DEVOLUTION IN ZIMBABWE
DEVOLUTION

• Section 264 of the Constitution provides for the devolution of Governmental powers and responsibilities to Provincial/Metropolitan Councils and Local Authorities.

• Is the transfer of power and responsibilities from a central government to sub-national authorities.

• The emphasis is on economic development and not political power, which remains in the hands of central government, under the country’s unitary state structure.
DEVOLUTION OBJECTIVES

- Sec 264(2) explains the objectives of devolution which are:

- To give powers of local governance to the people and enhance their participation in the exercise of the powers of the state and in making decisions affecting them

- To promote democratic, effective, transparent, accountable and coherent government in Zimbabwe as a whole
DEVOLUTION OBJECTIVES

- To preserve and foster the peace, national unity and indivisibility of Zimbabwe
- To recognise the right of communities to manage their own affairs and to further their development.
- Ensure the equitable sharing of local and national resources
- To transfer responsibilities and resources from the national gvt in order to establish a sound financial base for each provincial and metropolitan council and local authority.
FISCAL TRANSFERS

- Section 301 of the constitution provides for fiscal transfers to both Provincial and Local Governments.
- Section (2) also guides on how the funds should be utilised. It lists the following as some of the factors to be considered;
REVENUE SHARING

- Provincial Councils
- Local Authorities
- Vertical- Operational 10% (40:60) Capital 90(10:90)
- Horizontal- Formula
A simple and objective formula is in place. The formula comprises of the following components:

i. Population (20%) - 2012 Census National Report, adjusted by the annual growth rate of 1.1%.


iii. Infrastructure Deficit component (50%) - Roads Condition and Inventory Report (2017).
BUDGETING

• The Ministry of Finance each year provides an estimate for distribution.
• Ministry of Local Government distributes the allocated funds to each Local Authority using the formula.
• Each Local Authority is advised of the estimated allocation for budgeting.
• Local Authorities through their structures have the prerogative to choose projects.
• After budget approval Local Authorities are expected to submit monthly cashflows to guide disbursements.
### IGFT Allocations

- **Allocations from 2019 - 2022**

<table>
<thead>
<tr>
<th>Year</th>
<th>Allocation</th>
<th>Disbursement</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>703,000,000</td>
<td>658,625,000</td>
<td>94%</td>
</tr>
<tr>
<td>2020</td>
<td>2,500,000,000</td>
<td>1,035,445,000</td>
<td>41%</td>
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<tr>
<td>2021</td>
<td>19,540,000,000</td>
<td>4,600,000,000</td>
<td>24%</td>
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<tr>
<td>2022</td>
<td>42,000,000,000</td>
<td>1,400,000,000</td>
<td>3%</td>
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<tr>
<td>Total</td>
<td>64,743,000,000</td>
<td>7,694,070,000</td>
<td>12%</td>
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</table>
DEVOLUTION CIRCULAR

The Ministry issued a Devolution Circular in 2019 which pointed out that:

• Devolution funds are capital funds which shall not be used for recurrent expenditure.
• Transfers will be done in batches to fund approved projects.
• A dedicated bank account should be opened.
• PDC and DDC offices shall monitor project planning and implementation.
• LAs should acquit all grant transfers.
• At all times the acquittal report should be accompanied by Council’s Internal Audit detailing the economic, efficient and effective utilisation of funds disbursed.
DEVOLUTION MANUAL

- Ministry in conjunction with Ministry of Finance is developing a Devolution manual.

- The document is at consultation stage.

- Validation is set to be done before end of April.
The Ministry does project monitoring being undertaken using IGFT funds.

The objective of the monitoring visits are:

i) Assess if the Local Authorities are implementing projects as per implementation plans and Gantt Charts submitted to the Ministry.

ii) Assess if Local Authorities are in compliance to projects approved in their budgets.

iii) Meeting with Local Authority personnel for skills exchange.

iv) Assess if the Procurement Management Units (PMU) are in place in respective Local Authorities and establish challenges.

v) Interpretation of the Devolution Circular

vi) Field visits to funded projects
OBSERVATION

- Inadequate technical staff to implement projects
- Fuel and power shortages
- Implementation of numerous projects by Local Authorities
- Local Authority Internal Audit function not visible
- Lack of capital equipment
- Low disbursements against allocated amounts
- Expensive quotations for goods and services
- LAs not acquitting
• THANK YOU