

POLICY BRIEF

Strengthening the Voice of NGOs

*The State of Budget Transparency
and Accountability in Zimbabwe: An
Analysis of the 2019 Open Budget
Survey Results*

INTRODUCTION AND BACKGROUND

The Open Budget Survey (OBS) is an initiative undertaken by the International Budget Partnership (IBP). The survey is aimed at promoting public access to budget information and the adoption of accountable and transparent budget systems. The OBS is an objective, comprehensive, independent, comparative and global survey that evaluates whether governments give the public adequate access to budget information and opportunities to participate in the budget process at national level. The OBS is a biannual measure of budget transparency and accountability around the world and is produced by independent budget experts. OBS evaluates public access to eight key national budget information, opportunities for public participation in budget processes and the role of formal oversight institutions¹.

The OBS gives an assessment of the core institutions and practices that make representative democracy function. This includes assessing oversight institutions of representative democracy by assessing novel approaches to formal public participation in budgeting processes. Open and accountable public budgeting is at the centre of democratic practice and equity, it is therefore the basis for formulating strategies to strengthen the interaction between governments and citizens. Ensuring that the budgeting process is characterized by high levels of transparency, appropriate checks and balances, and opportunities for public participation is key to stemming confidence deficit in government and representative democracy.

RATIONALE

In a bid to improve fiscal transparency, the Transitional Stabilisation Programme (TSP) underscored the need to upholding transparency and accountability in the use of public resources under the governance pillar². This was further prioritised in both 2018 and 2019 National Budget Statements which seeks to improve budget transparency and accountability. The OBS results have direct and indirect implications on the eligibility of countries for International Development Assistance, hence the rationale to improve budget transparency and accountability. It is worth noting that government officials from the Ministry of Finance and Economic Development (MOFED), Parliament of Zimbabwe and Auditor General's Office were oriented on the methodology and framework of the OBS by IBP and NANGO in the years 2017 and 2018. This Open Budget Survey workshops were facilitated by NANGO, UNICEF and IBP (Represented by David Robins, an Open Budget Initiative Program Officer).

The National Indicative Programme in Zimbabwe (NIP) a programme between the Government of Zimbabwe and the EU further stresses the need to ensure transparency and accountability in the use of public resources through improved participation of citizens in the budgetary process and the ability to demand social accountability in the use of public resources.³ As such, this analysis seeks to monitor how the country fared in the OBS as one of the tools of assessing NIP programme progress as well as evaluation the TSP. Potential International investors use the Open Budget Index (OBI) to inform their investment destinations. Good governance is characterized by fiscal transparency and accountability which is key for guaranteeing security of investments. It is therefore imperative to

¹ International Budget Partnership (IBP) 2020

² Transitional Stabilisation Programme 2018 - 2020

³ The National Indicative Programme in Zimbabwe 2015 - 2020

determine the state of budget transparency and accountability on the basis of 2019 OBS results and proffer recommendations to for improvements.

Open Budget Survey Methodology

The 2019 OBS is the seventh round of the survey, the previous rounds were done in the years 2006, 2008, 2010, 2012, 2015 and 2017. The 2019 survey was done in 117 countries. The Open Budget Survey uses 145 equally weighted indicators to inform the status of budget transparency. These indicators assess whether the central government makes the key budget documents available to the public through virtual platforms in a timely manner. In addition, it looks at whether these budget documents present budget information in a comprehensive and useful way. Each country receives a composite score (out of 100) that determines its score on the Open Budget Index and ranking for cross-country comparisons. The OBS further examines formal oversight institutions effectiveness and the existence of opportunities for the public to participate in national budget processes. Zimbabwe OBS score was 23 out of 100 in the 2017, showing a decline compared to its score of 35 out of 100 in the 2015 survey.

What makes the OBS unique is that it is a fact based and objective survey that is peer reviewed by two independent actors that is the peer reviewer and government reviewer. The Survey is compiled from a questionnaire completed for each country by independent budget experts who are independent from the national government. The research for the Open Budget Survey for Zimbabwe is undertaken by the National Association of Non-Governmental Organisations (NANGO).

Budget Transparency and Accountability Overview

The budget is a government's plan on how it is going to raise and spend public's resources to meet the citizen's needs. Transparency enables the country's citizens to access information and answer the following questions:

- How much is allocated to different sectors?
- How much revenues should be collected?
- How international assistance and other public resources are used?
- How much debt to accrue and for what purpose?

