



# ZIMBABWE

April 2019

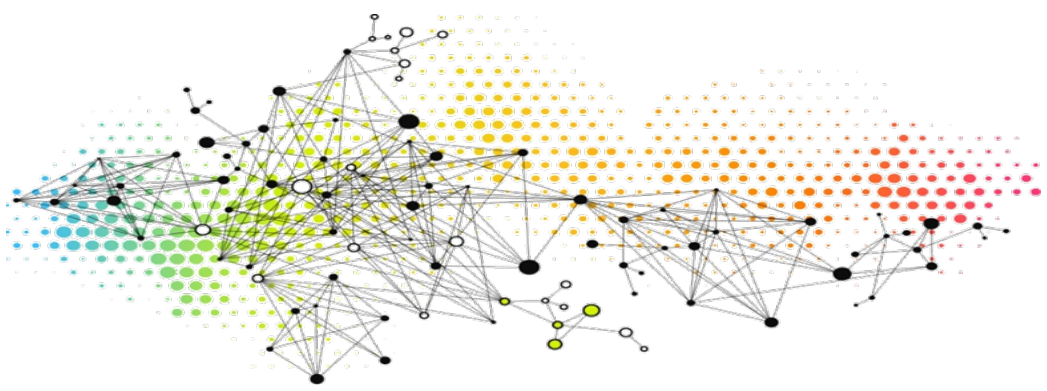
## TECHNICAL ASSISTANCE REPORT—REPORT ON GOVERNMENT FINANCE STATISTICS TECHNICAL ASSISTANCE MISSION

This Technical Assistance report on Zimbabwe was prepared by a staff team of the International Monetary Fund. It is based on the information available at the time it was completed in July 2018.

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# ZIMBABWE

JULY  
2018

## REPORT ON GOVERNMENT FINANCE STATISTICS TECHNICAL ASSISTANCE MISSION (APRIL 16–27, 2018)

Prepared by Mike Seiferling

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## Glossary

AG	Accountant General
COA	Chart of Accounts
DMFAS	Debt Management Financial Accounting System
EBU	Extrabudgetary Units
<i>GFSM 2014</i>	<i>Government Finance Statistics Manual 2014</i>
<i>GFSM 1986</i>	<i>Government Finance Statistics Manual 1986</i>
MLGPWNH	Ministry of Local Government, Public Works, and National Housing
MoFED	Ministry of Finance and Economic Development
PSDSG	Public Sector Debt Statistics Guide for Users and Compilers
RBZ	Reserve Bank of Zimbabwe
SERA	Zimbabwe State Enterprise Restructuring Agency
UNCTAD	United Nations Conference for Trade and Development
ZPFMA09	Republic of Zimbabwe Public Finance Management Act of 2009

# SUMMARY OF MISSION OUTCOMES AND PRIORITY RECOMMENDATIONS

As part of a five-year project of the Enhanced Data Dissemination Initiative 2 Government Finance Statistics (GFS) Module on improving GFS and public-sector debt statistics in selected African countries, a mission was conducted in Harare, Zimbabwe during April 16–27, 2018. The mission found that the authorities are making some progress towards higher quality and more comprehensive GFS, however, sufficient information for meaningful monitoring and surveillance of the public sector in Zimbabwe should be considered a long-term goal with several remaining challenges. The mission recommends the following actions:

1. A Chart of Accounts (COA) technical assistance follow up mission to review the COA which the authorities have built using the SAP system. This will be an important prerequisite for building strong foundations for the reporting of all public-sector statistics.
2. The inclusion of local government statistics into the compilation and reporting framework within the Ministry of Finance and Economic Development (MoFED). This will require greater communication and cooperation between MoFED and the Ministry of Local Government, Public Works and National Housing (MLGPWNH), along with the building and implementation of a standardized reporting template which fits into the new COA framework.
3. The inclusion of extrabudgetary (EBU) units in the compilation and reporting framework within MoFED. This will require greater communication and cooperation between MoFED and relevant Ministries which house EBU units, along with the building of a standardized reporting template which fits into the new COA framework.
4. The inclusion of public corporations (state owned enterprises and parastatals) in the compilation and reporting framework within MoFED. This will require greater communication and cooperation between MoFED and relevant Ministries which house public corporations, along with the building of a standardized reporting template which fits into the new COA framework.
5. The movement towards a modified accrual accounting system which allows for all non-cash transactions to be recorded both above and below the line. This would help to ensure that accurate balancing items (net lending/borrowing) are computed which are consistent with the *Government Finance Statistics Manual (GFSM) 2014* framework.
6. The creation of full financial balance sheets for all public-sector entities (both consolidated and non-consolidated). This would greatly improve the authority's ability to assess the health, solvency, and potential risks through exposure faced by all public-sector entities.
7. The continued monitoring of contingent liabilities through the Debt Management Office in the MoFED.
8. A review of cross-ministry compliance with the Republic of Zimbabwe Public Finance Management Act (2009) (ZPFMA09) to ensure full government compliance with this law.

Table 1. Priority Recommendations

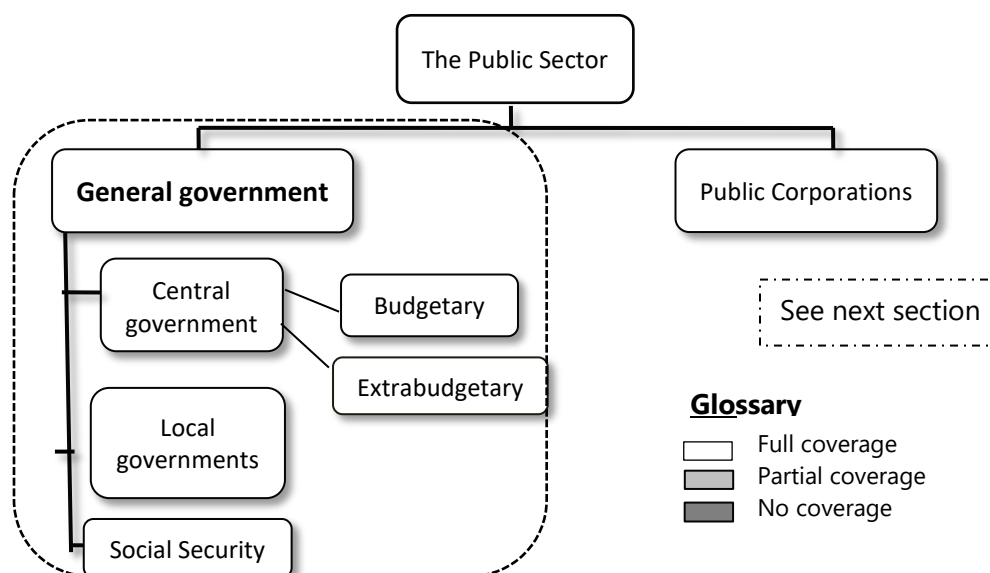
Target Date	Priority Recommendation	Responsible Institutions
December 2018	Complete Chart of Accounts and generate financial reports for Budgetary Central Government.	MoFED (Accountant General)
June 2019	Roll out new COA to Local government using SAP system.	MoFED and MLGPWNH
December 2019	Roll out new COA to all other general government subsectors using SAP system.	MoFED and other relevant Ministries
June 2020	Roll out new COA to public sector corporations using SAP system.	MoFED and other relevant Ministries

