



Zimbabwe Economic
Policy Analysis and
Research Unit

Economic Policy Dialogue Report

Towards Successful
Implementation of Devolution
in Zimbabwe



13 February 2020

Crowne Plaza Monomotapa Hotel, Harare



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I INTRODUCTION

The Ministry of Local Government, Public Works and National Housing in collaboration with Zimbabwe Economic Policy Analysis and Research Unit (ZEPARU) held an Economic Policy Dialogue under the theme 'Towards a Successful Implementation of Devolution in Zimbabwe' on 13 February 2020 at Crowne Plaza Monomotapa hotel in Harare. The economic policy dialogue was attended by diverse stakeholders drawn from government ministries, private sector, civil society organizations, academia and development partners. Ninety-five participants attended the policy dialogue of which 24 were women. Government identified devolution as a key pillar to achieving an upper middle income economy status by 2030. Under devolution, citizenry participation is key in setting the development agenda in their communities.

The framework for devolution is enshrined in section 264 of the Constitution of Zimbabwe and other subsidiary legislation such the Urban Council Act (Chapter 29:15), Rural Councils Act (Chapter 29:13), Regional and Town and Country Planning Act (Chapter 29:12), Rural Councils and Administration Act (Chapter 29:11) which need to be reviewed and amended to align with the Constitution. The amendment of the Provincial Councils and Administrative Act (Chapter 29:11) to align with the Constitution is already underway. There are three tiers of government as defined in section 5 of the Constitution of Zimbabwe that will implement the devolution agenda. Implementation of devolution will build on and fine tune the existing decentralised administrative structures. The Constitution provides for the financing of the devolution agenda, through the intergovernmental fiscal transfer (IGFT) target of at least 5% of national revenue in any financial year as stipulated in section 301(3).

The Master of ceremony during this dialogue was Mr. Kumbirai Nhongo an independent media consultant who competently managed the programme of the day.

2 OPENING SESSION CHAIR: DR GIBSON CHIGUMIRA, EXECUTIVE DIRECTOR, ZEPARU

2.1 INTRODUCTORY REMARKS AND DIALOGUE OBJECTIVES - DR. GIBSON CHIGUMIRA, EXECUTIVE DIRECTOR, ZEPARU

Dr. Chigumira started by welcoming all the participants to the policy dialogue. He gave a brief history of ZEPARU and the work that the organization is doing which focuses on policy research and capacity building through training. He provided a list of studies undertaken under the subject of devolution which included the following:

- i. Exploring options on how Treasury decentralises funding within the context of devolution;
- ii. Review of challenges faced by local authorities in improving efficiency in service delivery;
- iii. Exploring key success factors in implementing devolution;
- iv. Capacity gaps and challenges at different tiers of Government identified to fully implement devolution; and
- v. Mechanisms of enhancing fiscal transparency and accountability within the context of Devolution (on-going).

The objective of the policy dialogue was to share findings of the third and fourth discussion papers to stimulate debate on the emerging issues with a view to generating action points to enhance the implementation of the devolution agenda in Zimbabwe. He further indicated that the expectations of the policy dialogue was to come up with actionable and practical steps to enhance the implementation of devolution.

2.2 OFFICIAL OPENING REMARKS – MR. SHUMBA, CHIEF DIRECTOR, MINISTRY OF LOCAL GOVERNMENT, PUBLIC WORKS AND NATIONAL HOUSING

Mr. Shumba started by recognizing the presence of diverse stakeholders who graced the occasion. He expressed his profound gratitude to ZEPARU for organizing the important policy dialogue. He indicated that that devolution is being implemented in line with section 264 (1) of the Constitution of Zimbabwe where governmental powers and responsibilities must be devolved to provincial and metropolitan councils and local authorities which should competently carry out the responsibilities efficiently and effectively. He further indicated that the Government has since 2019 fiscal budget allocated funds for devolution in line with Section 301(1)(d) of the Constitution. These funds are used for infrastructure development in water, health, education and roads within districts.

The Presidential policy guidelines on devolution and a white paper being developed by the Office of the President and Cabinet are expected to guide public consultations on devolution implementation modalities. Furthermore, Government has established an Inter-ministerial Task Force comprised of Ministries of Finance and Economic Development and Local Government, Public Works and National Housing to provide initial proposals for the IGFT system. This task force has already produced a Concept Note on Intergovernmental Fiscal Transfers Framework that provides a formula for resource allocation across the three tiers of government. The formula for resource allocation, takes into account population; physical infrastructure and poverty prevalence with varying weights.

In order to facilitate the devolution of governmental powers and responsibilities to Provincial and Local Authorities some work has been done towards the crafting of the Provincial Council and Administration Amendment Bill. The Bill is still to go through the Parliamentary processes before being signed into law by the President.

He also indicated that the implementation of devolution brings with it broader capacity demands at the different tiers of government and the need for strengthening the institutions to enable them to deliver the devolution agenda. One of the key policy priorities for the Ministry of Local Government, Public Works and National Housing that is linked to devolution between 2020 and 2022 is that of capacity building of local authorities. This policy dialogue therefore, came at an opportune time when the institutional and legal frameworks governing the implementation of devolution are being finalized. The policy dialogue deliberated and shared perspectives on capacity gaps, challenges, best and avoidable practices on devolution implementation to inform government policy and contribute to the country's equitable development.

