An Exploration of Corruption and Public Resource Allocation Towards Education and Healthcare in ZIMBABWE



TRANSPARENCY INTERNATIONAL ZIMBABWE
the coalition against corruption

In partnership with Canada

OCTOBER 2026

ABOUT TRANSPARENCY INTERNATIONAL ZIMBABWE (TI Z)

Transparency International Zimbabwe (TI Z) is a non-profit, non-partisan, systems-oriented local chapter of the international movement against corruption. Its broad mandate is to fight corruption and promote transparency, accountability, and integrity at all levels and across all sectors of society. TI Z believes corruption can only be sufficiently tackled by all citizens including people at grassroots level.

An Exploration of Corruption and Public Resource Allocation towards Education and Healthcare in Zimbabwe

Project Lead: Nqobani Tshabangu
Editing and reviewing: Jamie Bergin and Daniela Patiño Piñeros
Design and layout: Cybil Maradza

ISBN: 978-1-77926-108-3

Every effort has been made to verify the accuracy of the information contained in this report, including allegations. All information was believed to be correct as of 31st July 2026. Nevertheless, TI Z cannot guarantee the accuracy and completeness of the contents, nor can it accept responsibility for the consequences of its use for other purposes or in other contexts. Contributions to this report by authors external to TI Z do not necessarily reflect the views of Transparency International or its national chapter.

© 2026 Transparency International Zimbabwe. All rights reserved.

ACKNOWLEDGEMENTS

This report was made possible through the contributions of numerous stakeholders across Zimbabwe's public financial management and social sectors. Special thanks are due to officials from the Ministry of Finance, Economic Development and Investment Promotion (MoFEDIP), the Ministry of Health and Child Care (MoHCC), the Ministry of Primary and Secondary Education (MoPSE), the Parliamentary Budget Office (PBO), and the Office of the Auditor-General (OAG) for their time and insights.

This report has been created as part of Transparency International's Inclusive Service Delivery Africa (ISDA) project. Generous support for this publication was provided by: Global Affairs Canada.



TABLE OF CONTENTS

AN EXPLORATION OF CORRUPTION AND PUBLIC RESOURCE ALLOCATION TOWARDS EDUCATION AND HEALTHCARE IN ZIMBABWE

About Transparency International Zimbabwe *ii*

Acknowledgements *iii*

Acronyms and abbreviations *vi*

Glossary of key terms *vii*

Preface ix

Executive summary x

INTRODUCTION **1**

METHODOLOGY **4**

LITERATURE REVIEW: CORRUPTION, CLIENTELISM, AND PUBLIC RESOURCE ALLOCATION **6**

Corruption and the Composition of Public Spending 6

Clientelism as a Driver of Fiscal Distortion 7

The Political Economy of Health Financing 8

Equity and Gendered Impacts 9

THE PFM LEGAL FRAMEWORK IN THE ZIMBABWE **11**

THE FINDINGS **13**

Emerging Analytical Hypotheses 14

STAKEHOLDER INTERVIEW FINDINGS **19**

Stage 1: Strategic Planning and Budget Formulation 19

Stage 2: Budget Approval Stage 21

Stage 3: Budget Implementation and Execution Stage 23

Stage 4: Auditing and Reporting Stage 26

The 2022-2026 Budget Execution Crisis: Empirical Evidence 27

Health Financing Landscape: Donor Dependence and Allocative Inefficiency 28

Education Sector Mirror Analysis 31

The Infrastructure Scandal: Learning Under Trees 32

Gender, Equity and Inclusion Focused Analysis 32
Provincial and Subnational Allocation Patterns 36