## GENERAL GOVERNMENT

### A. Institutional Coverage of the General Government in Zimbabwe

1. The Government of Zimbabwe has relatively accurate records of institutional units for all subsectors of the general government. Figure 1, below, shows the extent of institutional unit information for the general government of Zimbabwe.

Figure 1. Institutional Coverage of the General Government in Zimbabwe



2. From Figure 1, it is clear that the identification of general government institutional units in Zimbabwe is relatively comprehensive within the MoFED. This is to say that, across

branches of the MoFED, there exists sufficient information to centrally identify all general government units in Zimbabwe.

**3. There remain significant challenges in terms of centralized and standardized financial information for these units** (see Section B). This section will briefly identify the existing governance frameworks (in practice) for subsectors identified in Figure 1, with further elaboration on the legal framework and reporting practices in section B.

### **Budgetary Central Government**

**4. The budgetary central government in Zimbabwe consists of around forty-five institutional units.** Several of these units are classified across a range of ministerial portfolios which have varying degrees of compliance with the ZPFMA09 (see Appendix A and Section B).

**5. There also exists a non-autonomous social insurance scheme for public sector employees.** Financial data is unavailable but can be estimated from available data (see Section B).

### **Extrabudgetary Central Government**

**6. The EBU within the central government in Zimbabwe consists of around one hundred and forty-five institutional units.** These units are generally classified under 'State Owned Enterprises' and/or 'Parastatals' covered across a range of ministerial portfolios which have extremely limited degrees of compliance with the ZPFMA09 (see Appendix B and Section B).

### **Local Government**

**7. The local government in Zimbabwe consists of five local boards, twelve town councils, eight municipalities, sixty rural district councils, and seven city councils.**<sup>1</sup> The power and autonomy of these local governments has significantly increased in pursuit of higher levels of fiscal decentralization. These local governments are centrally influenced by the Ministry of Local Government, Public Works, and National Housing (MLGPWNH) who can appoint and/or remove local officials.

### **Social Security Funds**

**8. There is one autonomous social security fund controlled by the general government of Zimbabwe: The National Social Security Authority (NSSA).** The NSSA has a great deal of readily available financial information, however, this is not integrated with budgetary central government statistics through the SAP system.

### **Recommended Action:**

- **The authorities should continue to maintain and update accurate records of general government institutional units.** An institutional table comprising all general government institutional units should be updated regularly and disseminated publicly.

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<sup>1</sup> See Appendix C.

## B. Legal Framework and Reporting Status for the General Government

### Legal Framework

**9. While the central focus of the mission was financial reporting status based on national account/GFSM 2014 standards, it is useful to review existing public finance management laws in Zimbabwe.** In order to provide further clarification for policymakers, this section will begin with a brief overview of the ZPFMA09 as it relates to the current reporting status for the general government in Zimbabwe.

**10. The legal context under which current reporting practices for the general government take place (Zimbabwe Public Finance Management Act, 2009 (ZPFMA09)) are fairly well constructed, but not complied with.** The degree of compliance with many of these laws is very limited as noted in the most recent Auditor General Annual Report.<sup>2</sup>

**11. We can begin with the overall objective of ZPFMA09 stated in Part I, Section 3:** “The object of this Act is to secure transparency, accountability and sound management of the revenues, expenditure assets and liabilities of any entity specified in section 4(1).”

**12. With respect to the preparation, and submission of financial statements across ministries requirements are set out in Part IV of ZPFMA09, section 32:** “(1) Every director of finance shall prepare or cause to be prepared the annual [quarterly/monthly]<sup>3</sup> financial statements of the Ministry concerned and shall submit such statements to the accounting officer in that Ministry and to the Accountant General within thirty days of the year concerned.”

**13. According to Part IV, section 32, of ZPFMA09, it should be expected that all ministries submit relevant financial statements for all general government units to the Accountant General’s (AG) office within thirty days of the end of each reporting period.** From Section A, this requires the submission of financial statements to the AGs office for all budgetary, extrabudgetary, and social security funds, along with all local government units.

**14. With respect to the content of general government financial statements in Zimbabwe, the AG should have the ability to define what information is necessary.** Specifically, Part IV, Section 36 of ZPFMA09 requires that, for monthly/quarterly/annual financial statements: “Every financial statement shall state the following amounts and compare such amounts in each case with the corresponding budgeted amount in respect of the relevant period

–

*a) The actual revenue for the relevant period and for the financial period concerned to the end of that period; and*

<sup>2</sup> See: <https://africafightnoworg.files.wordpress.com/2017/06/oag-report-for-state-enterprises-and-parastatals-report-2016.pdf>

<sup>3</sup> See Part IV of ZPFMA09 (33) ‘Financial Statements’ and (34) ‘Preparation and reporting of quarterly financial statements.’



