



Zimbabwe Economic
Policy Analysis and
Research Unit

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POLICY BRIEF

**Challenges posed by
the Non-Alignment of
Central Government
and Lower Tiers of
Government's Planning
and Budget Cycles**

**in the Implementation
of Devolution**



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Executive statement

This policy brief is based on a study with a similar title which was undertaken by the Zimbabwe Economic Policy Analysis and Research Unit (ZEPARU) in May 2020. The policy brief raises issues which need to be addressed to ensure that there is harmony in economic policy formulation and management across all the tiers of government, within the need to contextualise economic devolution within the context of a unitary state.

Key messages and recommendations

- **Problem:** Non-aligned planning & budget processes of central government and the lower tiers
- **Recommendation 1:** Quickly operationalise provincial and metropolitan councils
- **Recommendation 2:** Build expertise and competences of the lower tiers of government on policy planning and implementation
- **Recommendation 3:** Align budget processes and calendars across the three tiers of government to enhance the planning and implementation under devolution

Introduction/Problem/Context

Devolution is coming at a time when national policy formulation and implementation have mainly been an exclusive function of central government with limited involvement of the provincial and local authority tiers. Resultantly, economic policies and the strategies developed at the national level have rarely shaped strategy development at local government level. However, the strategic thrust under devolution is to involve the lower tiers of government in economic planning and implementation.

As expressed under the Transitional Stabilisation Programme, devolution will involve development planning at both the local authority and provincial levels. In particular, Provincial and Metropolitan Councils are expected to develop Provincial Economic Development Plans while local authorities are expected to develop Local Authority Economic Development Plans. These plans have to be influenced by resource endowments as well as the national priorities.

“Separation and devolution are two completely different concepts which cannot be mixed together. One is not a stop on the way to the other”

[Johann Lamont, Scottish Labour party Leader, 2011]

However, the current discussions and debates within the context of devolution have remained focused on intergovernmental fiscal transfers and sharing formulae. They have not focused much on how policy harmony and coordination will take place across the three tiers under devolution. Neither have the discussions also focused on the preparedness and readiness of the lower tiers to embrace the policy planning mandate.

About the study/project

The study was generally aimed at highlighting the need for harmony between central government and the lower tiers of government in formulating and implementing policies and developmental plans that enhance the attainment of the devolution policy objectives. Specifically this was achieved by:

- Identifying the areas of misalignment between local and central government budget processes;
- Identifying the misalignment in terms of focus areas of policy implementation at the lower tiers of government;
- Highlighting misalignments in the development planning and budgeting processes that can militate against the achievement of the devolution policy objectives.

Key study results

The key issues raised in the study include the following:

Policy divergence and convergence under devolution

The study identifies that a topical issue is the extent to which convergence and divergence across the devolved provinces should be balanced. The policy position is that each province has to develop plans based on their own natural endowments, while Zimbabwe is still a unitary state where central government policies should continue to be the guiding factor. This means that while the alignment of development plans for lower tiers of government to the national plans is necessary, there is room for modifications to capture specific contexts of the different provinces and local authorities.

Capacity gaps and constraints

Local authorities are currently not actively involved in the formulation or implementation of national economic blueprints, outside their normal roles as

service providers. Thus, they lack capacity on national policy formulation, which might also affect their own planning processes that have to be linked to the national policy.

Local authorities have a poor consultation culture with other government institutions and service providers whose input in local and provincial plans is a must. Citizen engagement by local authorities is mainly on service provision issues, with little involvement of citizens on issues to do with policy formulation and developmental planning. This points to lack of capacity as consultation is a key pillar in policy formulation.

Misaligned budgetary processes

The budget processes at central and local authority levels are currently not aligned. This includes the budget cycles (calendar), the content as well as the formulation process itself. Alignment of the budget processes at the lower tiers of government with the national level will improve allocative efficiencies of public resources as well as improve the impact of government interventions.

Based on these findings, the study identified a number of discussions points, which can be further areas of study, which need to guide the devolution process going forward.

Key Discussion questions on policy formulation and devolution

- What needs to be done to ensure that lower tiers of government which are expected to implement the devolved mandates do not miss out on an important opportunity to feed into and collaborate in the national consultation processes when important policy blue prints that should guide their planning are being crafted and validated?

- Should there be conscious efforts to provide administrative guidelines on consultations to avoid costly duplication and enhance policy co-ordination as the implementation of the devolution agenda is rolled out?
- What is being done/planned to be done to consciously build capacities of the lower tiers of government in economic policy formulation, resource mapping and mobilisation?
- To what extent are central government institutions readying themselves to build capacity of lower tiers of government in areas where part of their mandate is devolved to lower tiers of government to flatten the learning curve and reduce the inevitable cost of mistakes?
- Should the development of guidelines and effective platforms for citizen engagement to inform the development of National, Provincial and Local Authority economic plans be left to each tier of government to figure out what best works for them or there is need for a co-ordinated process?

The study also identifies some issues which stand out as recommendations to address the challenges posed by the non-alignment of policies and processes as the implementation of devolution gathers momentum. These include the following:

Recommendation 1: Full operationalisation of provincial and metropolitan councils to ensure that the policy formulation role will have the responsible arms to undertake it

Given the capacity gaps and challenges, all the three tiers of government need to be fully constituted. Delays in having the provincial and metropolitan councils in place will affect full implementation of devolution.

Recommendation 2: Prioritising development of expertise and competences of the lower tiers of government with the devolved mandate

Although intergovernmental fiscal transfer resources are being disbursed, the policy formulation and implementation functions can suffer given the current

capacity challenges at the lower tiers. There is need to ensure that capacity building is made a priority during the initial years of implementing devolution.

Recommendation 3: Aligning the budget processes and calendars across the three tiers of government

Given that the devolved policy planning and implementation will eventually function within the context of a unitary state, it is critical that processes are all aligned. The budget is arguably the main instrument in policy implementation, and hence should be the first priority for alignment.

Recommendation 4: Building strong partnership across all stakeholders that are enhance the implementation of devolution

There is need for strong partnership across different institutions including government, development partners and civil society organisations working with communities in resolving the emerging challenges that have potential to adversely affect the full implementation of the devolution agenda.

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