RECOMMENDATIONS 39

CONCLUSION 43

BIBLIOGRAPHY 44

APPENDIX A 47
Methodology (Including Research Design and Strategy) 47

APPENDIX B 52
Stakeholder Mapping and Analysis 52

ACRONYMS AND ABBREVIATIONS

BEAM	Basic Education Assistance Module
CRF	Consolidated Revenue Fund
CSC	Community Selection Committee
DHS	Demographic and Health Surveys
DP	Development Partner
E-GP	Electronic Government Procurement
ESAP	Economic Structural Adjustment Programme
FCDO	Foreign, Commonwealth and Development Office
GESI	Gender Equality and Social Inclusion
GOZ	Government of Zimbabwe
HFPM	Health Financing Progress Matrix
HRF	Health Resilience Fund
HSF	Health Services Fund
IFMIS	Integrated Financial Management Information System
IPSAS	International Public Sector Accounting Standards
IRBM	Integrated Results-Based Management
ISDA	Inclusive Service Delivery Africa
KII	Key Informant Interview
LSS	Learner Support Services
MDA	Ministry, Department, and Agency
MOFEDIP	Ministry of Finance, Economic Development & Investment Promotion
MOHCC	Ministry of Health and Child Care
MOPSE	Ministry of Primary and Secondary Education
MTEF	Medium-Term Expenditure Framework
NAC	National AIDS Council
NCD	Non-Communicable Disease
NDS1	National Development Strategy 1
NHI	National Health Insurance
NHS	National Health Strategy
OAG	Office of the Auditor-General
OOP	Out-of-Pocket (payments)
PAC	Public Accounts Committee
PBB	Programme-Based Budgeting
PBO	Parliamentary Budget Office
PEA	Political Economy Analysis
PEPFAR	President's Emergency Plan for AIDS Relief
PFM	Public Financial Management
PFMA	Public Finance Management Act
PFMS	Public Financial Management System
PPDPA	Public Procurement and Disposal of Public Assets Act
PRAZ	Procurement Regulatory Authority of Zimbabwe
RBF	Results-Based Financing
RMET	Resource Mapping and Expenditure Tracking
SAM	Social Accountability Monitoring
SAPST	Southern African Parliamentary Support Trust
SDA	School Development Association
SDC	School Development Committee
SRHR	Sexual and Reproductive Health and Rights
TI Z	Transparency International Zimbabwe
UBH	United Bulawayo Hospitals
UHC	Universal Health Coverage
VFM	Value for Money
VHI	Voluntary Health Insurance
WASH	Water, Sanitation and Hygiene
WHO	World Health Organization
ZANU-PF	Zimbabwe African National Union – Patriotic Front
ZIMRA	Zimbabwe Revenue Authority
ZWL	Zimbabwe Dollar

GLOSSARY OF KEY TERMS

TERM	DEFINITION
Budget Cliff	A sudden and sharp reduction in funding when a donor-funded programme ends or transitions, leaving a gap that domestic budgets are unable or unwilling to fill, often disrupting critical services such as health programmes or school feeding schemes.
Cash-Rationing	The practice by the Treasury of releasing funds to ministries based on daily revenue collections rather than the approved budget, meaning that even when Parliament allocates funds, ministries may not receive them if government revenue is low.
Corruption	The abuse of entrusted authority for private gain.
Cost Centre	A department or facility (such as a hospital or district office) that has its own budget and is responsible for its own financial management and reporting.
Cost-Recovery Basis	An operational model where a facility must charge user fees to cover its own costs because it does not receive sufficient government funding to operate.
e-GP (Electronic Government Procurement)	An online system designed to make government procurement transparent, competitive, and accountable by publishing tenders, receiving bids, and awarding contracts digitally. However, ministries often bypass it to award contracts manually, enabling corruption.
Golden Rule (in PFM)	The tendency of corrupt systems to prioritise large, visible infrastructure projects (like hospitals and roads) because they offer greater opportunities for rent-seeking and kickbacks, at the expense of recurrent spending on medicines, teaching materials, and maintenance.
Hot Seating	A practice in overcrowded schools where a classroom is shared by multiple classes on a rotating schedule because there are not enough classrooms for all learners to have a permanent space. For example, students may access a classroom only once a week.
Learning Under Trees	An informal but common practice in Zimbabwe where classes are conducted outdoors under trees because there are no classrooms available due to severe infrastructure shortages. This exposes learners to harsh weather and significantly compromises the quality of education.
Mbinga	Colloquial terms used in Zimbabwe to describe politically connected businesspeople who secure inflated government contracts through non-competitive means.
Out-of-Pocket (OoP) Payments	Direct payments made by patients or households for health services, medicines, or other costs at the point of use. High OoP spending acts as a barrier to access, disproportionately affecting the poor, women, and rural populations.
Partial Reform Equilibrium	A situation where formal legal and policy frameworks are in place (such as Programme-Based Budgeting or the PFMA), but implementation remains weak or is actively circumvented, and powerful actors resist deeper reforms that would threaten their interests.
PFM (Public Financial Management) Power Matrix	An analytical framework used to understand how power operates in PFM systems, distinguishing between *visible power* (formal rules and institutions), *hidden power* (behind-the-scenes influence of elites and networks), and *invisible power* (normalised norms that shape what is considered acceptable).
Presidential Hospital Renovation Programme	A government initiative announced after a presidential visit to Parirenyatwa Hospital, which has directed significant capital investment towards refurbishing major central hospitals.