*b) The actual expenditure for each vote, distinguishing between capital and recurrent expenditure for that period.*

**15. Furthermore, the ZPFMA09 allows for the AGs office to determine the method of accounting (including the format of a standardized spreadsheet across public sector units).**

Building on this, Subsection (2) of Section 36 in ZPFMA09 notes that: "The Accountant General may determine:

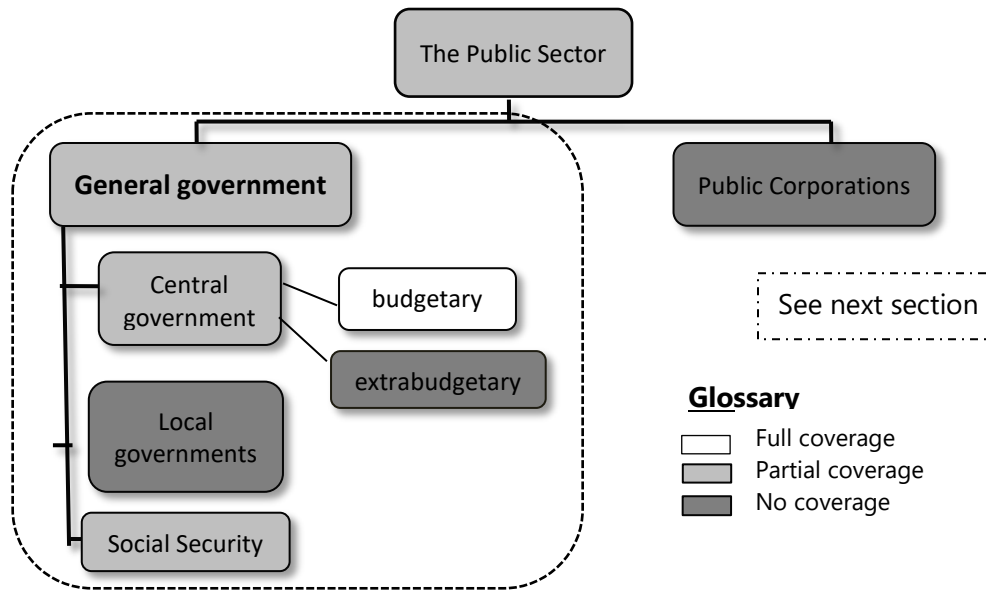
- a) *The format of the statement of revenue and expenditure and the annual report; and*
- b) *Any other details that the financial statement may contain."*

**16. To sum up, the AGs office should have the ability to set a standardized format and the required information for general government financial statements which are to be reported for all subsectors and ministries.** At present, the AGs office receives sufficient information to produce a consolidated financial statement for the budgetary central government only. There are also several types of non-standardized reporting forms used by subsectors of the general government, especially for local governments. This makes it extremely difficult to consolidate financial information for the general government.

### **Reporting Status For The General Government**

**17. Zimbabwe has not reported GFS data for any subsector of the general government to the IMF's Statistics Department since 2009.** Figure 2 (below) shows the current GFS reporting potential within the general government.

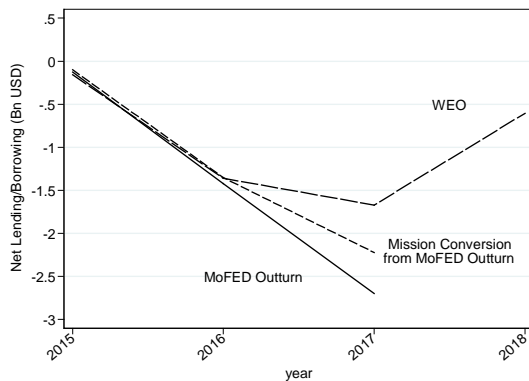
Figure 2. MoFED Reporting of General Government Finance Statistics



**Budgetary Central Government**

18. **The authorities are currently producing monthly/quarterly/annual out-turn bulletins based on a modified GFSM 1986 presentation.** The mission worked with the authorities to create GFSM 1986 to GFSM2001/14 bridge tables for the years 2015–2017 using this out-turn data. The results of this conversion exercise, compared with MoFED out-turn, and IMF WEO, data, can be seen below in Figure 3.

Figure 3. Net Lending/Borrowing of the Budgetary Central Government<sup>4</sup> in Zimbabwe



Net Lending/ Year	2015	2016	2017	2018
MoFED Outturn	-0.13	-1.42	-2.70	(n/a)
Mission Conversion	-0.98	-1.35	-2.22	(n/a)
WEO	-0.99	-1.36	-1.67	-0.61* (*est)

Source: IMF WEO (April 2018), MoFED, authors calculations.

19. **Breaking this down by ‘above the line’ transactions, we can consider revenue and expenditure aggregates for government<sup>5</sup> in Zimbabwe.** From Figure 4, there are some

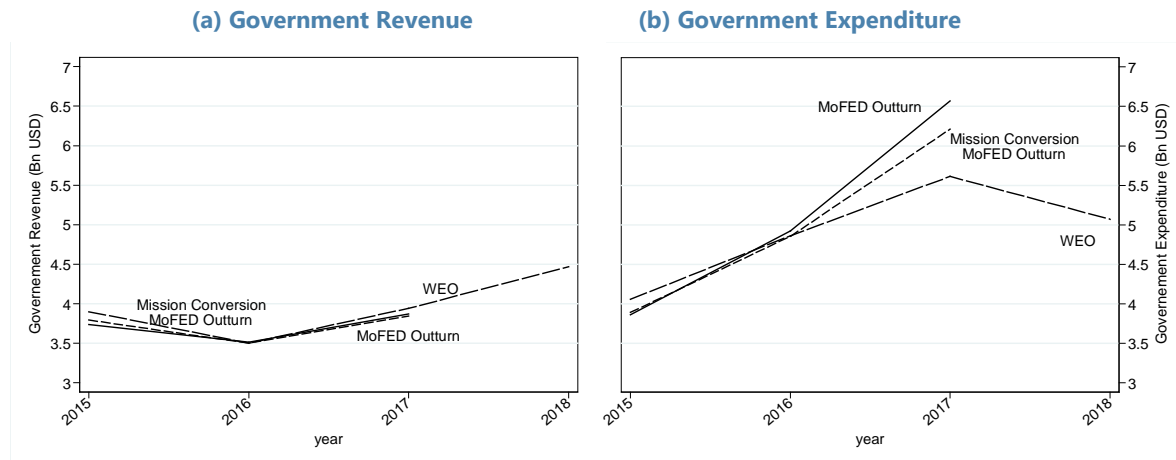
<sup>4</sup> For MoFED and author calculations, these represent budgetary central government. For WEO estimates, these are classified under general government (with metadata).

