

Public Debt Servicing in Zimbabwe: Challenges and Implications

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Abstract

Zimbabwe has been classified as being in debt distress and government debt has risen substantially from just over 48% of Gross Domestic Product (GDP) in 2013 to an estimated 82% in 2017. Large fiscal deficits experienced by the country have partly been the result of an elevated public wage bill, which continues to absorb more than 80% of revenue in the country. More so, the deficits have also been financed through an overdraft facility at the Reserve Bank of Zimbabwe (RBZ) bailouts of state-owned enterprises, and widespread mismanagement of public funds. Zimbabwe is officially burdened with public debt of approximately US\$17.5 billion of which US\$14.043 billion is external debt stock alongside ZWL\$2.235 trillion worth of domestic debt. The total Public and Publicly Guaranteed (PPG) debt increased by 27.5% from 2021 figure of US\$13.722 billion which is an unusual increase in a single year only. This research examines challenges associated with debt servicing in Zimbabwe as well as implications of unsustainable public debt. Some identified challenges exacerbating public debt include lack of compliance by the government with legislative provisions on borrowings, public debt defaults, misappropriated public debts and fragmented public debt institutional framework. High debt creates uncertainty, deterring investment and innovation, and has a negative impact on economic growth. Unsustainable debt burdens compel governments to spend more on debt servicing and less on public service delivery. It is therefore recommended that, the government needs to establish a clear legal and organisational framework on public debt, expand the revenue base and debts auditing.

Keywords: Debt, Borrowing, Loans, Transparency, Corruption

Introduction

Maintaining sustainable debt levels has remained a major challenge for many developing countries in Sub-Saharan Africa where there are huge development needs such as high poverty levels, glaring infrastructure gaps and unacceptably low health and education standards (Mbawu and Nkala, 2018:10). Zimbabwe has been classified as being in debt distress and government debt has risen substantially from just over 48% of GDP in 2013 to an estimated 82% in 2017 (International Monetary Fund (IMF), 2017). Large fiscal deficits experienced by the country have partly been the result of an elevated public wage bill, which continues to absorb more than 80% of revenues in the country. More so, the deficit has also been financed through an overdraft facility at the RBZ bailouts of state-owned enterprises, and widespread mismanagement of public funds (Zimbabwe Coalition on Debt and Development (ZIMCODD) & African Forum and Network on Debt and Development (AFRODAD), 2020:7).

However, the evolution of public debt stocks in Zimbabwe dates back to the early 1980s when the country inherited US\$700 million of debt from the Rhodesian government (ZIMCDD & AFRODAD, 2020:11). The debt mainly emanated from the United Nations sanction-busting loans to the white regime to buy arms during the civil war and hiring mercenaries in a bid to suppress Black Zimbabweans (Mbawu & Nkala, 2018:21). The inherited debt was short-term with high interests and imposed a large repayment burden in the early 1980s. In the absence of significant funds for post-civil war reconstruction, Zimbabwe relied on loans and the country's large debt burden was created (Jones, 2011:6).

Throughout the 1980s Zimbabwe borrowed from foreign governments and international lenders such as the World Bank, supposedly to invest in productive activities (Muyeche & Chikeya, 2014:16). Loans from foreign governments, including many counted as aid, tended to be tied to using that country's companies. The most expensive project in the 1980s was the development of Hwange Power Station, funded by lenders including the World Bank, United Kingdom government and European Investment Bank. This project was tied to the use of British companies. Devaluation of the Zimbabwean dollar meant that the project embarked on Hwange power station was far too expensive to ever generate the resources to repay the debt from the loans (Jones, 2011:6).