TERM	DEFINITION
SDC (School Development Committee)	A legally constituted body at each school that bridges the state and the community, responsible for mobilising resources and overseeing school development.
Tenderpreneur	See *Mbinga*.
Two-Tiered System	A system where those who can afford to pay (through private consultations, medical aid, or private schools) receive quality services, while the majority who depend on underfunded public services face long delays, stockouts, and poor outcomes.
Whipping System (Section 129(k))	A constitutional provision that allows political parties to recall Members of Parliament who vote against the party line. This effectively strips MPs of their independence and forces them to approve budgets they know are inadequate, undermining Parliament's constitutional "power of the purse."
ZiG (Zimbabwe Gold)	The new national currency introduced in April 2024 to replace the Zimbabwe dollar. It is a gold-backed currency intended to provide stability, but its introduction has created challenges for budget analysis and comparison over time.

PREFACE

This report is published at a defining moment in Zimbabwe's contemporary history. The country's constitutional and legal frameworks for managing public finances appear robust, enshrining clear principles of transparency, accountability, and the rule of law. However, as the findings of this study starkly demonstrate, a profound disconnect persists between these formal commitments and the lived reality of Zimbabwean citizens. The consequence of this disconnect is not an abstract governance failure; it is a tangible crisis of human development, felt most acutely by the most vulnerable populations: the girl in rural Manicaland unable to attend school for lack of sanitary wear and safe sanitation facilities, the mother in a Binga clinic facing neglect without recourse, and the child in Harare learning under a tree while a contractor is paid for a classroom that does not exist.

This report, commissioned by Transparency International Zimbabwe (TI Z), is not merely a technical analysis of Public Financial Management (PFM) systems. It constitutes an urgent investigation into the political economy of corruption and its systematic distortion of resource allocation in the health and education sectors. In doing so, it confronts difficult truths. The evidence suggests that the national budget does not always translate into actual expenditure patterns, with the credibility of budget implementation affected by limited transparency surrounding Treasury cash allocation decisions. Furthermore, weaknesses in procurement governance create opportunities for undue influence and rent-seeking, particularly where oversight and accountability mechanisms are insufficiently robust.

Through a rigorous mixed-methods approach combining budget execution analysis, Political Economy Analysis (PEA), and evidence from reports of the Office of the Auditor-General (OAG), this report examines four interconnected hypotheses. The evidence suggests that Zimbabwe's public finance challenges are driven less by resource constraints than by persistent weaknesses in accountability, transparency, and public financial governance. These findings are presented not as an indictment of the dedicated professionals working within Zimbabwe's public institutions, but as a call to action for a fundamental realignment of the country's political settlement. The solutions, while requiring technical improvements to systems, are fundamentally political. They require a rebalancing of power, a restoration of Parliament's 'power of the purse', and the creation of meaningful consequences for those who divert public resources from their intended purposes.

This report is intended as a resource for all stakeholders - from the Executive and Parliament to oversight institutions, civil society, the private sector, development partners, and community groups, who share a commitment to strengthening Zimbabwe's PFM. It represents a contribution to the struggle to ensure that the resources intended for the education and health needs of the country and families reach their beneficiaries. The path forward is arduous, but the moral imperative remains clear, Zimbabwe's public resources must be reclaimed for the public good.

Transparency International Zimbabwe
September 2026



EXECUTIVE SUMMARY

This study investigates the link between Zimbabwe's legal framework for PFM; as well as the actual allocation and utilisation of public resources in the education and healthcare sectors. The objective is to gather empirical evidence on linkages between corruption and discrimination, and their impacts on the delivery of education and healthcare for women, girls, and other groups at risk of discrimination.

