

## Fiscal Transparency and Accountability in Zimbabwe

The IMF's Fiscal Transparency Code of 2014 is regarded as the international standard for disclosure of information about public finances. The Code comprises of a set of principles built around the following pillars: **fiscal reporting; fiscal forecasting and budgeting and fiscal risk analysis and management.**

### Fiscal Reporting



Fiscal reports should provide a **comprehensive, relevant, timely, and reliable** overview of the government's financial position and performance.

**Constitution of Zimbabwe** requires that **public funds must be expended in a transparent, prudent and economically and effective ways.**

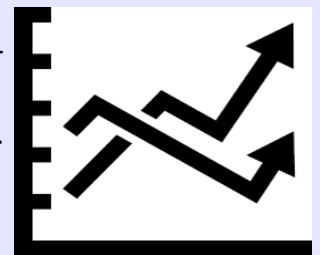
The Ministry of Finance and Economic Developments produces periodic reports on revenue and expenditure outturn. **Reports coverage limited to central government.**

**Budgets and their underlying fiscal forecasts should provide a clear statement of the government's budgetary objectives policy intentions and finances.**

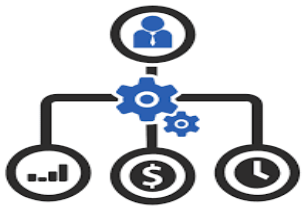
Government follows a sound budget formulation process guided by the Constitution and Public Finance Management Act

Budget incorporate **estimates of gross tax and non-tax revenues, expenditures and other financing requirements covering two periods ahead.**

### Fiscal Forecasting and Budgeting



### Fiscal risk Analysis and Management



Assesses the **adequacy of fiscal risk analysis and management practices** and thus **measures the extent to which fiscal risks to central government** are reported.

In Zimbabwe, the **disclosure of fiscal risks is very limited** in the budget implementation process. **No reporting of consolidated contingent liabilities or other fiscal risks** for central government.

## Recommendations

To enhance transparency and accountability in Zimbabwe the government must:

- Provide a summary of in-year changes to expenditure and revenue plans by vote
- Estimate, explain, and publish in budget documents the underlying factors, including new policy decisions, changes between successive fiscal forecasts;
- Expand the coverage of fiscal reports to other public sector entities and local governments
- Enhance the publication of fiscal reports through other media platforms
- Incorporate government balance sheet data into fiscal reporting
- Institutionalize broad stakeholder consultation on major economic policy issues.