The structural adjustment loans provided to Zimbabwe in early 1990s by International Financial Institutions (IFIs) particularly the World Bank, African Development Bank and IMF were linked to Zimbabwe bringing in policies such as trade liberalisation, cuts in government spending, devaluation of the exchange rate, deregulation of prices, and removal of labour laws (Jones, 2011:6). Such policies were a requirement of the lending needed to pay old debts and were not for investment in any particular project (Muyeche & Chikeya, 2014:16). However, a 2004 evaluation by the World Bank found that "in the 1990s, efforts to accelerate growth through better fiscal management and market liberalization largely failed. Social progress slowed, per capita incomes declined, and poverty increased." It is estimated that US\$750 million of Zimbabwe's debt comes directly from structural adjustment loans (Jones, 2011:6). However, Zimbabwe's debt distress exacerbated from 2000 when the country first defaulted on its external obligations to the IFIs (Mbawu & Nkala (2018). The accumulation of external payment arrears resulted in the IMF declaring the country ineligible for the general resources account of the IMF financing window. Other multilateral institutions, notably the World Bank and the African Development Bank and traditional creditors from the Paris Club also declared the country ineligible for new loans and suspended disbursements of existing loan facilities (Jones, 2011). A lack of access to external finance greatly contributed to a decline in economic activities witnessed in Zimbabwe between 2000 and 2008. The low growth trajectory during this period greatly affected the country's ability to service its debts. Prior to the 2000 crisis, Zimbabwe had a clean record of servicing its debt (Chigumira, Mupunga & Chipumho, 2018:1).

However, efforts have been undertaken by the government to clear its debt over the years. For instance, the country adopted the Zimbabwe Accelerated Arrears Clearance Debt and Development Strategy (ZAADDs) in 2010, following internal and external consultations that took place between 2009 and 2010 (Mbawu & Nkala, 2018:11). Another initiative is the Lima Strategy, developed in October 2015 to follow up on the ZAADDs's envisaged creditor re-engagement process. The strategy proposed clearing the country's external arrears to IMF, the World Bank Group and African Development Bank through a combination of the country's own resources, bridge financing from a regional financial institution, and a long-term loan from a bilateral creditor (Chigumira, Mupunga & Chipumho, 2018:1). As part of

this strategy, arrears to the IMF-administered Poverty Reduction and Growth Trust (PRGT) were cleared in October 2016, allowing Zimbabwe's PRGT eligibility to be restored and the declaration of non-cooperation to be lifted (IMF, 2016). The country's external debt position, nevertheless, remains precarious, with additional debt servicing pressure coming from escalating domestic debt borrowing (Chigumira, Mupunga & Chipumho, 2018:1).

Empirical evidence suggests that debtor countries by continuously contracting loans and forfeiting payments are engulfed in a precarious debt burden hence the need for countries to limit borrowing and rely on internally generated revenue (Mbawu & Nkala, 2018:13). On the other hand, Seyal (1988) regards it as difficult if not impossible for a country to finance all of its development activities using internally generated funds, but the author raises concern with regards to ballooning debts particularly in developing countries. Hard (1986) argues that African countries developed a dependency syndrome with the need to borrow from developed countries. Much of the loans are spend on unproductive sectors and this hampers the chances of economic recovery and growth when internally generated revenue is spent on servicing debts.

Latest debt data provided by ZIMCODD & AFRODAD (2022:8) indicates that Zimbabwe is officially burdened with public debt of approximately US\$17.5 billion of which US\$14.043 billion is external debt stock alongside ZWL\$2.235 trillion worth of domestic debt. The total PPG debt increased by 27.5% from 2021 figure of US\$13.722 billion which is an unusual increase in one year only. A concern is the accumulation of external debt payment arrears and penalties which are now estimated at US\$6.6 billion, as at end of June 2022.

It is against this bedrock that this research assesses public debt servicing in Zimbabwe. The objectives of this study are to examine challenges associated with debt servicing in Zimbabwe as well as implications of unsustainable public debt. The study adopts extant qualitative literature to gather information. This study is structured into three sections, and these include methodological approach, research findings and analysis: public debt servicing in Zimbabwe and conclusion and recommendations.

Research methodology

Extant secondary qualitative literature is the research method used to gather information. This approach aims to comprehend challenges associated with public debt servicing in Zimbabwe as well its implications. As a means of gathering specific and needed information, the analysis relied on secondary data from government publications in order to generate accurate data. More so, findings, conclusions and recommendations were also drawn from documentary search of books, journal articles, working papers and theses.