<sup>5</sup> *Ibid.*

(continued)

difference between the authorities out-turn data, mission conversion data, and WEO data, for budgetary central government revenue and expenditure.<sup>6</sup>

**Figure 4. Budgetary Central Government Expenditure and Revenue in Zimbabwe**



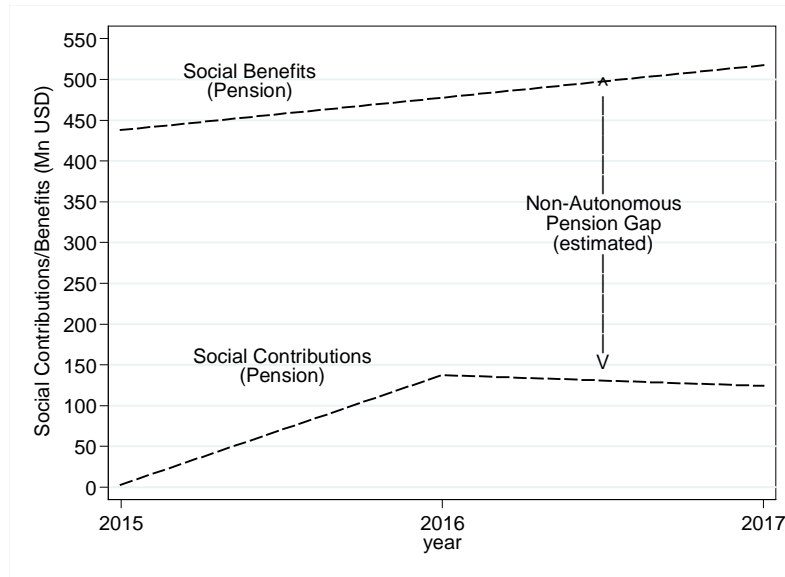
Source: IMF WEO (April 2018), MoFED, authors calculations.

**20. The majority of these differences emerge from the treatment of transactions in financial assets between GFSM 1986 and GFSM 2001/2014.** The current MoFED presentation is based on a *GFSM 1986* framework where transactions in financial assets are considered government expenditures (which reduce net worth), while *GFSM 2001/2014* consider these as investments (which do not change net worth).

**21. As noted in paragraph 5, statistics for the non-autonomous social insurance scheme for public sector employees are unavailable, but can be estimated using the net differences between social security contributions and social benefits from MoFED data.** Figure 5 shows mission estimates based on 2015–2017 budgetary central government MoFED outturn data. Note that, in the out-turn data these are explicitly noted as pension contributions and pension expenditures making the non-autonomous pension gap estimates fairly accurate.

<sup>6</sup> As defined by MoFED.

**Figure 5. Imputed Non-Autonomous Social Insurance (Pension) Gap in Zimbabwe  
General Government**



Source: MoFED, authors calculations.

### Extrabudgetary Central Government

**22. At present, consolidated financial statements for EBU funds are not available within the MoFED.** Extrabudgetary funds in Zimbabwe are generally classified as 'State Owned Enterprises' or 'Parastatals' which, as noted in Section A, are under the control of relevant ministries. Each of these ministries supplies financial information for relevant EBU funds with varying degrees of statistical information and varying reporting content/templates. Note that this is not in compliance with the requirements of ZPFMA09.

### Local Government

**23. Local governments in Zimbabwe report financial information to the MoFED with varying degrees of financial information and a variety of templates.** Some local government units are currently working on a new reporting framework with assistance from Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) but the overall level of reporting to the AG's office in MoFED is quite poor with no standardized framework which is compatible with the SAP system. Note that this is not in compliance with the requirements of ZPFMA09.

## Social Security Funds

**24. As noted in section A, there is one autonomous social security fund (the National Social Security Authority (NSSA)) which covers the general Zimbabwe population.** Financial Information for the NSSA is publicly available<sup>7</sup>, however, this data is not produced using a standardized reporting format or system (SAP). Because of this, NSSA statistics are currently not consolidated with other general government finance statistics.

### ***Recommended Action:***

- The mission recommends that the authorities review compliance with ZPFMA09 across general government subsectors, including, all local government units, EBU funds and social security funds. This will require greater cooperation and communication between ministries, but would be extremely beneficial for the government's ability to record and report comprehensive, and high quality, financial information to policymakers. More specifically, the AG should have the ability to impose a standardized method of accounting and reporting template based on best practice international standards across all subsectors of the general government (as set out in subsection (2) of Section 36 in ZPFMA09). This standardized methodology and content should be integrated into the SAP system via the newly developed COA.

## C. Achievements and Challenges for the General Government

**25. The MoFED is nearing completion of a new Chart of Accounts (COA) which has been developed by the Public Finance Management Unit.** This COA was developed using the flexible SAP system and is an excellent achievement for the MoFED. As noted in the recommendations, the authorities would benefit from a technical assistance mission to ensure the finalized system can easily comply with international standards.

**26. The MoFED will now need to 'roll out' the new COA into other subsectors of the general government.** This will require compliance with the legal framework set out in the ZPFMA09 (see Section B), and the availability of a standardized reporting template which is flexible enough for all subsector of the general government and integrated into the SAP system. This will be a challenge for the government in achieving a higher degree of cooperation and communication between all subsectors of the general government.

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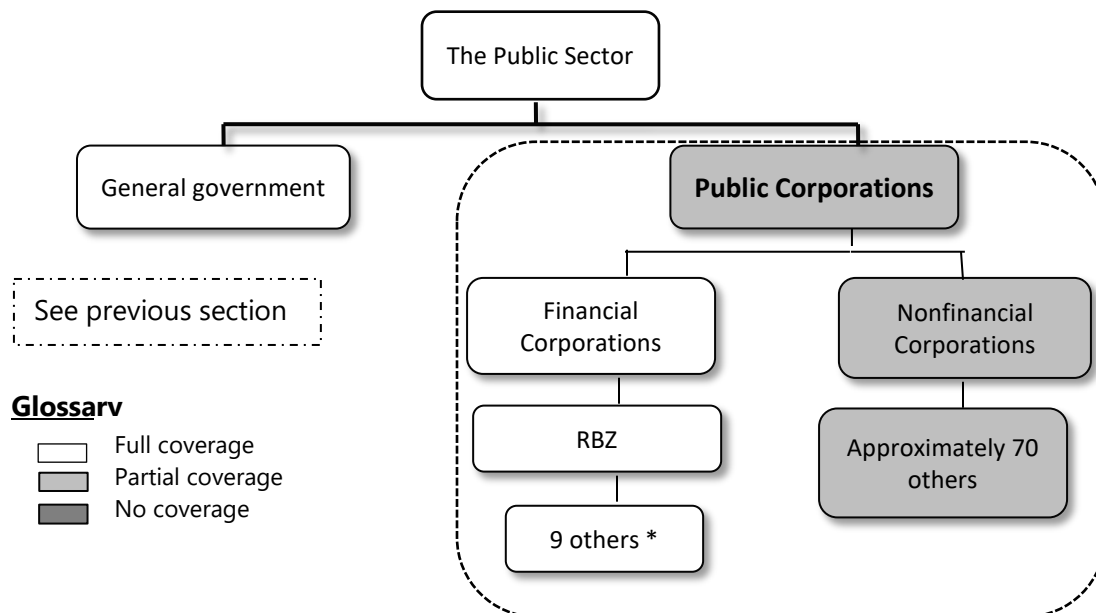
<sup>7</sup> See: <https://www.nssa.org.zw/downloads/financial-reports/>