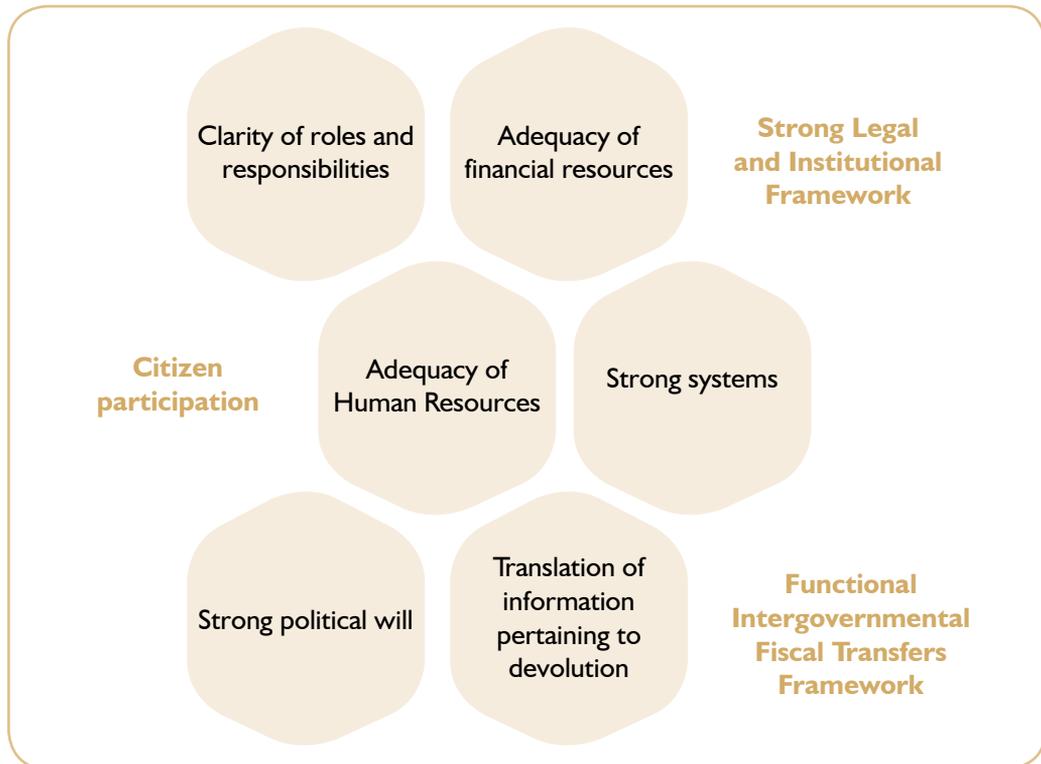
2.3 EXPLORING KEY SUCCESS FACTORS IN IMPLEMENTING DEVOLUTION IN ZIMBABWE PRESENTATION – MS. ERINAH CHIPUMHO, SENIOR RESEARCH FELLOW, ZEPARU

Ms. Chipumho presented a discussion paper on 'Exploring the Key Success Factors in Implementing Devolution in Zimbabwe.' The presentation assessed progress made in the implementation of devolution, examined the legal framework, institutional and human capacities and interrogated the key success factors to achieve the devolution agenda. It was highlighted that it can be inferred that Zimbabwe is following an economic devolution model as articulated in various Government documents such as the Transitional Stabilisation Programme (TSP) (October 2018 – December 2020). The model intends to convert provinces and districts into economic hubs to grow local gross domestic product (GDP). It was mentioned that other countries like Kenya have infused political devolution and administrative de-concentration to provincial and local government. In other jurisdictions like Belgium, Spain, Italy and Germany, devolution statutes are constitutions of regional

governments. In Scotland devolved entities have executive powers and legislative arrangements and legislature can pass primary legislation whereas in Wales they have the administrative power without authority to pass primary legislation.

The presentation outlined nine key success factors to enhance the devolution agenda in Zimbabwe (Figure 1).

Figure 1: Key success factors for implementing devolution in Zimbabwe



Source: Authors' construction based on literature review, key informant interviews and experiences from other countries

Each success factor was outlined in turn as follows:

Clarity of roles and responsibilities for different tiers of Government

The clarity of roles and responsibilities for different tiers of Government enhances effective implementation of devolution in a coordinated manner. In other countries like Ghana, there was clear division of responsibilities between central and local government in Ghana Local Government Act but the responsibilities very blurred in practice between District Assemblies and de-concentrated line Ministries. In Pakistan, the provincial sector offices issued directives

and orders to senior staff in districts without consulting the District Coordination Officer. In Zimbabwe currently there are no policy guidelines on how different tiers of Government interface. The Provincial Councils and Administrative Bill is expected to clearly define roles, responsibilities and parameters for the three tiers of government to avoid duplication of functions. There is also need for clarity on how central government officials in devolved areas will interface with lower tiers of government. Clarity on the role of the Provincial Ministers is also critical given that the current framework is silent. The involvement of Members of Parliament (MPs) in the Provincial and Metropolitan Councils weakens the oversight role of Parliament.

Strong Legal and Institutional Framework

The United Kingdom and Kenya had to undergo some devolution reforms to ensure that they have a strong legal framework. However, Kenya still needed clear guidelines for operationalisation of the constitution. In Zimbabwe, the constitution sets broad parameters for devolution. This notwithstanding, policy guidelines and subsidiary legislation to facilitate implementation of devolution are still work in progress. Other Acts of Parliament that are relevant to devolution are yet to be amended to ensure that they are aligned to the constitution such as the Provincial Councils and Administration Bill and the Public Finance Management Amendment Bill to ensure that Provincial and Metropolitan Councils and local authorities are also governed under the new legislation. There is also need to realign the Rural District and Urban Councils Acts to the Constitution. Weak governance practices within local authorities are evidenced by the absence of professional auditors in council's audit meetings, multiple bank accounts for majority of local authorities with no up to date bank reconciliation and fewer resources channelled towards service delivery due to limited adherence to the prescribed 30:70 employment to service delivery ratio. At the moment no institution is enforcing the production of financial reports by local authorities. However, the Public Entities Corporate Governance Act (Chapter 10:31) is expected to be extended to cover local authorities to ensure that they are mandated to produce financial reports. Institutional strengthening through mainstreaming monitoring and evaluation is critical at all tiers of Government.

Adequacy of financial resources

The local government in Ghana and Tanzania were highly dependent on donor funds to implement development programmes which undermine the autonomy in decision making and sustainability of locally driven development programmes. Malawi had a donor driven process with no local support by the unwillingness to access loss of power and authority by central government, resistance from national political actors and power struggle between local elites to capture limited local government resources affected the success of the devolution programme. Pakistan heavily relied on resources from central government as 80% of financing for lower tiers of government came from the federal government. Kenya reformed existing revenue sources and new ones were found to maximise own revenue potential of counties.

In Zimbabwe the constitution sets at least 5% of national revenue in any financial year as the IGFT grant. A budget of US\$310 million (5.1%) was allocated for devolution in the 2019 budget which was revised to ZWL\$703 million (6.5%) in the 2019 Mid-Year Budget and Review and Supplementary Budget. In the 2020 National Budget, ZWL\$ 2.9 billion (5.1%) was provided for to cater for the lower tiers of Government. However, this might not be enough given the dearth of infrastructure in local authorities. This shows the need to enhance local authorities' capacity to generate revenue. This calls for the need to consider partnering with other investors such as the public-private partnerships (PPPs) to support growth enhancing infrastructure as is happening in other jurisdictions. Moreover, the funds are transferred through the Ministry of Local Government, Public Works and National Housing yet they can be transferred directly from the Treasury to the local authorities.