While the Constitution and the Public Finance Management Act (PFMA) establish clear principles of transparency and accountability, the reality on the ground is shaped by systemic corruption risks rooted in political economy dynamics. Utilising a mixed-methods approach, including PFM system mapping, budget execution analysis, and political economy analysis (PEA), the study finds that the formal budget functions merely as a performative document. The evidence suggests that discretionary allocation practices may create opportunities for political considerations to influence spending decisions.

Discretionary allocation practices may create opportunities for political considerations to influence spending decisions.

The research identifies three core systemic risks. First, Cash-Rationing Risk, where the Treasury's discretionary disbursements may enable political prioritisation over equity and objective planning. Second, the risk of Procurement Capture, characterised by non-objective tender awards, inflated contracts, and non-delivery of goods facilitated by politically connected "tenderpreneurs." Third, accountability breakdown, resulting from weak enforcement of audit findings and limited consequences for financial misconduct. These risks lead to chronic underfunding of non-wage operational costs, inequitable resource distribution that marginalises rural and female populations, and the normalisation of impunity among duty bearers.

The findings confirm four emerging analytical hypotheses. The Cash-Rationing Hypothesis holds that the primary determinant of social sector spending is not the Appropriation Act 2026,[1] Act No. 6 of 2025 but daily liquidity decisions by Treasury's Cash Flow Management Committee. The Donor Substitution Hypothesis suggests the government deliberately underfunds sectors like public health (preventative care) and components of the Basic Education Assistance Module (BEAM), anticipating or requiring donor funding to fill the void. The Political Prioritisation Hypothesis demonstrates that visible, short-term political gains, such as wage bill appeasement to avert strikes and agricultural subsidies, consistently override long-term investments in infrastructure, medicines, and learning materials. The OAG's 2025 audit found that Harare and Bulawayo, provinces with strong historical opposition support completed only 9% and 6% of their school construction targets, a disparity consistent with political clientelism in resource allocation. This pattern is consistent with a system where political allegiance, not population need, drives infrastructure investment. The Systemic Impunity Hypothesis is validated by the Executive's consistent failure to implement recommendations by the Office of the Auditor General (OAG)and Public Accounts Committee (PAC) recommendations, perpetuating a culture where PFMA violations carry no consequences.

The OAG's 2025 audit found that Harare and Bulawayo, provinces with strong historical opposition support completed only 9% and 6% of their school construction targets, a disparity consistent with political clientelism in resource allocation.

The study observes a collapse in budget credibility over the three-year period 2022–2024. In 2022, Treasury disbursed ZWL 624 billion in Unallocated Reserves against an approved ZWL 90 billion, a 593% increase without prior Parliamentary approval. This pattern worsened in 2023, with Unallocated Reserve Transfers more than doubling initial Approved funds by ZWL 6.5 trillion (241%). The OAG's 2024 report confirms this systemic dysfunction, indicating that Treasury disbursed ZWL 11.8 trillion more than originally voted. This phenomenon does not represent a cash management model; rather, it constitutes a systematic alternative manoeuvre by Treasury to replace Parliament's 'power of the purse' with the Treasury's discretionary cash flow management committee. The OAG's 2024 report reveals that of the 131 financial statements audited across government, only 34% received a clean opinion, with the Ministry of Health and Child Care (MoHCC) receiving an 'Adverse' opinion. This is not a system of technical gaps but one of systemic impunity, where ZWG 14.7 billion in payment arrears have accumulated, and only 29% of prior audit findings were addressed by the Executive.



[1] The Appropriation Act is the legislation that gives legal authority for government spending by allocating approved budget resources to ministries, departments, and agencies for a specific fiscal year.

The failure of budget control is starkly illustrated by the accumulation of payment arrears. Between 2022 and 2024, reported arrears to several service providers ballooned from ZWL 2.9 trillion to over ZWG 14.7 billion, a nearly five-fold increase, alongside US$557 million owed to suppliers. This is the direct financial consequence of a system that operates on a cash-rationing basis, where ministries are forced to incur expenditure without the guarantee of payment, accumulating arrears that cripple future budgets and service delivery. The scale of unsupported and unaccounted-for expenditure is systemic. Over the 2022–2024 period, the OAG identified nearly ZWL 1 trillion (ZWL 966.8 billion in 2023 alone) in payments that lacked basic supporting documents such as delivery notes and invoices. In 2024, this was further compounded by direct payments from Treasury (US$277 million) that were entirely omitted from ministry financial systems, making a mockery of the Public Financial Management System (PFMS) and preventing any meaningful audit.