# PUBLIC CORPORATIONS

## A. Institutional Coverage of Public Corporations in Zimbabwe

27. **The government of Zimbabwe has relatively accurate records of institutional units for public sector corporations.** Figure 6 below shows the extent of institutional unit information for public corporations in Zimbabwe.

Figure 6. Institutional Coverage of Public Corporations in Zimbabwe



28. **From Figure 6, it is clear that the identification of public corporation institutional units in Zimbabwe is relatively comprehensive within the MoFED.** This is to say that, across branches of the MoFED, there exists sufficient information to centrally identify public corporations in Zimbabwe. There remain some discrepancies across agencies regarding the number of nonfinancial corporations, but these differences can be rectified with greater communication between relevant ministries responsible for public corporations and the MoFED.

29. **There remain significant challenges in terms of centralized and standardized financial information for these units** (see Section E). This section will briefly identify the existing governance frameworks (in practice) for subsectors identified in Figure 6, with further elaboration on the legal framework and reporting practices in section E.

## Nonfinancial Public Corporations

**30. While it is possible to identify public corporations within the MoFED, there remain variations in terms of identification of public sector corporations across agencies.**

Zimbabwe State Enterprise Restructuring Agency (SERA) lists 107 public corporations<sup>8</sup> with 32 subsidiaries, a 2016 IMF mission found around 70 nonfinancial public-sector corporations (along with 145 EBU funds), another government source lists approximately 63 parastatals,<sup>9</sup> and a recent press statement by the Hon P.A. Chinamasa (Minister of Finance) lists approximately 73 state enterprises and subsidiaries.

## Financial Public Corporations

**31. There are approximately nine financial public corporations in Zimbabwe.** These are the Reserve Bank of Zimbabwe (RBZ), Agribank, Infrastructure and Development Bank of Zimbabwe, Infrastructure Development Bank, JEWEL BANK (CBZ), People's own Savings Bank, Women's Development Bank, ZAMCO, and the Zimbabwe Reinsurance Corporation.

### **Recommended Action:**

- **The authorities should continue to build accurate and centralized records of public sector institutional units.** This includes separating EBU funds from public corporations and continually monitoring changes as the government enters a period of reform.

## B. Legal Framework and Reporting Status for Public Corporations

### Legal Framework For Public Sector Corporations

**32. The legal context under which current reporting practices for public sector corporations take place (Zimbabwe Public Finance Management Act, 2009 (ZPFMA09)) are fairly well constructed, but not complied with.** In order to provide further clarification for policymakers, this section will begin with a brief overview of the ZPFMA09 as it relates to the current reporting status for public corporations in Zimbabwe.

**33. The Zimbabwean government has recently embarked on a new reform agenda for public sector corporations (parastatals and SOEs).**<sup>10</sup> Noting that some economically viable public corporations may be privatized in the coming months, it is important to review the existing legal framework under which public corporations are governed for those corporations that remain under government control.

**34. With respect to the preparation, and submission of annual financial statements for public sector corporations, requirements are set out in Part V of ZPFMA09, section 49 (1):** *"(1) The accounting authority for a public entity shall –*

*a) Keep full records of the financial affairs of that public entity;*

<sup>8</sup> <http://www.sera.co.zw/public-enterprises/>

<sup>9</sup> <http://www.zim.gov.zw/parastatals>

<sup>10</sup> See Press Statement by Hon P.A. Chinamasa (Minister of Finance).

- b) *Prepare financial statements for each financial year in accordance with general accepted accounting practices;*
- c) *Submit the financial statements referred to in paragraph (b) within two months after the end of the financial year-*
  - (1) *To the auditors of the public entity for auditing; and*
  - (2) *To the Accountant General; and*
  - (3) *If it is a designated corporate body or specific public entity, to the Treasury;*
- d) *Submit within five months of the end of a financial year to the Treasury, the appropriate Minister and, if the Comptroller and Auditor-General did not perform the audit of the financial statements, the Comptroller and Auditor-General –*
  - (1) *An annual report of the activities of that public entity during that financial year; and*
  - (2) *The financial statements for that financial year after the statements have been audited; and*
  - (3) *The report of the auditors on those statements.”*

**35. According to Part V, section 49, of ZPFMA09, it should be expected that all public-sector corporations and their subsidiaries submit relevant financial statements to the Accountant General’s (AG) office and Auditor General within two months of the end of each calendar year.** From Section D, this requires the submission of financial statements to the AGs office for all nonfinancial/financial public corporations (Parastatals and SOEs) in Zimbabwe.

**36. With respect to the content of public sector corporation financial statements in Zimbabwe, the AG should have the ability to define what information is necessary in accordance with general accepted accounting practices.** Part V, Section 49 (2) of ZPFMA09 requires that, for monthly/quarterly/annual financial statements include additional information regarding the performance of public corporations and their subsidiaries: *“(2) The annual report and financial statements referred to in subsection (1)(d) shall –*

- (a) *Fairly represent the of the public entity, its business, its financial results, its performance against predetermined objectives and its financial position as at the end of the financial year concerned;*
- (b) *Include particulars of any -*
  - (i) *Any material losses through criminal conduct and any irregular expenditure and fruitless and wasteful expenditure that occurred during that financial year;*
  - (ii) *Any criminal prosecution or disciplinary steps taken because of such losses or irregular expenditure or fruitless or wasteful expenditure;*
  - (iii) *Any losses recovered or written off;*
  - (iv) *Any financial assistance received from the State and commitments made by the State on its behalf; and*
  - (v) *Any other matters that may be prescribed*
- (c) *Include the financial statements of any subsidiary of the public entity.”*