Adequacy of human resources

The adequacy of human resources with the requisite skills is questionable given the financial management and audit challenges inherent in local authorities evidenced by huge backlog in preparation of financial statements. Generally, there is a huge skills gaps for engineers, accountants, internal auditors and economic planners given that devolution requires provincial and metropolitan councils and local authorities to spearhead economic development in their respective areas.

Strong systems

Generally it can be noted that there are weak systems as evidenced by the limited interface of accounting systems at different tiers of government. The central government uses a SAP accounting system whereas about 62 local authorities are using Planix, a system used for budgeting purposes whereas some local authorities use Microsoft Excel and Word. This poses monitoring and evaluation challenges for disbursed funds. At the moment the licence fees of about ZWL\$15,000 for Planix system has been paid by a development partner, UNICEF. Lack of proper debt management practices, lack of performance management indicators to guide the operations of the local authorities and absence of policies and manuals affect the efficient operations of local authorities. In some instances there are cases of non-compliance with statutory regulations which may be evidenced by the flouting of tender procedures. In some instances performance is linked to expenditure instead of output.

Functional IGFT Framework

To ensure the success of the devolution agenda, there is need to avoid unfunded mandates for devolved areas. This calls for the need for adequate budgetary provisioning from central budget. In Zimbabwe the IGFT targets infrastructure development on water, health, education and roads. The establishment of Inter-ministerial Task Force provided initial proposals on IGFT formula which takes into account population, physical infrastructure gaps and poverty prevalence with varying weights. The IGFT framework for Zimbabwe is in place although it may require improvement factoring in various economic factors in various districts. However, in literature it is generally perceived that IGFT with conditionalities may

result in low spending. In Zimbabwe, the rationale for including conditionalities is to make sure that the resources are channelled towards infrastructure; an economic enabler given that most of the infrastructure requires rehabilitation and expansion.

Strong political will

It can be noted that Zimbabwe has strong support for devolution at the highest level given that devolution is entrenched in the Constitution of Zimbabwe. In addition, The President of Zimbabwe chairs the Cabinet Committee on Devolution to ensure that it is regarded as a high priority for the country. The Provincial Ministers are driving the sensitisation of devolution in their provinces. The Government's provision of financial resources within the national budget also shows commitment to the devolution agenda.

Enhanced citizen engagement

Section 264 of the Constitution provides for citizen participation in decision making. This calls for the need for platforms for citizens to enable them to participate in the planning process. The public awareness campaigns may assist citizens to get deeper understanding of devolution. For example, Kenya has put in place measures to ensure public participation which include civic education and outreach to build awareness, counties allocate a budget for public consultations and outreach programmes, and there are feedback mechanisms in place. In addition, there is capacity building for government officials to facilitate public consultations and dissemination of user-friendly information. In countries such as Pakistan, citizen participation is done through the community based organisations. The gender representation and participation was considered to be critical and the representatives of local communities participate in investor identification and monitoring of services. The issue of use of citizen engagement manual could be a critical issue to be considered to ensure that citizens get requisite knowledge which facilitates identification and prioritisation of development programmes in their communities in line with the devolution mandate.

Translation of information pertaining to devolution

Translation of documentation from English to all the languages recognised by the Constitution of Zimbabwe is critical. This will enhance the understanding of the citizens to ensure that they make informed decisions. In Pakistan, despite the national language being Urdu, the Local government ordinance was initially published in English which made it difficult for the citizens to have a clear understanding of the decentralisation agenda. However, the Local government ordinance was later translated to the national language, Urdu.

Discussion points

A number of issues were raised to guide the discussions in the policy dialogue as follows:

- Provincial Council and Administration Amendment Bill to spell out roles and responsibilities of three tiers of Government;
- Human capital and institutional strengthening strategies needs to address skills gaps at all tiers of government;

- Harmonisation of accounting systems at all tiers of government;
- Scope and platforms for citizen engagement;
- The extent to which IGFT ensures adequacy of financial resources to ensure equitable distribution of resources; and
- Translation of documents and information which pertain to devolution.

The issues raised in the presentation were expected to stimulate further discussions and contributions from the roundtable group discussions and the panelists.

2.4 REVIEW OF CHALLENGES FACED BY LOCAL AUTHORITIES IN IMPROVING EFFICIENCY IN SERVICE DELIVERY - MR. GAMUCHIRAI CHIWUNZE, RESEARCH FELLOW, ZEPARU

Mr Chiwunze presented a summary of key issues for the discussion paper on 'Review of Challenges and Capacity Gaps of Different Tiers of Government that can Undermine Implementation of Devolution in Zimbabwe.' The objective of the study was to flag out the challenges and capacity gaps of different tiers of government that can undermine implementation of devolution. This included an assessment of skills mix and implementation capacity of the three tiers of government to fulfil functions bestowed upon them by the Constitution of Zimbabwe. The three tiers of government involved in the implementation of devolution are the central government, the provincial and metropolitan councils and the local authorities. The central government is responsible for providing the policy direction, financing and creating the regulatory and legislative framework for the implementation of devolution. The Provincial and Metropolitan Councils are responsible for initiating development programmes for their respective provinces whereas local authorities have the responsibility of representing and managing the affairs of people in urban and rural areas. It was mentioned that various audit reports exposes inefficiencies inherent in the different tiers of government that may have an implication on the successful implementation of devolution in Zimbabwe. Capacity gaps at each tier of Government are outlined in turn as follows:

Capacity gaps at central level

- Zimbabwe does not have policy guidelines on devolution and this could be a missing link for the effective implementation of devolution.
- Weak institutional capacities particularly the skills inadequacy of personnel with the requisite skills and competences to monitor the implementation of devolution.
- Limited capacity for planning, implementation and monitoring and evaluation.
- Systems and governance challenges compounded by harsh macro-economic environment.
- Central government funding not synchronised with local authorities budget cycle
- Currently, there are no clear demarcation of functions among the various levels of government and appropriate administrative support structures.