Between 2022 and 2024, reported arrears to several service providers ballooned from ZWL 2.9 trillion to over ZWG 14.7 billion, a nearly five-fold increase, alongside US$557 million owed to suppliers.

The government's continual failure in addressing audit findings provides definitive evidence justifying the Systemic Impunity Hypothesis. In 2022, 57% of prior year audit findings were not addressed; in 2023, 58% remained unaddressed. By the 2024 audit cycle, a staggering 71% of the 411 findings raised in 2023 remained entirely unaddressed. This consistent and growing failure demonstrates that the Executive faces no consequences for ignoring Parliament's Public Accounts Committee and the Auditor-General, creating an environment where financial misconduct is effectively sanctioned. This situation is worsened by low compliance and delayed issuance of Treasury Minutes, which are supposed to provide a course of action for implementing audit recommendations across MDAs.

As regards rent-seeking behaviour, the study observes a two-tier level of practices throughout the budget cycle. At the political level, indications suggest politically justified single-source and direct procurements are consistently prioritised for financial settlement regardless of a massive pending schedule of unpaid service providers. This high-level "*tenderpreneurship*" operates largely outside conventional oversight and is barely scrutinised, effectively bypassing public financial accountability. At the technocrat level within MDAs, administrative officials actively exploit existing procurement loopholes to award contracts to preferred suppliers despite the implementation of the Electronic Government Procurement (e-GP) system. This systemic vulnerability is further exacerbated at the payment stage, where there is a risk of officials manipulating administrative bottlenecks and using discretionary power to determine which contractors get paid, creating a transactional environment that directly facilitates and rewards further rent-seeking behaviour.

There is a risk of officials manipulating administrative bottlenecks and using discretionary power to determine which contractors get paid.

Inefficiencies in health and education spending disproportionately harm women, rural populations, and marginalised groups, as structural

weaknesses in financing and execution, reinforced by political economy dynamics translate into unequal access to essential services. The evidence from this study suggests that the discretionary cash-flow system does not merely create administrative bottlenecks; it actively embeds political clientelism into provincial resource allocation. Provinces with weaker political connections to the central government, such as Matabeleland North, where the Lupane Provincial Hospital project has stalled at 18% completion for over two decades, are systematically disadvantaged, forced to rely on underfunded mission facilities and out-of-pocket payments for services intended to be free.

The report concludes with actionable recommendations aimed at strengthening budget credibility, integrating donor funds into national systems, enforcing procurement regulations, and empowering parliamentary oversight. It argues that addressing the corruption of resource allocation is not merely a technical PFM issue but a political one, requiring reforms that realign the incentives of powerful actors with the public interest.

Addressing the corruption of resource allocation is not merely a technical PFM issue but a political one, requiring reforms that realign the incentives of powerful actors with the public interest.



INTRODUCTION

Public resource allocation in Zimbabwe's health and education sectors is shaped by the interaction between formal PFM systems and deeply embedded political economy dynamics that influence how resources are actually distributed and utilised. While the country operates under a relatively strong constitutional and legal framework, where Parliament exercises authority over budget approval, expenditure oversight, and public accountability, the translation of these formal mandates into effective service delivery remains constrained by institutional weaknesses and informal practices. The PFM system provides a structured framework for mobilising and allocating public resources, including through programme-based budgeting (PBB) designed to align spending with national development priorities. However, in practice, these formal processes are frequently undermined by fragmentation, weak enforcement of rules, and limited integration across financing streams, particularly in sectors reliant on both domestic and external funding (World Bank, 2021).

This disconnect between formal systems and actual outcomes is especially evident in the health and education sectors, which, despite being prioritised in policy and budget rhetoric, continue to face persistent challenges in adequacy, efficiency, and equity of spending. Budget allocations often diverge from actual expenditures due to centralised fiscal control and discretionary cash rationing by the Treasury, which determines the timing and volume of disbursements based on liquidity constraints rather than

Corrupt acts are clandestine, illegal, and rarely captured in official records, while victims and perpetrators alike often have incentives to conceal wrongdoing.



approved budgets (MoFEDIP, 2025). As a result, the ministries responsible for health and education operate with limited financial autonomy, and critical non-wage expenditures necessary for service delivery such as medicines, infrastructure maintenance, and teaching and learning materials are frequently underfunded. This creates a structural imbalance where policy intentions are not matched by implementation capacity, leading to inefficiencies and inequitable outcomes.