**37. To sum up, the AGs office should have the ability to set a standardized format based on general accepted accounting standards for public corporation financial statements which should be reported in a timely manner across all ministries.** Ministries should also report any financial difficulties as noted in Part V, Section 49 (2). Of ZPFMA09. At present, the AGs office receives financial information for public corporations only in the form of

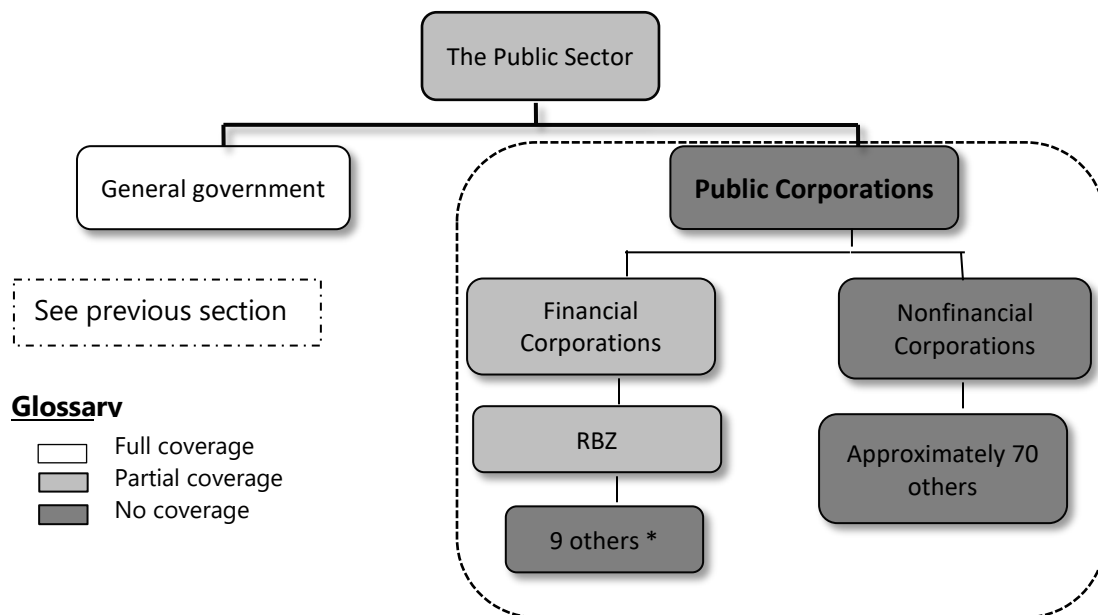


annual reports which come with varying degrees of statistical information. There are also several types of non-standardized reporting forms used by public corporations. This makes it not possible for the MoFED to monitor public corporations and leaves almost all public corporations not in compliance with ZPFMA09.

**Reporting Framework For Public Sector Corporations**

**38. The reporting of financial information for public sector corporations to the MoFED is currently extremely limited in Zimbabwe.** Figure 7 (below) shows the current reporting status for public sector corporations.

**Figure 7. MoFED Reporting of Public Corporation Finance Statistics in Zimbabwe**



**Nonfinancial Public Corporations**

**39. Within the MoFED, financial reporting for nonfinancial public corporations is limited to information contained in reports submitted by ministries.** A low compliance rate with the requirements set out in ZPFMA09 (see above), along with the absence of a standardized reporting framework, significantly limits the MoFED’s ability to compile consolidated financial information for nonfinancial public corporations.

**40. The absence of centralized and standardized recording of public nonfinancial corporation statistics prevents meaningful and informative monitoring of their financial health.** In order to comply with ZPFMA09 and international standards (including *GFSM 2014*)

requires a standardized set of accounts which are compatible with the newly developed COA and integrated into the SAP system.

**41. The Debt Management Unit within the MoFED has relatively accurate records of public nonfinancial corporation loan obligations.** While the financial reporting for public nonfinancial corporations is limited, loan obligations, including penalties are fairly well recorded within the Debt Management Unit using the United Nations Conference for Trade and Development (UNCTAD) Debt Management Financial Accounting System (DMFAS).

### **Financial Public Corporations**

**42. Within the MoFED, financial reporting for financial public corporations is limited to information contained in reports submitted by these corporations.** A low compliance rate with the requirements set out in ZPFMA09 (see above), along with the absence of a standardized reporting framework, significantly limits the MoFED's ability to compile consolidated financial information for financial public corporations in a PSDSG/GFSM 2014 framework.

**43. The Debt Management Unit within the MoFED has relatively accurate records of nonfinancial public corporation loan obligations.** While the financial reporting for public sector nonfinancial corporations is limited, loan obligations, including fees and penalties are fairly well recorded within the Debt Management Unit using the UNCTAD DMFAS.

### **Recommended Action:**

- The mission recommends that the authorities review compliance with ZPFMA09 across all public-sector corporations including, all financial and nonfinancial corporations. This will require greater cooperation and communication between ministries but would be extremely beneficial for the government's ability to record and report comprehensive, and high quality, financial information to policymakers and the international community. More specifically, the AG should have the ability to impose a standardized method of accounting and reporting template based on best practice international standards across all subsectors of the general government. This standardized methodology and content should be integrated into the SAP system via an integral reporting template which is both IFRS and PSDSG compliant.

## **C. Achievements And Challenges For Public Corporations**

**44. The government of Zimbabwe has recently embarked upon an ambitious reform program for public sector corporations.** This would lead to a dramatic reduction in government balance sheet risk via contingent liabilities and the direct fiscal impact arising from the high likelihood of those guarantees being called.

**45. All public corporations which are not privatized or restructured in the short term should be required to comply with ZPFMA09 in terms of reporting frameworks and timelines.** The lack of coordination and cooperation across ministries will be a significant

challenge for the government of Zimbabwe in achieving comprehensive public-sector finance statistics.

**46. The Auditor General of Zimbabwe has consistently produced high quality assessments of public corporations with recommendations which have been largely unfulfilled.** Since her appointment in early 2004, the AG has produced transparent annual reports, with very little follow up by ministries on recommendations contained within these reports.

**47. The MoFED will need to design and implement a standardized reporting framework to incorporate public corporations into the SAP system.** This will require compliance with the legal framework set out in the ZPFMA09 (see Section E), and the development of a standardized reporting template by the AGs office which is flexible enough for all public corporations to be compliant with IFRS and PSDSG and integrated into the SAP system.