- Central government is facing fiscal space challenges to timely disburse resources to the Provincial and Metropolitan Councils and local authorities as planned. For example, late disbursement of devolution transfers points to the capacity challenges as pointed by less than 60% disbursed as a share of allocation for selected local authorities (Mvurwi Town Council, Rushinga, Muzarabani and Bindura Rural District Councils) as at 19 December 2019. Late disbursement of devolution transfers points to the capacity challenges by the central government to manage fiscal decentralization.

Capacity gaps at Provincial and Metropolitan Councils

- Despite the existing structures at the provincial level to which the new provincial council are to be accommodated, delays in amending the subsidiary legislation which governs the operationalisation of the councils is affecting progress at provincial level. Provincial structures do not have some of the skills to fully support the functions of the PMCs.

Capacity gaps for Local Authorities

- Use of IGFTs with conditional grants which can be used only for the earmarked purposes may limit the decision by the citizenry in deciding priority areas for their districts.
- Councillors have limited capacity to make policies and play oversight role over council executive.
- The procurement capacities of local authorities are weak. Most local authorities do not have procurement units whereas in other local authorities they are under capacitated. In other instances, there are cumbersome procurement procedures which is a challenge in this hyperinflationary environment.
- Revenue generation is low although there is great potential for increasing revenue generation.
 - Most of the local authorities have no business development units which may result in low entrepreneurial capacity;
 - Some local authorities have out-dated valuation and tariff determination models, thus charging tariffs that are below prevailing market prices; and
 - The Urban Councils Act restricts long term borrowing, making it difficult to borrow for long term capital projects.
- IGFT being reallocated away from planned projects towards other use as directed by central government in emergency situations.

Key issues raised for discussion included the following:

- Government must expedite the crafting of IGFT Administrative Manual to guide the utilisation of the devolution resources by the Provincial and Metropolitan Councils and local authorities;
- Need for accounting systems interface between central government and the local authorities;

- Local authorities need to boost their entrepreneurial capabilities through establishing business development units;
- Urban Councils Act needs to be reviewed to consider lifting the restriction on long term borrowing;
- Local authorities need to build their capacities in monitoring and evaluation; and
- Review the procurement legislation to make it consistent with the high inflationary environment currently prevailing.

Remarks from Mr Pfungwa Kunaka, Chief Director for Fiscal Policy and Advisory Services, Ministry of Finance and Economic Development (MoFED).

The MoFED which was slotted to provide closing remarks. However, Mr Pfungwa Kunaka, had to leave early to attend duties as he was the Acting Permanent Secretary. He took the opportunity to provide his remarks on the importance of devolution and update stakeholders on what MoFED was already doing in compliance with the Constitution within the context of implementing the Transitional Stabilization Programme (TSP).

He prefaced his remarks by appreciating the important policy analysis and research work that ZEPARU was doing and reiterated the commitment of the MoFED to do more to fully financially capacitate the Institution to execute its mandate. He also informed the meeting that the MoFED structure now includes the department of Infrastructure Development and Fiscal Decentralization which handles devolution issues. He further pointed out that MoFED is complying with the provision of the Constitution with regards to IGFT. In section 301 (3) the Constitution states that: *“not less than five percent of national revenues raised in any financial year must be allocated to the provinces and local authorities as their share in that year.”*

He also noted that the two successor National Development Strategies/Plans to the Transitional Stabilisation Programme (TSP), will further entrench the implementation of devolution and drive the economic transformation through boosting of provincial Gross Domestic Products (GDP). He concluded his remarks by acknowledging the work being done by the Ministry of Local Government, Public Works and National Housing in spearheading devolution as reflected by the changes in the Ministry structure which now have economists and planners championing the devolution agenda.

PLENARY DISCUSSIONS

A lively discussion ensued with a number of issues raised by participants. The following is a summary of the key issues raised by participants:

- It was observed that despite having the Presidential policy guidelines in place, there is need for further work of coming up with the subsidiary Acts of Parliament, administrative structures and procedure manuals to guide the implementation of devolution. Section 265 (3) of the Constitution state that: “an Act of Parliament must provide appropriate mechanisms and procedures to facilitate coordination between central government, provincial and metropolitan councils and local authorities”
- Devolution assumes competency in all tiers of Government but basing on the Auditor General’s reports year after year, it can be argued that some line ministries, local authorities and the parastatals lack the necessary skills and competencies to execute their mandates effectively. The failure to act on the recommendations from the Auditor General’s reports further highlights the capacity and governance challenges within the respective tiers of Government. It was suggested that there should be a standardized instrument which should be developed to measure competencies of local authorities and provincial and metropolitan councils. In section 264(1) the Constitution states that: “*wherever appropriate, governmental powers and responsibilities must be devolved to provincial and metropolitan councils and local authorities which are competent to carry out those responsibilities efficiently and effectively.*”
- The IGFT formula for allocating resources should be publicized so that the general public knows how the financial resources are shared among districts. It was further noted that local authorities are in arrears in terms of payment of salaries and thus there is a risk that the IGFT funds will be diverted to payment of salaries.
- There was a concern on the issue of the central government providing instructions on how the IGFT grant should be used. It was observed that this should be the responsibility of the citizens in line with section 264, 2(a) which states that: The objective of the devolution of governmental powers is “*to give powers of local governance to the people and enhance their participation in the exercise of the powers of the State in making decisions affecting them*”.
- Applying the criteria used to determine key success factors to Zimbabwe may reveal that the country needs to address a lot issues in order for devolution to be successful. This include the need to expedite the alignment of laws relevant to devolution and/or development of the subsidiary legislation on devolution.
- The need for baseline studies to inform the monitoring and evaluation of the implementation of devolution was noted. These studies were expected to cover all provinces and districts. Baseline studies would then be complemented by subsequent studies every year that track progress of the implementation of devolution projects.
- It was highlighted that local authorities can borrow but they should get approval from the central government which exercise the gate keeping function in terms of managing contingent liabilities which constitute a fiscal risk.

