

Revisiting the 2007/8 Farm Mechanisation Programme in Zimbabwe

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“Government is us the people. For transparency’s sake is it not proper for people who benefitted from the programme in question to be published so that we as taxpayers know our bad debtors?”

Viewer of the ZTN and TI Z programme.

Introduction and Background

This week’s Weekend Digest is informed by the historic Farm Mechanisation Programme of 2007/2008 by the Government of Zimbabwe (GoZ). It was implemented under the quasi-fiscal operations which were spearheaded by the Reserve Bank of Zimbabwe (RBZ) and was aimed at boosting agricultural production in the country following the Fast Track Land Reform Programme. The programme sparked debate during 2010 to 2015 when the Reserve Bank of Zimbabwe Debt Assumption Bill was discussed and subsequently signed into law - disregarding reservations from the citizens. Transparency International Zimbabwe (TI Z) decided to revisit this issue following the recent disclosure of the beneficiaries of the controversial programme. In this regard, TI Z engaged the then Governor of RBZ Dr Gideon Gono and a lawyer and academic Dr Alex Magaisa for a dialogue on the Zimbabwe Television Network (ZTN) live streamed channel. The aim of the dialogue was to continue with the discourse on the controversial programme based on the varying views and opinions generated on mainstream and social media. There was a general consensus among Zimbabweans that the programme was done in an opaque manner, disregarding principles of transparency and accountability expected when dealing with public resources/money. Corruption in Zimbabwe has remained a topical policy issue and has cut across the length and breadth of critical sectors to the Zimbabwean political economy. Transparency and accountability within the context of agricultural production is key in enhancing production and poverty alleviation.



Insights emerging from the dialogue

- There was nothing wrong with the GoZ assisting farmers financially or technically considering the fact that agriculture is associated with high risks such as labour intensive, low profit margins, subject to unpredictable weather conditions and unstable commodity prices. However, the government interventions must be implemented in a transparent and accountable manner and in the best interest of all Zimbabweans, not just a select few.
- There was opaqueness in the whole programme from the implementation to the RBZ Debt Assumption Bill giving rise to speculation about corruption and patronage.
- Whilst the Reserve Bank Governor was bound by the Secrecy Act, the debt was assumed by the ordinary citizens and ordinarily they deserved to know the information regarding the beneficiaries and the amounts involved in order for them to make a decision on whether to assume it or not.
- Most of the beneficiaries of the programme are well to do people (government Ministers, senior government officials, Judges among others). There was no rationale for extending the scheme to them at the expense of the ordinary citizens. Ordinarily they should have applied for commercial loans.
- People who did not qualify for the scheme benefited due to the lack of transparency of the programme. A case in point as highlighted by Dr Alex Magaisa is that of Ruzivo Musvosvi vs Chipso Musvosvi, HH 163/2013 and HC 4517/2011.
- The whole programme is full of inconsistencies on whether it was a loan, grant or “freebie.” Moreover, some of the beneficiaries confirm that they have paid yet others confess ignorance of it being a loan.
- The government at some point realised the anomalies associated with quasi fiscal policies and a decision was made to redirect the operations back to the Ministry of Finance under the Government of National Unity.
- The taxpayers are carrying the burden of repaying the loan and suffer the opportunity cost of debt repayment in the form of poor public service delivery across the social services sector.
- The farm mechanisation programme exacerbated inequalities with the communal farmers receiving knapsack spray whilst some of the politically exposed farmers got equipment worth over US\$500 000.
- While land has been a source of conflict, a base upon which the ruling party has been using to consolidate its position in power, the 2007/8 farm mechanization programme came at a time when the country had been facing serious economic meltdown with hyper inflation rate reaching 231,000,000% in 2008. In this regard, one can assume that the farm mechanisation programme was used to bail out political cronies from the macroeconomic quagmire with a blind eye on the implications to the Reserve Bank. It has been noted with concern that the shift by the government to consider the farm mechanisation programme as a grant as opposed to a loan, as originally ascertained at the beginning of the programme was used as a political tool to consolidate its power in key institutions and with certain influential individuals.

Comments from viewers

- “We have an irresponsible government. Wheat and maize production is dropping every year. What are they doing about it?”
- “The majority of the farmers who benefited from the Fast Track Land Reform Programme were Zanu PF supporters mostly war veterans and senior government officials which automatically means they are the same people who benefited from the 2007/8 farm mechanisation programme by the RBZ.”
- “Converting these loans to grants was very unfair. The fact that it was done during the GNU does not make it right at all. This was deception and it impacted negatively on the RBZ debt which was indirectly imposed upon the citizens who are taxpayers.”
- “USD1,4 billion debt is a burden on the ordinary suffering Zimbabweans- it is unfair for us to pay for people who are enjoying while we suffer in poverty.”
- “If it was legal, why were the beneficiaries not published? Why does it seem that the amount received was linked to how close they were to power?”
- “Dishing out funds to rich people and telling them not to pay, it’s wrong.”
- “Dr Gono when you say the bank used internal resources or it was government funded, where was it getting money from? Why would a Debt Assumption Act be required then?”
- “The idea behind the programme was excellent but there was poor oversight and implementation. The process was corrupted.”
- “Was this thing legal? If the answer is no, then this was a mammoth heist! And two things should happen: Prosecution of those who flouted the laws; and those who benefited must pay back the money.”
- “Can you please ask Dr Gono, is it fair for us to pay for people who are enjoying whilst we suffer in poverty?”
- “Even if the 200 million was internally generated, did it warrant giving a few elite for free and keeping their identities a secret? How did they choose these beneficiaries?”

Recommendations

Considering the above, Transparency International Zimbabwe makes the following recommendations:

- **Publish the full list of the beneficiaries under the Farm Mechanisation Programme.** The Go Z should make public the list of all beneficiaries of the farm mechanization programme. This will allow for easy verification and audit by interested parties. This will also enable citizens to ascertain if public funds were expended transparently, prudently, economically, and effectively in line with section 298(1) (d) of the Constitution of Zimbabwe. Section 298 (1)(f) of the Constitution further outlines that public borrowing and all transactions involving the national debt must be carried out transparently and in the best interest of Zimbabwe.
- **Pay back the loans.** All beneficiaries of the farm mechanizations scheme should pay back the “loans” to the Reserve Bank of Zimbabwe. The principles of public financial management as encapsulated in section 298 of the Constitution stipulates that public expenditure must be directed towards the development of Zimbabwe and special provision must be made for marginalized groups and areas. From the availed list, the beneficiaries are people of means and it is only fair that they pay back the money which should be channelled towards the development of Zimbabwe.

- **Audit of the farm mechanisation programme.** There is an urgent need for an audit of the farm mechanization programme. This will not only ascertain if the programme benefitted the intended beneficiaries but will also enable relevant stakeholders to avoid a recurrence of similar situations in the future. Already, there are allegations of mismanagement of funds under the command agriculture scheme. Furthermore, anti-corruption agencies such as the Zimbabwe Anti-Corruption Commission (ZACC) should engage in a corruption risk analysis of government funded programmes to identify the corruption risks and vulnerabilities associated with such programmes.
- **There is need for robust, inclusive, and participatory reforms to guard against institutional and policy capture.** From the availed list, some of the beneficiaries of the farm mechanisation programme include members of the judicial sector who are supposed to act in a non-partisan and impartial manner. Any grant or “freebie” given to members of the judiciary brings into question the independence of the institution which is supposed to uphold the rule of law.

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