## DETAILED TECHNICAL ASSESSMENT AND RECOMMENDATIONS

Bringing together the discussion from sections A-F, the mission recommends the following achievable actions:

1. The inclusion of local government statistics into the compilations and reporting framework within the Ministry of Finance and Economic Development (MoFED) as discussed in Section B.
2. The inclusion of EBUs in the compilation and reporting framework within MoFED as discussed in Section B.
3. The inclusion of public sector corporations (state owned enterprises and parastatals) in the compilation and reporting framework within MoFED as discussed in Section E.
4. The creation of full financial balance sheets for all public-sector entities (both consolidated and non-consolidated).
5. A complete review of cross-ministry compliance with the Republic of Zimbabwe Public Finance Management Act (2009) (ZPFMA09) in order to ensure full government compliance with this law.
6. The continued monitoring of contingent liabilities through the Debt Management Office in the MoFED.
7. The movement towards a modified accrual accounting system which allows for all non-cash transactions to be recorded both above and below the line. This would help to ensure that accurate balancing items (net lending/borrowing) are computed which are consistent with the *GFSM 2014* framework.

All of these recommendations will require greater communication and cooperation between MoFED, the Ministry of Local Government, Public Works and National Housing

(MLGPWNH) and other relevant ministries, along with the building and implementation of a standardized reporting template, which fits into the new COA framework. The benefits of implementing these recommendations would include a greatly improved ability to assess the health, solvency, and potential risks through balance sheet exposure, faced by all public-sector entities.

Priority	Action/Milestone	Target Completion Date
H	Institutional sectors are defined in accordance with <i>GFSM 2014</i> guidelines	June 30, 2018
H	Economic classification of revenue & expense transactions consistent with <i>GFSM 2014</i> .	June 30, 2018
H	GFS compiled according to the <i>GFSM 2014</i> guidelines for the budgetary central government	December 31, 2018
H	functional classification of expenditure transactions follows <i>GFSM 2014</i> guideline	December 31, 2019
H	classification of stocks of debt follows <i>PSDSG 2011</i> guidelines	December 31, 2018
H	Generate and disseminate budgetary central government above and below the line transactions in <i>GFSM 2014</i> presentation using new CoA.	December 2018
H	Design and implement standardized reporting template for all local government units based on the new CoA and compatible with SAP system.	June 2019
H	Design and implement standardized reporting template for all extrabudgetary units compatible with SPA system and integrable into <i>GFSM 2014</i> framework.	June 2019
L	GFS are compiled for the general government sector and its subsectors	
H	Design and implement standardized reporting template for public corporations	December 2020

## Appendix I. Budgetary Central Government Institutional Units

<b>Budgetary CG Institutional Unit</b>	Ministry of Sports and Recreation
Agriculture mechanization and irrigation development	National Peace and Reconciliation Commission
Anti-corruption Commission	National Prosecuting Authority
Audit Office	Office of the President and Cabinet
Council of Chiefs	Parliament of Zimbabwe
Energy and Power Development	Parliamentary Select Committee
Finance and Economic Development	Primary and secondary education
Foreign Affairs	Public Service Commission
Health and Child Care	Public service Labor and Social welfare
Higher and Tertiary Education, Science and Technology Development	Rural Development and Preservation of National Cultural Heritage
Home Affairs	Tourism and Hospitality Industry
Hospitals	Transport and Infrastructural Development
Human Rights Commission	Urban Development Corporation (UDCORP)
Industry and Commerce	Water and climate
Information communication technology postal and curial services	Welfare Services for war Veterans, War collaborators, former Political Detainees and Restricttees
Judicial Services Commission	Women's affairs, gender and community development
Justice Legal and parliamentary Affairs	Youth Indigenization and economic empowerment
Lands and Rural Development	Zimbabwe Anticorruption Commission
Local Government, public works and national housing	Zimbabwe Electoral Commission
Macroeconomic Planning	Zimbabwe Gender Commission
Media and Information Commission	Zimbabwe Land Commission
Media, Information and broadcasting services	Zimbabwe Media Commission
Mines and Mining Development	National Peace and Reconciliation Commission
Ministry of Small and Medium Enterprises and Cooperative Development	National Prosecuting Authority
National Library and Documentation Services	Office of the President and Cabinet

## Appendix II. Extrabudgetary Central Government Institutional Units

<b>Extrabudgetary CG Institutional Units</b>	Immigration Services Fund	New ZIANA	University of Zimbabwe
African Center for Fertilizer Development	Independent College Guarantee Fund	Nursing Organizations	Valuers Council
Agricultural Research Council	Industrial Training and Trade Testing Fund	Parrirenyatwa group of Hospitals	Verify Engineering
Agriculture Marketing Authority	INDUSTRY AND TRADE COMPETITION COMMISSION	Pig Industry Board	Vocational and Technical Examinations Fund
Architectural Council	Innovation and Commercialization Fund	Police Procurement Fund	Welfare and Benevolent Fund
Attorney General's Office Administration Fund	Institute of Mining Research	Political Parties	Women's Development Fund
Bindura University of Science Education	Insurance and Pension Commission	Postal and Telecommunication Regulatory Authority of Zimbabwe	Zimbabwe Association of Church Related Hospitals
BIO - SAFETY BOARD	Judicial College	Quantity Survey Council	Zimbabwe Council for Higher Education
Biotechnology Authority	Law Development Commission	Research Council of Zimbabwe	Zimbabwe Economic Policy and Research Unit
Board of Censors	Legal Aid Directorate	Roads Fund	Zimbabwe Energy Regulatory Authority
Broadcasting Authority of Zimbabwe	Liquor Licensing Board	Rural Electrification Authority	Zimbabwe Film and Training School
Catchment councils	LOTTERIES AND GAMING BOARD	Rural Housing Fund	Zimbabwe Institute of Public Administration and Management
Central Vehicle Registry	Lupane State University	School Services Fund	Zimbabwe Investment Authority
Chinhoyi University of Technology	Mashonaland University	Schools and Committees	Zimbabwe Manpower Development Fund
Civil Protection Fund	MASVINGO STATE UNIVERSITY	Schools Development Fund	Zimbabwe National Boxing Control Board
Colleges Amenities Fund	Medical School Travel Grant	SCIENTIFIC & INDUSTRIAL RESEARCH DEVT CENTRE	Zimbabwe National Family Planning Council