2.5 KEY ISSUES ON DEVOLUTION IN ZIMBABWE, PRESENTATION BY DR MUNGAI N. LENNEIYE, TRUSTEE DIRECTOR, UDUNGU INSTITUTE

Dr Lenneye, outlined some of the critical issues on devolution in Zimbabwe highlighting that devolution has potential to deliver the Vision 2030. He emphasized the importance of the community leaders such as the Chiefs in developing the respective areas, the model which was adopted by China to create new jobs. He indicated that despite having business opportunities arising in districts, most countries do not develop at district level and hence face stagnation and fail to create new jobs. Some of the critical issues that he raised are outlined as follows:

- Devolution in Zimbabwe started in 1883. In 1884-1885 there was de-concentration of power to lower tiers of government through creation of District Administrators (DAs).
- In 2013 the supreme law of the country entrenched the concept of devolution with the political components being amplified with little emphasis on the economic components.
- He noted the potential conflict of interest arising from the composition of the provincial and metropolitan councils which compromise the oversight role of Parliament and violate the concept of accountability.
- The issue of having local authorities' by-laws not conflicting with the Constitution was highlighted as critical. However, it was mentioned that at provincial level there are no by-laws so ordinances made at that level should also be aligned to the Constitution.
- Hence the issue of strengthening the legal framework that guides the implementation of devolution was deemed as critical.
- On the IGFT formula it was noted that there is need to come up with the marginalization index. There is also need to relook at the formula to see how the grants are shared among districts.
- The issue of citizen engagement raises the need for empowering the citizens to engage since it is not possible to engage with ignorant citizens. The citizens should know the by-laws. The Residents Associations may play a critical role in ensuring that the citizens are empowered.
- He emphasized that the country should be careful not to devolve corruption.

3 ROUND TABLE DISCUSSIONS CHAIR – DR. D. P. CHIMANIKIRE, UNIVERSITY OF ZIMBABWE AND SENIOR DEVELOPMENT CONSULTANT

Best Practices on Clarifying of Roles and Responsibilities for the Devolved Mandates

Currently, Zimbabwe has 60 rural and 32 urban local authorities, which generally shows that the country already has some devolved institutions. Thus, the main emphasis under devolution should be to ensure that the already existing system works best. The following issues were discussed as critical in clarifying roles and responsibilities of the devolved mandates:

Policy formulation and implementation

- Devolution should not take away the responsibility of the central government to institute policies. Consultations should be made but there should be an undiluted responsibility to have central government as the national policy making platform;
- The provincial policy planning should be guided by the national development plans and the local authority development plans would be guided accordingly. Thus, the provincial developing planning role needs to be adequately capacitated, as local authorities need to formulate their strategies using the provincial strategy as the anchor; and
- It is therefore critical that there is vertical harmony in policy formulation and implementation among the three tiers of government.

Roles and responsibilities

- A legislative framework should be put in place to ensure that there are clearly demarcated boundaries in terms of roles and responsibilities among the devolved institutions.
- There is need to disaggregate the responsibilities into two; exclusive responsibilities and concurrent responsibilities. Exclusive would be identifiable with a particular tier while concurrent will be shared across the tiers.
- There is also need to clearly spell out how local authorities interact with the different service providers in their localities, which include District Development Fund (DDF) and the Zimbabwe National Water Authority (ZINWA) among others. The duplication of roles and responsibilities among local authorities and service providers need to be avoided.
- There are still some unclear roles and responsibilities between some positions, which would need to be addressed under devolution. For example, the roles of the Minister of State in each province as well as the envisaged Chairman of the Provincial Councils need clarification. The Provincial Development Coordinator and the Director in the Minister of State also overlap and need to be clearly spelt out.

Adequacy of Human and Financial Resources at Each Tier of Government

Adequacy of Financial Resources

Most local authorities are failing to collect what they would have billed/are owed by ratepayers as most citizens are not willing to pay thus undermining the income base of local authorities. Furthermore, it was highlighted that provincial and metropolitan councils do not have a revenue base and rely 100% on the central government. The session noted that resources are inadequate, not effectively utilized and they are not received timely. The current structures and configuration of local authorities is not able to utilize resources effectively and timely.

It was highlighted that variances in planned and actual funds utilisation emanated from the fact that majority of local authorities do not have plans in place on how they should utilise the devolution funds. Furthermore, the variances were also compounded by differences between council technocrats and the ratepayers/citizens. It was highlighted that implanted projects need to be in line with priority projects identified/sponsored by the community. Thus, there is need to strengthen the process of project identification through broad stakeholder consultation/citizen engagement and council resolutions. However, most councils do not have the capacity to engage citizens to solicit their views on which project to be prioritised. With regards to transparency and accountability in the use of financial resources it was highlighted that local authorities are not transparent and accountable to their communities to provide feedback. There is no reconciliation and consolidation of the multiple bank accounts and also poor handling of procurement as the majority of local authorities do not have dedicated procurement units. It was also stressed that the Public Financial Management Act (PFMA) does not have adequate provisions that punish mis-behaviour and noncompliance with financial issues such as production of financial statements and instances of qualified audit reports. There is also need for local authorities' programming of projects to follow the flow of government revenue collection to prevent misalignment on implementation.

Adequacy of Human Resources

It was highlighted that local authorities do not have sufficient human resources needed in the implementation of devolution. It was pointed out that local authorities needed additional human resources in order to meet the new mandate that have been bestowed upon them. For example, there is need for skills in local economic development planning at district levels and this involves the recruitment of economists. It was also highlighted that there is need to reconfigure local authorities' structures and organograms to accommodate new skills and functions. There is also need to train existing personnel within the local authorities' structures in order for them to be able to appreciate the services required under devolution.

Legal Framework and Institutional Strengthening

The key issues discussed under this topic include the following:

- Gaps in the current legal provisions - An enabling Act of Parliament is not there at the moment.
- Absence of monitoring and evaluation approach in the current legislation.
- What is delaying the legislation may be fear that devolution may weaken the power of the central government. To some extent capacity deficiency may be a challenge hence the need to embark on a comprehensive capacity building programme. There is also need to deal with poor performance to ensure that there is accountability.
- Alignment to the Constitution of other pieces Acts of Parliament that have provisions relevant to devolution need to be expedited.
- Institutional capacity gaps which may delay development of consistent and clear policy guidelines. There is need to develop sound institutions to spearhead devolution. In Kenya there is a Commission mandated to spearhead the devolution agenda.
- Role conflict between elected provincial chairperson and the Minister of Provincial Affairs need to be resolved. It was stressed that there is need to delineate and clearly define the different roles of these office bearers to avoid conflicts and overlapping mandates.
- Multiple roles and responsibilities creating conflicts at various tiers. Hence, there is need to aggregate roles spread among a number of institutions so that there would clear accountability within government structures as to who does what and who is responsible for what.
- Exclusive and concurrent functions that the local authorities cannot do - There is need to clearly define and document or legislate exclusive and concurrent functions that cannot be devolved to local authorities such as foreign affairs and national security
- Need to be clear about the timelines of implementing devolution. Big bang approach versus gradualist approach.