According to the IBP 'budget transparency' is the extent and ease with which citizens can access information about government revenues, allocations, and expenditures. The IBP posit those open budgets can be used as an empowerment tool. People are able to judge whether or not their government is a good steward of public funds. Budget transparency and oversight over how resources are raised, allocated and spent are powerful disincentives for the executive to misuse or misappropriate funds, thereby reducing the likelihood of corruption. If budgets are open to the public and effective legislative scrutiny is available, there could be less room for deviation from policy decisions and reversal of budget allocations. Additionally, budget transparency allows citizens to provide feedback on the quality and adequacy of services and goods provided. This feedback, combined with reduced corruption, results in more efficient use of public resources. This can help generate more fiscal revenues for government since citizens are more likely to pay taxes if they trust that their money will be well spent.

The most effective way of managing a national budget is through a system that is transparent, open to public engagement, and overseen by robust government institutions. High-quality and timely budget data helps government officials to plan and implement policies that can improve the lives of citizens. Ensuring that budget data are in the public domain means that parliaments, supreme audit bodies and civil society can provide feedback and help translate policies into practice.

Accountability rest on three pillars: transparency, public participation and formal oversight. Each of these pillars is essential to effective and accountable fiscal management. The absence of (or weakness in) one pillar can undermine the entire budget system. This can have a negative impact on the delivery of public goods and services fixed capital investment.

2019 Open Budget Survey Results Analysis

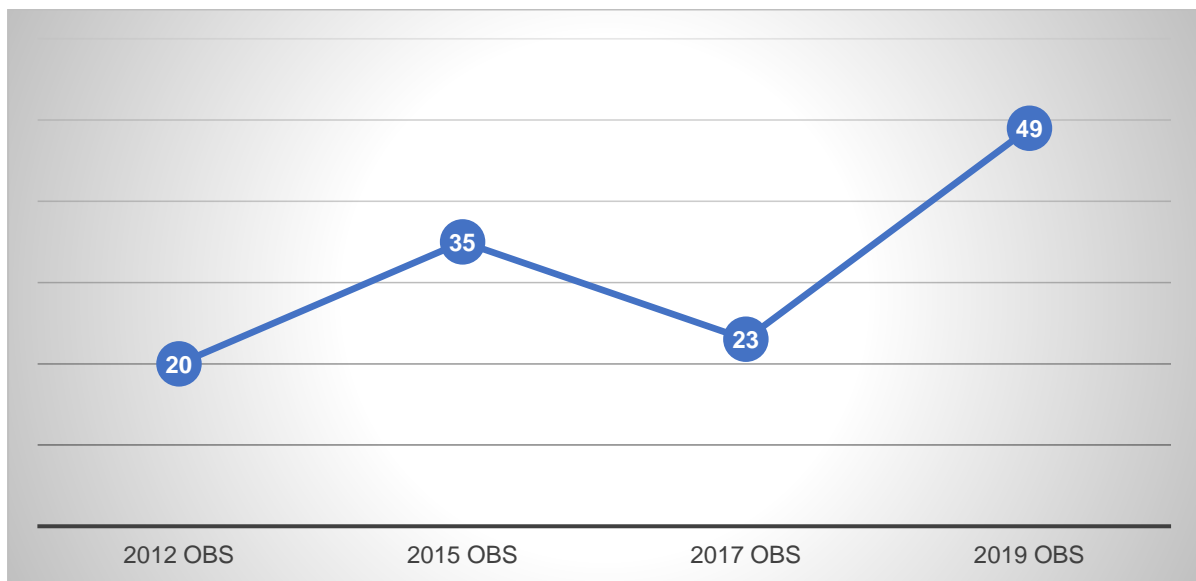
Globally, the OBS 2019 has revealed a modest improvement in budget transparency, which is consistent with the overall trend measured by the survey over the past decade. The average global score for the OBS measure of budget transparency, also referred to as the Open Budget Index has increased by 9 percentage points, from 41 in 2017 to 49 out of 100 in 2019. Despite this improvement, the average score still falls short of 61, which is the minimum level of budget transparency that depicts meaningful fiscal transparency. Several regions have steady upward trends, particularly in Eastern Europe and Central Asia, East Asia and the Pacific, and Latin America and the Caribbean.

In Sub-Saharan Africa, lack of information on fiscal risk is of particular concern given recent reports of rising debt levels. The rise in fiscal transparency in Sub-Saharan Africa in 2019 OBS is related to a recovery from the last round's decline, especially for Botswana, Zimbabwe, and Zambia who increased by more than 20 percentage points in the budget transparency scores. However, these countries had suffered significant losses in the last round. Furthermore, despite the gains in this round, Sub-Saharan Africa has not yet fully recovered from the losses in OBS 2017, and the regional average remains below OBS 2015 levels for comparable countries.