Against this backdrop, it is necessary to investigate if corruption and broader governance challenges play a central role in shaping resource allocation decisions. This study, commissioned by TI Z, investigates how corruption risks, discrimination, and political economy dynamics interact to influence the allocation and utilisation of public resources in the health and education sectors in Zimbabwe. Specific attention is given to the implications for women, girls, and marginalised groups, who are disproportionately affected by unequal access to public services and the diversion or misallocation of resources. By examining both sectors together, the study highlights how systemic governance issues cut across service delivery systems, while also recognising sector-specific dynamics.

The specific objectives guiding the research were:

1 *To carry out a mapping of Zimbabwe's public finance management (PFM) system to assess how education and health budgets are allocated. This will set out in detail how decisions are made and implemented regarding:*

- The allocation of funds towards certain education and health priorities over others, e.g., disability-accessible infrastructure, mental healthcare, sexual and reproductive health rights (SRHR).
- The prioritisation and allocation of resources to the education and health sectors within the national budget.
- Based on that mapping, to identify evidence of corruption risks in this system, and assess the impact of these corruption risks on people living in specific provinces, women, girls and groups at risk of discrimination and their education and health priorities.

2 *To provide practical recommendations to strengthen budgetary controls and mitigate the impacts of corruption, to guarantee efficient resource allocation on human capital.*

The report adopts a combined analytical framework that integrates PFM system mapping, budget and expenditure analysis, and PEA to provide a holistic understanding of resource allocation processes. PFM system mapping is used to trace formal rules and institutional arrangements governing budget formulation and execution, while budget analysis assesses the credibility and composition of allocations. PEA, incorporating visible, hidden, and invisible dimensions of power (as detailed in the PFM Power Matrix – see Appendix B), is used to uncover the informal drivers of decision-making, including the role of political incentives, patronage networks, and institutional norms in shaping outcomes (Camacho, 2025; Fox & Reich, 2015). In addition, sector-specific evidence is used to ground the analysis, with health serving as a tracer sector for understanding broader systemic issues, while drawing comparative insights for the education sector.

This study is anchored in the reports by the OAG, who in 2025 reported that 66% of government entities failed to meet basic standards of financial accountability for the 2024 financial year (i.e. they received a qualified, adverse, or disclaimer of opinion). This implies that only 34% of government entities received a clean audit opinion. This indicates a systemic breakdown in fiscal governance, where the *"power of the purse"* has been supplanted by the power of the Treasury's cash rationing committee.

The OAG, in 2025 reported that 66% of government entities failed to meet basic standards of financial accountability for the 2024 financial year.

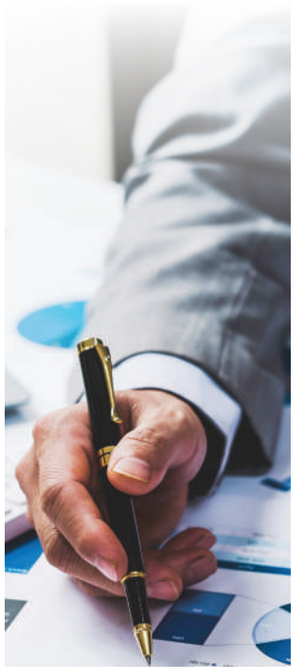
METHODOLOGY

The study adopts a mixed-methods research design that integrates both qualitative and quantitative approaches to provide a comprehensive analysis of corruption and public resource allocation in Zimbabwe's education and healthcare sectors. The methodology combines secondary data analysis with primary data collection, enabling triangulation of findings and strengthening the robustness of the analysis.

