global strategy. TI Z believes corruption can only be sufficiently tackled by all citizens including people at the grassroots level.

Vision

A Zimbabwean society free from all forms of corruption and practices.

Mission

We exist to be a knowledge-driven and evidence-based anti-corruption civil society organization that practices and promotes transparency, accountability, and integrity in all sectors to achieve good governance.

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