Devolution Policy Guidelines and IGFT

The group stressed that the 5% IGFT is not coming to replace the existing revenue base of local authorities but it is expected to complement and improve the system that is already there. The local authorities should continue doing what they have been mandated to do. The IGFT is bringing additional financial resources over and above what local authorities have been generating.

- Equity versus equality – It was highlighted that local authorities are not homogenous. Their capacities are different due to existence of different natural resources in different districts. The guidelines on devolution should infuse issues of equity among local authorities. In order to achieve equity there is need to have a comprehensive local authorities needs assessment on infrastructure and capacity requirements and then

make sure resources are transferred to where they are needed the most.

- Capacity of revenue generation of local authorities - Need to take into account the revenue bases. It was highlighted that some local authorities have a wider base but lack the capacity to collect revenue which if efficiently collected may be sufficient to cover their operations. There is need to gauge revenue collection versus capacity to collect. More resources under the IGFT should be reallocated to other needy areas. There is need to strengthen guidelines on the utilisation of IGFT through putting emphasis on service delivery at the same time setting standards on the quality of service.

Effective Citizen Engagement in Implementing Devolution

The group stressed the need to create platforms which are accessible to citizens in the implementation of devolution. It was noted that the Cabinet Committee on Devolution chaired by the President has no space for public participation hence the need to set up platforms to collate input from citizens engagement on the implementation of devolution. As noted earlier some countries like Kenya have set-up an independent commission to spearhead the implementation of the Devolution Agenda.

It was highlighted that there is need to come up with a framework that guide local authorities in citizen engagement. This include coming up with a minimum standard to ensure effective citizen engagement which might include minimum number of attendees and meetings to be held. Furthermore, they highlighted several strategies and initiatives that can be adopted to enhance effective citizen engagement in the implementation of devolution. This includes translation of the constitution into the 16 official languages, civic education to build a movement across the country and multi-stakeholder sensitization program on devolution. It was highlighted that the Constitution is already translated into some official languages of Zimbabwe. There is need to ascertain the languages which were translated at the Institute of African Languages.

Existing platforms which could be used in engaging citizens include use of residents associations and rate payers association, the majority of whom are urban based and very limited in rural areas. Faith based organisations and community based organisations and also local authorities platforms such as budget consultations and service charters are other platforms that can be used. In conclusion they recommended that there is need to redesign the process of engagement, redesign the structure of engagement, the tools, and the process of agenda setting. There is also need for prioritisation of monitoring and evaluation and reporting back to ensure accountability.

The issue of a citizen engagement manual was regarded as critical to empower citizens to make informed decisions.

Business Opportunities Arising from Devolution

The group discussed the following issues:

- Need for employment creation within the devolved areas.
- Need for infrastructure development especially road and rail.
- Local beneficiation of resources in various districts to increase the market value of the products.
- Creation /establishment of effective health and education systems at local levels critical.
- Lower transaction costs resulting from decentralisation of business licensing from Harare to ensure ease of doing business.
- Training opportunities by business to enhance capacity of the local people.
- More disaggregated statistics at district and provincial levels which are beneficial to investors and researchers following the implementation of devolution.
- Improvement in private sector participation in the delivery of public goods through public private partnership arrangements.
- Increased transparency and accountability leading to lowering levels of perceived corruption.

Research Support for the Implementation of Devolution

The group noted and stressed that devolution is happening with or without research. Thus, they observed that Researchers within Universities/Research Institutions/Think tanks need to identify the knowledge gaps and undertake research to support the implementation of devolution in the three tiers of government. The group highlighted the following research opportunities that can be explored in support of the implementation of devolution:

- Baseline studies on the status of devolution and capacities in the three tiers of government before and after implementation of devolution. This may require assessing devolution initiatives implemented to assess the impact on the economy annually.
- Developing context specific knowledge products and strategies that will inform decisions and actions of officials in the three tiers of government as they implement the devolution agenda.
- The need for coordinated approach on research and capacity building activities to support the devolution agenda was noted. Coordination can be enhanced through development of knowledge sharing platforms.
- Construction of the vulnerability index, marginalisation index and the competency index. The vulnerability index will show the extent to which the communities are vulnerable and the competency index for local authorities will assess their performance.

- Developing manuals for citizen engagement and indicators for monitoring and evaluation of programmes implemented under devolution.
- Co-creation of research studies with practitioners in the three tiers of government at the same time building their capacity to utilize knowledge/evidence in their decision making processes and strengthening institutional capacity to implement devolution.
- Universities to work with Provincial and Metropolitan Councils and Local Authorities to develop capacity development programmes to address identified capacity gaps through running tailor made short term courses.

4 PANEL DISCUSSIONS CHAIR: MR KUMBIRAYI NHONGO

Key Takeaways on Strategies to Enhance the Implementation of Devolution

Provincial and Metropolitan Council Representative - Mr Hokonya, Harare Metropolitan Provincial Administrator's Office

Mr Hokonya initially highlighted the key stakeholders critical for devolution implementation and their roles before suggesting strategies for effective implementation of devolution. These are summarised hereunder. First are the citizens who are the key actors at the lowest structures of the community. Second are the local authorities whose responsibility is delivering services to the local communities. If these are well-funded and supported, devolution will be a success. The other key stakeholder is the provincial and metropolitan councils whose responsibility is to deliberate on development initiatives for their respective provinces. Further, they are responsible for supporting the districts, local authorities and the national government. The other stakeholder is the national government whose role is to support, monitor, regulate and promote development in the lower tiers of government. He underscored the fact that Government is seamless and each tier has a role to play.

Yet another key stakeholder in devolution implementation is the business community/private sector. They are key in the implementation of devolution, engaging in productive activities that increase the GDP of their respective provinces. The other stakeholder is the civil society organisations. These play a critical role in sensitising the local communities, providing humanitarian aid, supporting institutional development of the various tiers of government, complement government effort as well as building the capacity of the tiers of government.