## Appendix II. Extrabudgetary Central Government Institutional Units (Continued)

Competition and Tariff Commission	Medicine Control Authority of Zimbabwe	Scientific and Industrial Research cooperation	Zimbabwe National Roads Authority
Consumer Council of Zimbabwe	Midland State University	Securities Commission	Zimbabwe National Wrestling Control Board
Council of Legal Education	Mining Industry Loan Fund	Small Enterprise Development Corporation SEDCO	Zimbabwe Olympic Committee
Courts and Administration Fund	National Aids Council of Zimbabwe	Social Amenities Fund	Zimbabwe Open University
Deeds and Companies Office Fund	National Archives of Zimbabwe	Sovereign Wealth Fund	Zimbabwe Revenue Authority
Defense Procurement Fund	National Arts Council of Zimbabwe	Special Gold Unit Fund	Zimbabwe School Examination Council
District Development Fund	NATIONAL ARTS GALLERY	Special Services	Zimbabwe School of Mines
Drug Information and Poisons Advice Centre	National Blood Transfusion Services	Sports and Recreation Commission	Zimbabwe Schools Examination Council
Employment Creation Fund	National Coordinating Unit	Stadia Revolving Fund	Zimbabwe Tourism Authority
Engineering Council	National Economic Consultative Forum	Standard Development Fund	Zimhabitat
Environment Management Agency	National Economic Inspectorate Conduct	State Enterprise Restructuring Agency	ZIMSTAT
Farmer Development Trust	National Education and Training Fund	State Enterprises and Parastatals	ZIMTRADE
Finealt	National Gallery of Zimbabwe	State Procurement Board	ZPS Revolving Fund
Food and Nutrition Council	National Housing Fund	TARIFFS AND COMPETITION COMMISSION	ZRP Revolving Fund
Food Standards and Advisory Board	National Housing Guarantee Fund	Technology Information Pilot System	
Forestry Commission	National Income and Pricing Commission	Tobacco Industry Marketing Board	
Freedom from Hunger Campaign	National Indigenization and Economic Empowerment	Tobacco Research Board	

## Appendix II. Extrabudgetary Central Government Institutional Units (End)

Government Pool Property Fund	National Investment Trust	Trade Measures Fund	
Great Zimbabwe University	NATIONAL LIBRARY AND DOCUMENTATION SERVICE	Traditional Healers Councils	
Guardian Fund	National Museums and Monuments	Traffic and Legislation Fund	
Gwanda University	National Parks and Wildlife Management Authority	Traffic Safety Board	
Harare Institute of Technology	National University of Science and Technology	TRAFFIC SAFETY COUNCIL OF ZIMBABWE	
Health Profession Council	National Youth Council	Training Loan Fund	
Health Service Board	National Youth Development and employment creation fund	Transmedia	
Health services fund	National Youth Service	Transport Purchase Fund	



## Appendix III. Local Government Institutional Units

<b>Local Board</b>	<b>Town Council</b>	<b>Municipal Councils</b>	<b>City Councils</b>
Hwange	Karoi	Bindura	Harare
Ruwa	Norton	Chegutu	Bulawayo
Epworth	Shurugwi	Chinhoyi	Kadoma
Chirundu	Zvishavane	Chitungwiza	Gweru
	Rusape	Gwanda	Kwekwe
	Chipinge	Kariba	Masvingo
	Plumtree	Marondera	Mutare
	Chiredzi	Masvingo	
		Redcliff	
		Victoria Falls	

## Appendix IV. Nonfinancial Public Corporations

<b>Nonfinancial Public Corporations</b>	Jena Mine	ZARNET
Agricultural Rural Development Authority	Kwekwe Roasting Plant	ZESA Holdings
AIR ZIMBABWE (PVT) LTD	Marlin Granite Mozambique Ltd	Zimbabwe Allied Timber Ltd
Allied Timber Pvt. Ltd.	Mineral Marketing Corporation of Zimbabwe	Zimbabwe Broadcasting Holdings
Alumin Metal Industries Ltd	Motec Holdings	ZIMBABWE DEFENCE INDUSTRY (ZDI)
Amtec Motos - Trading Division	National Furniture Industries (Pvt) Ltd	Zimbabwe Development Corporation
Autologistics Services	National Oil Infrastructure Company of Zimbabwe	Zimbabwe Electricity Transmission and Distribution Company
Bonnezim (Pvt) Ltd	National Pharmaceuticals Company	Zimbabwe Fertiliser Company
Chegututu Stone	National Railways of Zimbabwe	Zimbabwe Glass Industries Ltd
Chemplex Corporation Ltd	NET-ONE	Zimbabwe Grain Bag (Pvt) Ltd
Civil Aviation Authority of Zimbabwe	OLIVINE INDUSTRIES	ZIMBABWE IRON AND STEEL COMPANY (ZISCO)
Cold Storage Company	Petro Trade	Zimbabwe Mass media
Corridor Developments (Pvt) Limited	Printflow	Zimbabwe Mining Development Corporation
Deven Engineering	Rainbow Tourism Group	Zimbabwe National Water Authority
Dimension Stone Quarries (Pvt) Ltd	Road Motor Services	Zimbabwe Newspaper
Dorowa Minerals (Pvt) Ltd	ROASTING PLANT- KWEKWE	Zimbabwe Phosphate Industries
Elvington Mine Pvt. Ltd.	Rushinga Dolomite	Zimbabwe United Passenger Company
FINHOLD	Sabi Gold Mine Pvt. Ltd.	Zimchem Refiners (Pvt) Ltd
G & W Industrial Minerals (Pvt) Ltd	Sunway City Harare (Pvt) Ltd	ZIMPOST
G. D. Haulage (Pvt) Ltd	Technical and Industrial Investments	ZISCO
Grain Marketing Board	TEL-ONE	ZITF
HWANGE COLLIERY COMPANY	Wankie Colliery Company	Zambezi River Authority
Industrial Development Corporation	Willowvale Mazda Motor Industries	Invesys Investments (Pvt) Ltd t/a IDC Agrotech Industrial Holdings
Industrial Sands (Pvt) Ltd	Willowvale Processing Unit	

## Appendix V. Officials Met During the Mission

Name	Institution
Mr. Daniel Muchemwa (Accountant General)	Accountant General Office MoFED
Ms. Mildred Chiri (Auditor General)	Auditor General Office MoFED
Mr. Edgar Nyoni (Executive Director)	SERA
Mr. Itayi Bangidza	Accountant General Office MoFED
Mr. Moses Tomu	Accountant General Office MoFED
Mr. Henry Dutiro	Debt Management Office MoFED
Mr. Tatenda Mandeya	MLGPWNH