Results and discussion

Public debt servicing challenges in Zimbabwe

Lack of compliance with legislative provisions

Despite having a comprehensive legislative framework, it is evident enough to say that compliance with legal provisions with regards to debt management and loan acquisition is generally low in Zimbabwe. The bulk of Zimbabwe's national debt was acquired without following the constitutional and statutory requirements or even parliamentary approval

(ZIMCODD, 2019:3). In many instances, it has been noted that, debt limits have been exceeded by the government without the authority of Parliament which violets section 300 of the Constitution of Zimbabwe (ZIMCODD & AFRODAD, 2020:19). More so, Section 11(2) of the Public Debt Management Act (PDMA) [Chapter 22:21] requires that the total outstanding PPG debt as a ratio of GDP should not exceed 70% at the end of any fiscal year. However, the 2017 Debt Sustainability Analysis (DSA) for Zimbabwe indicates a breach of the ratio of total PPG to GDP, which stood at 72.6%, against the limit of 70% provided for in the PDMA (Ministry of Finance, 2021:19).

To add on, the Government of Zimbabwe overdraft at the RBZ far exceeds set limits in the RBZ Act (Chapter 22:15) of 2010 (ZIMCODD & AFRODAD, 2020:19). The RBZ Act Section 11(1) (a), provides that, the Bank shall not lend or advance moneys to, or directly buy, discount or re-discount bills, notes, or other obligations from the State or any fund established by the State so that the amount outstanding at any time exceeds the equivalent of twenty per centum of the previous year's ordinary revenues of the State. However, as of 31 August 2018, the overdraft with the central bank stood at US\$2.3 billion against the statutory limit of US\$762.8 million (ZIMCODD, 2019:3). The implication of this is that irresponsible borrowing can lead to illegitimate debt which can contribute to unsustainable debt burdens. More so, allocations towards social protection sectors are short changed affecting service delivery (Ellmers, 2016).

Public debt defaults

Another inherent problem facing Zimbabwe is the failure to pay both its domestic and foreign debts. This situation is not peculiar to Zimbabwe as most developing countries fall into the trap of absconding to pay external debts due to the stagnation of their economies and low GDP growth (United Nations Conference on Trade and Development (UNCTAD), 2016). By the year 2000, Zimbabwe was in serious public debt crisis, resulting in failure by the country to honour both its principal foreign public debts and protracted arrears (Saungweme & Odhiambo, 2017:96). Prior to the 2000 crisis, Zimbabwe had a clean record of servicing its debt. The defaults resulted in the country being denied access to external financing by IFIs and other traditional multilateral and bilateral creditors (IMF, 2017). This has profound negative impact on the socio-economic development of debtor countries (UNCTAD, 2016).

The accumulation of external payment arrears resulted in the IMF declaring Zimbabwe ineligible for the general resources account of the IMF financing window. Other multilateral institutions, notably the World Bank and the African Development Bank and traditional creditors from the Paris Club also suspended disbursements to the country of existing loan facilities and also declared the country ineligible for new loans (Chigumira, Mupunga & Chipumho, 2018:1). The suspension of Zimbabwe from accessing credit from multilateral institutions and its traditional creditors, due to arrears on previously contracted debt, left the country with limited borrowing options (Mupunga & Le Roux, 2016:25). The constrained access to external finance from IFIs partly contributed to a decline in economic activity from 2000 and the collapse of the economy in 2008. The low growth trajectory during the crisis period affected the country's debt carrying capacity and its ability to service debt (Chigumira, Mupunga & Chipumho, 2018:1).

Misappropriated public debt

The main objective of public debt management is to ensure that the government's financing needs, and its payment obligations are met at the lowest possible cost and most importantly

projects undertaken are able to make returns (Mupunga & Le Roux, 2016:30). Like many other developing countries, Zimbabwe has no mechanisms which reinforces the undertaking of project appraisals to ensure that projects undertaken are able to make returns, either social returns or financial returns to service the debts. The countries also do not have project evaluation mechanisms to ensure that projects embarked on by the state are completed and that they are effectively managed to enhance the capacity of the government to pay the borrowed initial capital outlays (Saungweme & Odhiambo, 2017:106).

It is therefore imperative to note that, most of the previously contracted government debts in Zimbabwe were taken without the full knowledge and assessment of their future implication on the country. Consequentially, previous debt dynamics are directly affecting national savings, tax reforms and investment policies of the country today (Saungweme & Odhiambo, 2017:104). Some of the borrowed loans are even used to finance budget deficits. This is evidenced as there are no movements in the implementation of projects for which the funds were borrowed. This is coupled with inadequate capacity of government to maintain an acceptable pipeline of projects and supply performance reports of the standards required by the funding agencies (ZIMCODD, 2019:7).