Mr Hokonya then highlighted the following as key strategies to enhance the implementation of devolution:

- Implementation of special economic zones tapping on the comparative advantages of the respective provinces.
- Financing infrastructure development in the tiers of government through public private partnerships.
- Service level benchmarking by local authorities - local authorities need to set their own standards and be able to bite what they can chew. It is not possible to apply a one size fits all for all the local authorities in terms of standards as local authorities are not the same.
- Local authorities can engage in peer reviews so as to increase service delivery.
- It is critical to set up development coordination committees at all tiers of government in order to promote the implementation of devolution. These committees have to be vibrant.

- Citizen participation critical to enhance crafting and prioritisation of districts' development agenda.
- Planning and budgeting to shape the course of devolution work annually.
- It is important for the tiers of government to embrace integrated performance framework, integrated results based management as well as programme based budgeting in order to enhance the implementation of devolution.
- Enhancing the ease of doing business one stop shop will create an enabling environment for business.
- Designing a service delivery matrix roping in every actor to play a role in the implementation of devolution is also critical.
- There is need to implement a restructuring programme across all the tiers of government to create institutions that are fit for devolution implementation.
- Implementation and monitoring of devolution are critical. These will include facilitation, promotion, coordination, monitoring and regulation.

Resident Trust Representation - Mr. H. Mudzingwa, Coordinator, Harare Metropolitan Residence Forum

Mr Mudzingwa underscored the need for government to come up with the necessary legal infrastructure to facilitate the implementation of devolution. This must also speak to the structure, content, form of devolution and staffing of the tiers of government involved.

Secondly he stressed the need for citizen engagement, consensus building on the form and content and funding of devolution. It is imperative to interrogate the responsibilities to be given to the lower tiers of government. Consensus building is important in order to guard against secessionism. It should be clear to all the stakeholders that devolution is not about federalism. In citizen engagement, all the involved stakeholders need to be innovative in conveying the messages on devolution to the citizens as widely as possible. Making use of artists to convey the message through music and poetry could be a useful tool.

He further stressed the need for equitable sharing of capital grants between the local authorities and the provincial and metropolitan councils as espoused in Section 301 (1) (a) of the Constitution. He also noted the importance for government to set up an all-inclusive devolution task force composed of state and non-state actors as is in the case in Kenya, in order to push the devolution agenda forward.

In addition, Mr Mudzingwa proposed the need for capacity building of all the tiers of government. Before this, however, there is need to conduct needs assessment in order to adequately close the capacity gaps inherent in these tiers of government. The capacity gaps already exposed through the Auditor General's reports can be a good starting point as there are other needs that go beyond what is in the audit reports. He concluded his remarks by stressing the need for continuous research on pertinent issues around devolution so as to inform policy based on evidence.

Development Association Representative - Mr P. Mupandani, Finance Manager, Lower Guruve Development Association

Mr Mupandani expressed concern on the level of the country's preparedness to implement devolution. He agreed that devolution is one of the key principles of the Constitution but seven years on following the entrenchment of devolution into the supreme law of the land, the enabling legal framework to implement devolution is still work in progress.

He also highlighted that devolution cannot be a success without capacitating the local authorities first. Thus, the devolution agenda must run with the capacity building of local authorities since at the moment most of them cannot timely produce financial statements. What confidence does this bring to interested parties if government devolves powers and responsibilities to incapacitated entities?

Mr Mupandani further stressed the need for wide dissemination of devolution information to the people so that it cascades down to the grass roots to ensure that there is buy in from the citizens. He proposed the use of musical jingles to convey devolution message down to the local communities as the country push the devolution agenda forward.

He further noted that despite Government complying with the 5% IGTF, if the people meant to benefit from the service delivery and development which devolution is to deliver are ignorant of these disbursements, then the agenda may not be successful. He also advised that taking away development from the Members of Parliament needs to be thought through carefully because they are voted into power because of the development projects they bring/promote into their constituencies/communities.

Association for Rural District Councils Representative - Mrs S. Munoriarwa (Bindura Rural District Council) representing the Association of Rural District Councils of Zimbabwe

Devolution thrust intends to enhance community development and the business of local authorities is to provide development in those communities. In fact, local authorities have been doing this for a very long time. This means that delivering services as required under devolution is something not new to them. They are in fact, in familiar environment. However, with the rolling out of the IGTF, their level of funding is going to increase hence their responsibilities are going to increase. This implies that other corresponding factors such as capacity need to be improved. On capacity building of local authorities, it is important to look at communities themselves and capacitate them so that when they engage with their local authorities, their contribution is effective. Thus, citizen participation is very key in devolution hence the need to capacitate communities to participate first. More so, the engagement processes between the local authorities and these communities also needs attention. Local authorities need to be capacitated to engage the local communities.

Development Partner Representative - Mr S. Phiri, Social Policy Specialist, UNICEF

Mr Phiri informed participants that UNICEF is working very well with the Ministries of Finance and Economic Development and that of Local Government, Public Works and National Housing in building the capacity of local authorities. He highlighted the glaring information gap on devolution in Zimbabwe as evidenced by the various perceptions that different people have on what it is all about. He underscored that devolution is not just about the IGFT but comes with responsibilities.

There is therefore need for government to come up with a clear and strong road map on devolution clearly outlining different milestones to be reached. This roadmap is to be shared among all the stakeholders so as to harness stakeholder efforts in one direction. More so, this roadmap needs to be shared at the right platforms.

He also noted the need to come up with a reference document that clearly articulates what devolution is all about. This document needs to clarify relationships, roles and responsibilities between local authorities, provincial and metropolitan councils and central government; civil society organisation; non-state actors; and development partners. This will guarantee enhanced perspectives on how practically devolution will be implemented. The government needs to specify the responsibilities devolved to the lower tiers of government and the timeframes indicating when this can be done.

After the roadmap, he proposed the coming up with a capacity development plan to address capacity development at three levels namely; institutional strengthening, system strengthening and human resource development. He noted that most local authorities are not timely producing their financial statements but the Constitution requires powers and responsibilities to be devolved to institutions that are competent. In this regard, there is need to ensure that this provision is not abused or revoked. There is also need to ensure systems of the tiers of government are harmonised to ensure enhanced transparency and accountability. There is further need to build critical mass of trainers and simplified modules on devolution and citizen engagement. Countries like Kenya have dedicated institutions on capacity building e.g. Kenya School of Governance. He concluded by highlighting that 'The implementation of devolution requires a stepped approach to allow for proper planning and learning. Devolution grant design needs to be simple and easy to be understood by everyone but it should not be subject to manipulation by anyone.'