Budget Transparency in Zimbabwe

Zimbabwe's score for fiscal transparency in the 2019 OBS increased by 26 percentage points. The 2019 survey shows that in Africa, only South Africa, provides extensive budget information with a score of 87 and is solid on all three pillars. Zimbabwe significantly improved from 23 out of 100 in 2017 to 49 out of 100 in 2019 mainly due to timely publication of public documents and increased number of budget documents produced and shared with the public. This score is slightly above the 2019 global average transparency score of 45 out of 100. As a result, Zimbabwe ranked number 3 in Sub Saharan Africa in terms of budget transparency. However, the score of 49 is classified as limited budget transparency under the OBS ranking which reflects that there are still some gaps which needs to be addressed. The survey revealed that even when budget documents are published, they often lack sufficient detail. Publication of more detailed and comprehensive budget documents is an issue of political will or a matter of government capacity which could be addressed by development or civil society partners.

Figure 1: How the OBI score for Zimbabwe changed over time



Source: 2019 Open Budget Survey

Figure 1 shows the changes in OBS scores since 2012 when Zimbabwe started to participate in the OBS surveys. There is no smooth improvement in scores and this reflects inconsistencies in the budgetary processes.

Public Participation in Budgetary Processes in Zimbabwe

The ranking for public participation was 33 out of 100, up from 9 out of 100 in 2017. This signifies that there is still limited opportunities and platforms for the public to engage in the budget process notwithstanding the improvements which have been made. There is therefore, need for the government to strengthen the budget consultative processes and ensure participation of citizens during the implementation of the enacted budgets.

Oversight Role in Budgetary Processes in Zimbabwe

The legislature and supreme audit institutions in Zimbabwe provide limited oversight of the budget with an average score of 41 out of 100 in 2019 against 44 out of 100 in 2017 survey. This score reflects that the legislature provides weak oversight during the budget cycle. On the other hand, the Auditor General provides limited budget oversight with a stagnant score of 50 out of 100 for both 2017 and 2019. The main barriers to effective legislative oversight is the failure by Legislative committees to publish reports on their analyses of the Executive's Budget Proposal.

RECOMMENDATIONS

To improve budget transparency, NANGO recommends the following to the government:

- Continue publishing online and in a timely manner the Mid Term Budget Review;
- To improve comprehensives of the budget documents that are published online;
- Ensure that the Executive's Budget Proposal that is posted online matches the printed version and
- Increase the information on expenditure and revenue provided in the Executive's Budget Proposal.

With regards to improving public participation in budget process, NANGO recommends the following actions:

- Establish mechanisms for members of the public to exchange views on national budget matters during both the formulation of the national budget and the monitoring of its implementation and
- Hold legislative hearings on the Audit Report, during which members of the public or civil society organizations can testify.

With regards to improving oversight in budget process, NANGO recommends the following actions to be implemented as previously recommended by IBP:

- Ensure legislative committees publish reports on their analysis of the Executive's Budget Proposal online.
- Ensure a legislative committee publishes reports on in-year budget implementation online.
- Ensure audit processes are reviewed by an independent agency.
- Publish the reports of the independent fiscal institution on macroeconomic and fiscal forecasts and on cost estimates of new policy proposals online.

Recommendations for CSOs to influence budget transparency in Zimbabwe

- civil society organizations to strategically advocate for greater transparency and to support government efforts.
- CSOs can promote good transparency practices and make sure that they are institutionalized for example, by embedding transparency practices in laws, rules and procedures. Civil society and oversight institutions (Auditor General's Office and Parliament of Zimbabwe) should remain vigilant in efforts to ensure the Government does not waver in its commitment to transparent and accountable budget systems.
- Civil society has a responsibility to analyse available budget data and seize on any opportunity for dialogue, as a basis for sustained advocacy for increasingly open budgets. It is highly recommended that the capacity of CSOs should be strengthened where possible.
- CSOs should encourage the establishment of formal mechanisms for the public to participate in budget processes, and create ways to integrate these inputs into budget decisions.
- Monitoring and advocacy for the independence for the supreme audit institution (Auditor General's Office) should be a top priority. In addition, supreme audit institutions should be given support to define procedures to monitor auditing processes and evaluate individual audits, with the goal of increasing the quality and reliability of the reports produced.

Conclusion

Open Budget Index scores for Zimbabwe has scope for improvement and the political will has been demonstrated by the development of a Fiscal Policy Reform matrix and the assignment of key personnel to ensure these reforms are implemented. Zimbabwe has potential to improve its score by merely ensuring timely publishing of reports virtually that are developed by different institutions.



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