Fragmented institutional framework

The limited improvement in debt servicing observed in Zimbabwe despite several years of technical assistance has been attributed to institutional and organisational shortcomings. These include the fragmentation of debt management responsibilities across several government entities, high staff turnover in the debt management units and lack of high-level ownership and support (IMF, 2017). The foreign public debt management function is currently dispersed across three institutions, namely the Office of the President, the Ministry of Finance and Economic Development (MFED) and the RBZ's External Sector and Financial Markets Departments (Government of Zimbabwe, 2017). The PDMA provides that, the contraction of credit lines and loans in Zimbabwe should be done through the External Loans Coordination Committee (ELCC). Nevertheless, in spite of this laid down procedure in loan contraction, there are many instances where credit lines are contracted on behalf of government outside the purview of the ELCC or involvement of the RBZ, especially through the Office of the President (Saungweme & Odhiambo, 2017:106).

In addition, the executive arm of government has a lot of power when it comes to borrowing. For instance, PFMA provides that, "the president authorises the responsible finance minister to borrow for any purpose the president considers expedient with one limitation, being that borrowing within Zimbabwe can only be up to 30% of the revenues of the country in the preceding financial year." This arrangement makes the overall public debt management process very burdensome and affects transparency since it is difficult to get timeous information pertaining to the source and uses of the contracted debt by the state president Saungweme & Odhiambo (2017:105). The fragmented institutional framework falls short of defining who does what, when and how and this leads to unsustainable government debt levels (Mustapha & Prizzon, 2018:7).

Failure to recover funds from beneficiary of government schemes

Over the years, the government has been failing to recover funds from beneficiaries of government schemes worsening the country's debt position. ZIMCODD (2019:7) observed that, the government is owed large sums of money by beneficiaries of the Government Housing

Scheme, War Victims Compensation Fund, Commodity Import Programmes, the Grain Loan Scheme and Early Indigenisation Fund. The Reserve Bank of Zimbabwe (Debt Assumption) Act, 2014, authorised the assumption by the government of debts contracted by the central bank in the execution of quasi-fiscal operations. Private individuals who are beneficiaries of some of the government schemes unjustly benefited from the debt assumption (ZIMCodd & AFRODAD, 2020:26). For instance, the government assumed debts contracted by the RBZ of US\$1,35 billion in August 2015. The money was owed and was supposed to be paid back by beneficiaries of the Farm Mechanisation Programme, most of whom are political and business elites. More so, US\$3 billion that was injected into Command Agriculture outside Parliament and out of the Public Finance Management system could not be accounted for (ZIMCodd, 2020:1). In light of the tendency for the government to eventually assume the debt for political reasons, as is the case with the loans acquired by RBZ in quasi-fiscal operations, it is crucial to review these funding mechanisms as they contribute towards sovereign debt. Those resources could have been used to finance public service delivery and lessen the need for borrowing.

Non-extension of foreign public debt relief initiatives

The inability to pay foreign public debt by Zimbabwe also stemmed from the non-extension of foreign public debt relief initiatives to Zimbabwe by IFIs, the Paris Club and other private banks in developed countries (Saungweme & Odhiambo, 2018:32). The Heavily Indebted Poor Country (HIPC) group began in 1996 and the Multilateral Debt Relief Initiative (MDRI) began in 2006 to reduce debt service and free up resources for social spending and investment in infrastructure (Mustapha & Prizzon, 2018:2). Although Zimbabwe has been in debt distress since the year 2000 when it first failed to meet its debt payments, it was declared ineligible for debt relief under the HIPC by the IMF and World Bank. Chigumira, Mupunga & Chipumho (2018:14) aver that, the country failed to meet the indebtedness criterion of per-capita income of US\$380 or less as its per-capita income was estimated at US\$840 as at end of 2014. Based on the Present Value (PV) of debt to exports, Zimbabwe would, nevertheless, qualify for HIPC as the PV of debt to exports is 172% which exceeds the 150% threshold. However, for the country to be considered HIPC eligible, all the debt burden indicators should show that the country's debt is unsustainable.