PLENARY DISCUSSIONS

The following issues were raised in the plenary discussions:

- The need for relevant institutions to be capacitated to carry out the responsibilities for which they are mandated under devolution.
- The need for all stakeholders to agree on devolution principles first before devolution can be implemented.
- The need to prioritise what should come first, devolution implementation or capacity building of the various stakeholders.
- Recognition of capacity that already exist in local authorities and the emerging capacity gaps.
- Clarity on the services that local authorities need to deliver in order to identify the skills they require. The need for skills gap analysis and key skills identification in local authorities is meant to enhance effective functioning.
- Whilst the Ministry of Local Government and Public Works is leading with the implementation of devolution, other ministries need to streamline their structures and programmes in support of the devolution agenda. Some Ministries like that of Industry and Commerce have since realigned Structure and have representation in the 10 provinces.
- The need to think about devolution beyond IGFT. Efforts towards improved local authority service delivery and mainstreaming of citizen participation should also be prioritised.
- There are certain local authorities that generate a lot of revenue for government hence the 5% allocation may not be fair. Examples of such local authorities include Beit Bridge and Hwange which generate revenues from the economic activities such as border post and wild life based tourism and hunting respectively.
- Local authorities can hire skilled personnel to close the human capacity gaps.
- Whilst the proposed IGFT grant formula is a good starting point, there is need to come up with proposals of improving the framework than limiting the scrutiny at highlighting its weaknesses.
- There is need to interrogate what devolution really means to the business community.

Closing Remarks - by Mr Shumba, Chief Director, Ministry of Local Government and Public Works

In his closing remarks, Mr Shumba stressed that local authorities must be viewed as institutions that have some capacity but what is needed is to identify the capacity gaps that are peculiar to each and every one of them. Such gaps could be in the councils failing to align their resolutions to development demanded by the citizens, rate payers failing to pay their bills on time or local communities failing to articulate their needs owing to lack of information.

He further, informed participants that marginalised local authorities may not be able to attract qualified staff to run efficiently and hence need assistance. He urged stakeholders to think devolution not as a political agenda but as developmental agenda that was demanded by the people of Zimbabwe in order to address economic disparities in their areas.

He concluded his remarks by highlighting that even after the amendment of the Constitution to remove the Members of Parliament from the Provincial and Metropolitan Councils, they will still remain active in their constituencies. He explained that Members of Parliament have councilors and rate payers in their constituencies who have to report to them for accountability purposes.

Vote of Thanks by *Dr G Chigumira, Executive Director, ZEPARU*

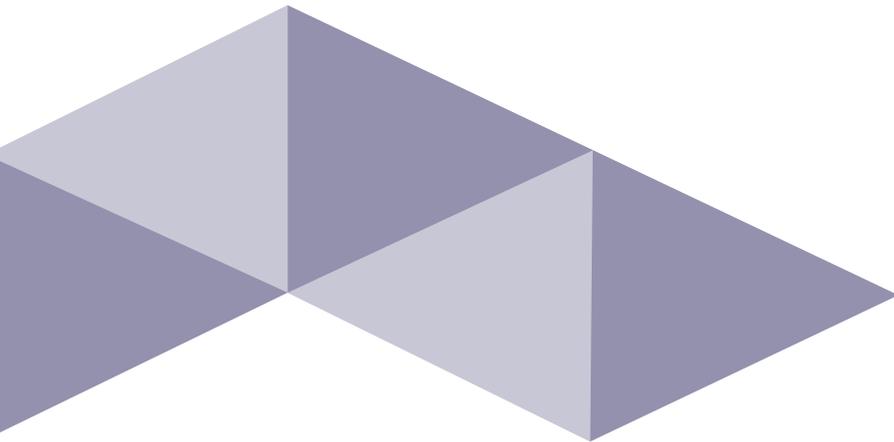
Dr Chigumira commended the high level of engagement and discussions during policy dialogue. He expressed ZEPARU's profound gratitude to the Ministry of Local Government and Public Works represented by Mr Shumba, for collaborating with ZEPARU in organizing the policy dialogue. This gesture demonstrated the importance that the Ministry places on the implementation of the devolution agenda. This collaboration also gave ZEPARU an opportunity to work directly with various local authorities and understand the challenges in implementing devolution from their perspective. He further appreciated the support that ZEPARU received from the Ministry of Finance and Economic Development and the contributions they made in the Policy Dialogue. He also thanked and appreciated the presence of officials from the Monitoring and Evaluation Department in the Office of the President and Cabinet and their contribution in the discussions. He also thanked the chairs for ably facilitating session discussions.

Dr Chigumira also commended the Master of Ceremony, Mr Kumbirai Nhongo for the sterling job in facilitating the dialogue. He also appreciated Dr Lenneiye and Udugu Institute for sharing the work they have done under devolution. He appreciated the idea of knowledge sharing from Udugu Institute and highlighted that importance of knowledge sharing in the implementation of devolution. He further commended the Harare Residence Forum for sharing their position paper confirming that no one has monopoly of information and that it is always good to share information.

Dr Chigumira also appreciated the inputs from all the panellists who shared their perspectives on strategies for enhancing the implementation of devolution. He concluded his vote of thanks by appreciating the financial support from GIZ which made it possible to prepare the discussion papers and the organising of the fruitful policy dialogue and all those who played a role to ensure the successful hosting of the Dialogue. This includes the Ministry of Local Government and Public Works, ZEPARU and hotel staff.

He further informed participants that ZEPARU commits to continue working in this area and values collaboration. He also observed that there is greater scope for collaboration as the Government has embarked on the development of the National Development Strategies/ Plans which succeed the Transitional Stabilization Programme (TSP). This planning process has to be informed by input from the lower tiers of government. In this regard there is need to synchronize/integrate planning at local authorities and the provincial and metropolitan councils with the National Development Planning processes. This entails building capacity within the lower tiers of government to draw up their own economic development plans.

As a way forward he notified participants that ZEPARU would prepare a workshop report and share it with them. Further, ZEPARU would incorporate inputs that emerged from the policy dialogue into the working papers presented. Soft copies of these papers would be circulated to the participants by end of February 2020. ZEPARU would extract information from the report to generate policy briefs for senior policy makers. Further, it would have policy engagement meetings post the policy dialogue. The video clips captured during the policy dialogue as well as the discussion papers would be posted on ZEPARU website <http://www.zeparu.co.zw/>.



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