Illicit financial flows

The government of Zimbabwe is not realising much revenue from natural resources due to illicit financial flows, corruption, tax evasion and weak institutions, opting to borrow funds other than dealing with revenue leakages. The Global Financial Integrity Report (2013) indicated that, Zimbabwe lost an estimated US\$12 billion in the last three decades through illegal financial flows ranging from secret financial deals to tax avoidance and illegal commercial activities (ZIMCodd, 2020:3). For instance, in the 2010 and 2011 Budget Statements, the Minister of Finance reported that the Chiadzwa diamond proceeds were not being deposited into the official national revenue account, the Consolidated Revenue Fund (CRF) (Saungweme & Odhiambo, 2017:105). Between the period 2009 - 2013, Zimbabwe lost US\$2.83 billion through illicit financial flows, translating to an annual average of US\$570.75 million and 97.88% (US\$2.793 billion) were in the mining sector (ZIMCodd, 2020:3). The former president of Zimbabwe Robert Mugabe once claimed that some US \$15 billion was taken out of the country from the diamond fields (Chitiyo, Vines & Vandome, 2016:19). Nevertheless, illicit financial flows starve the national purse of potential revenue that could help to repay loans and stimulating economic growth. This therefore means that illicit financial flows are fuelling public debt in Zimbabwe.

Economic sanctions

Foreign public debt servicing problems were exacerbated by the imposition of financial and economic sanctions on the country in 1999 and 2000 by both the western economies and most IFIs (Saungweme & Odhiambo, 2018:32). The United States (US) policy towards Zimbabwe is currently underpinned by the 2001 US Zimbabwe Democracy and Economic Recovery Act (ZDERA) and the Zimbabwe targeted sanctions programme of 2003,162 implemented by the US Department of the Treasury's Office of Foreign Assets Control (OFAC). ZDERA restricts the US from supporting IFIs assistance to Zimbabwe, except for programmes that meet basic human needs or promote democracy (Chitiyo, Vines & Vandome, 2016:41). These sanctions added to the existing foreign debt servicing challenges in Zimbabwe by drying up of grants, which the country used to receive from developmental partners, fostered the cancellation of budget and balance of payment and financial support from the Bretton Woods Institutions, thus constraining the revenue base for the country and led to the disappearance of cheap lines of offshore finances leading to disproportionate debt servicing burden (Saungweme & Odhiambo, 2018:32). There is slow implementation of political reforms as requested by ZDERA and the government is not putting much effort on this. In a letter dated 28 January 2016, the Chairman for the US Senate Committee on Foreign Affairs, Bob Corker, urged the US's Treasury Department to ensure that no new funding will be extended to Zimbabwe until the US's non-economic related conditions are met (Mbawu & Nkala, 2018:23).

Economic turmoil and duress

Debt servicing constraints experienced by Zimbabwe over the years are generally a result of the poor performance of the economy. The country, between 1998 and 2008, was incapacitated to make consistent service payments owing to the severe economic and financial problems that characterised the country during this period (Saungweme & Odhiambo, 2018:27). The excessive devaluation of the Zimbabwean dollar, high nominal exchange rates and stern foreign exchange shortages between 2004 and 2008, are among the factors which contributed to Zimbabwe's public debt service overhang (Saungweme & Odhiambo, 2018:28). The interest on loans and penalties on loans defaulted dating back to 2000 rose sharply. The total external debt as of October 2006 stood at US\$4.1 billion, of which US\$2.2 billion was in arrears and rose to US\$2.7 billion in 2007 (ZIMCODD, 2019:9).

The year 2020 brought challenges on the debt management front, due to the negative effects of the COVID-19 pandemic. The COVID-19 pandemic related recession and economic policy response, as noted by Ministry of Finance (2021:16), triggered a surge in debt levels in Zimbabwe. The COVID-19 pandemic compounded the country's limited access to external development financing due to the accumulation of external debt payment arrears, resulting in continued resort to domestic sources for budget financing to mitigate the effects of the pandemic. The Ministry of Finance (2021:16) further alludes that the government in 2020 faced challenges in making external debt service payments and no token payments were made to the three IFIs namely African Development Bank, the World Bank Group and European Investment Bank due to the Covid-19 pandemic.

Lack of transparency

Deficiency in public debt data records is also another factor hindering effective debt reconciliation and validation. For instance, the IMF (2014) Article IV Consultation Report indicated that the government of Zimbabwe had pledged to publish a report on the stock of

verified arrears and a strategy to clear validated arrears by December 2013. This was not met during the second staff monitored programme review only to be realised in 2015 (Mbawu & Nkala, 2018:17). A lack of public debt information is also as a result of the government's secrecy. The validated loans contracted may never be in the public domain because they were secretly contracted for private individuals under the banner of various ministries (Mbawu & Nkala, 2018:21). There is also lack of transparency and accountability in debts authorised by the President (mega deals) which undermine debt transparency (ZIMCodd, 2020:2). However, government has taken some step to enhance transparency through publication of Public Debt Bulletin in March 2020. Despite the bulletin being commendable as it sets out recommended sound practices, it however excludes information on the cost and risk indicators of the current country's debt portfolio and lacks an analysis of loan guarantees. The data was also outdated as it reported on developments as at December 2018 (AFRODAD & ZIMCodd, 2020:2).

Implications of unsustainable public debt

Economic implications

High debt creates uncertainty, deterring investment and innovation, and has a negative impact on economic growth. A poorly managed debt crisis reverse the development progress made over the past decades (Mustapha & Prizzon, 2018:2). Zimbabwe's debts and arrears have inhibited efforts towards attracting the much-needed foreign direct investment required to revive and resuscitate the economy through growing local industries and the local economy through meaningful contributions to critical sectors such as mining, manufacturing, agriculture, education, and health (Mbawu & Nkala, 2018:11). The highly unsustainable public debt of Zimbabwe has also over the years been depressing economic growth through crowding out private sector investment, promoting massive capital flight, and discouraging new foreign capital inflows (Saungweme & Odhiambo, 2017:96). Sibanda & Dubihlela (2013) quoted by Saungweme & Odhiambo (2017:96) also indicated that, the government's high record of foreign debt repayment defaults is among the numerous reasons for the country's lower world credit rating, which ultimately increased the cost of foreign finance to both the government and the private sector.

Public service delivery deficit

Unsustainable debt burdens compel governments to spend more on debt servicing and less on public service delivery (Mustapha & Prizzon, 2018:2). The sovereign debt of Zimbabwe has ballooned over the years, to the extent that it has become a significant part on the national budget, crowding out basic services. An average of 44.1% of the government's revenue was channelled towards debt and interest payments, a condition which could have contributed to poor service delivery (Saungweme & Odhiambo, 2018:28). The sovereign debt weighs down the capacity of the government both at central and local level to provide access to certain basic services including access to health services, education, food, water, employment, transport, and energy (ZIMCodd & AFRODAD, 2020:23). The lack of access to long-term capital such as Official Development Assistance from traditional creditors as well as balance of payments support from the IMF led to significant infrastructural deficiencies in the economy, thereby militating against the country's growth efforts. In particular, the rail, air, road, water, and energy systems have deteriorated significantly owing to under-investment in the sectors (Chigumira, Mupunga & Chipumho, 2018:1).

Conclusion and recommendations

This research examined challenges associated with debt servicing in Zimbabwe as well as implications of unsustainable public debt. The debt is likely to stay unsustainable for a longer time considering the multiple challenges faced. Some identified challenges exacerbating public debt include lack of compliance by the government with legislative provisions on borrowings, public debt defaults, misappropriated public debts and fragmented public debt institutional framework. High debt creates uncertainty, deterring investment and innovation, and has a negative impact on economic growth. Unsustainable debt burdens compel governments to spend more on debt servicing and less on public service delivery.

It is, therefore, recommended that there is need for efficient channelling of borrowings into productive use that stimulate economic growth. The government should also expand its revenue base by improving the country's business environment in order for it to meet its foreign and domestic debt liabilities sustainably. The government can directly increase its revenues by improving tax enforcements, combating revenue leakages, expanding the productive capacities of public entities, mobilising the informal sector, and implementing policies that enhance economic activity, income, and wealth generation. Most importantly, foreign direct investment goes a long way in contributing to revenue generation for the government and this is only possible if the government does away with policies such as the indigenisation policy which does not ensure security for private properties.

More so a national debt audit is recommended as it is important for addressing the legitimacy of loans contracted by the government over the years. The audit will help to unearth debts contracted outside of legislative provisions as well as approvals by the Parliament. ZIMCODD (2019:16) aver that, most of the contracted loans have been subject to abuse and corruption and never served their purpose. The debt audit would be the genesis of ensuring transparency and accountability in the management debt stock. The audit results will also inform future borrowing decisions and a sustainable and inclusive debt management strategy.

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