Primary data was collected through fourteen Key Informant Interviews (KIIs) with strategically selected stakeholders across the PFM and social sectors. These include officials from Ministry of Finance Economic Development and Investment Promotion (MoFEDIP), Ministry of Health and Child Care (MoHCC), Ministry of Primary and Secondary Education (MoPSE,) as well as representatives from Parliament (Parliament Budget Office (PBO) and Public Accounts Committee (PAC), development partners (UNICEF, FCDO), and civil society organisations (CSOs). These stakeholders were purposively selected based on their institutional roles in budget formulation, allocation, execution, and oversight. Using a semi-structured approach, the Key Informant Interviews (KIIs) allowed for deep exploration of the informal practices, institutional constraints, and political dynamics that shape resource allocation decisions, revealing realities seldom captured in official data sources. The study systematically reviewed four years of OAG reports (2021, 2022, 2023 and 2024) for the health and education sectors, extracting specific case studies of procurement failure (e.g., undelivered vehicles), asset mismanagement (e.g., unregistered assets), and expenditure control breaches. This longitudinal approach allowed the study to track the recurrence of specific audit findings, moving beyond isolated incidents to identify systemic breakdowns.

Secondary data analysis forms the analytical backbone of the study and is structured around three complementary approaches. First, PFM system mapping is used to trace formal budget processes, including policy formulation, allocation, and reported expenditure flows. This analysis draws heavily on the Review of PBB Implementation in Zimbabwe (2021) and the Public Finance Management Act (PFMA) [Chapter 22:19]. Second, budget execution analysis is employed to assess the credibility of allocations by comparing approved budgets with actual disbursements and expenditures, using data from the 2023 Health Sector Resource Mapping Report, MoHCC programme-based budget analyses, and the 2023 to 2026

Primary data was collected through fourteen Key Informant Interviews (KIIs) with strategically selected stakeholders across the PFM and social sectors.



Estimates of Expenditure ("Blue Books"). Third, PEA is applied to uncover the underlying power structures, incentives, and informal networks that influence how resources are actually allocated and utilised. This is operationalised using the Power Matrix framework, which distinguishes between visible power (formal rules), hidden power (behind-the-scenes influence of party networks), and invisible power (normalised norms of impunity and deprivation).

A key methodological consideration is Zimbabwe's macroeconomic instability, which presents significant challenges for financial analysis. The country has experienced prolonged periods of hyperinflation, currency volatility, and multiple currency transitions, including the introduction of the Zimbabwe Gold (ZiG) in April 2024. In such an environment, absolute figures do not make sense. To address this, the study adopts a cautious analytical approach, focusing on structural patterns in allocation, composition, and execution rather than relying solely on nominal or converted values. The analysis prioritises relative shares (e.g., percentage of total budget, composition by economic classification), budget execution rates (%), and qualitative assessments of trends to ensure analytical consistency.



The study adopts a cautious analytical approach, focusing on structural patterns in allocation, composition, and execution rather than relying solely on nominal or converted values.

This study goes beyond trend analysis by systematically reviewing the OAG's detailed findings for fiscal years 2022-2024 (2023 2024 and 2025 reports). It extracts specific case studies of procurement failure (undelivered vehicles), asset mismanagement (unregistered assets), and expenditure control breaches (open items, direct payments) to illustrate the real-world manifestation of the 'Cash-Rationing,' 'Procurement Capture,' and 'Systemic Impunity' hypotheses. To overcome the limitations of a single-year analysis, this study systematically reviews and cross-references the detailed findings and annexures of the OAG reports for the financial years 2022, 2023, and 2024. This longitudinal approach allows us to track the recurrence of specific audit findings over a three-year period. By identifying persistent failures, we move beyond identifying isolated incidents to proving systemic breakdowns in the PFM cycle, which is central to validating the core hypotheses of this study.

By identifying persistent failures, we move beyond identifying isolated incidents to proving systemic breakdowns in the PFM cycle, which is central to validating the core hypotheses of this study.

This report was produced as part of the Inclusive Service Delivery in Africa (ISDA) Project by Transparency International, covering five countries: the Democratic Republic of the Congo (DRC), Ghana, Madagascar, Rwanda and Zimbabwe. The project aims to improve access to education and health care services for women, girls and other groups at risk of discrimination.

LITERATURE REVIEW: CORRUPTION, CLIENTELISM, AND PUBLIC RESOURCE ALLOCATION

This study is grounded in a robust body of literature that examines the distortionary effects of corruption and political clientelism on public spending, particularly in developing country contexts. While Zimbabwe-specific empirical work is growing, this review draws on comparative and regional studies to build a framework for analysis.



Corruption and the Composition of Public Spending

A significant strand of literature establishes that corruption does not just inflate total expenditure but fundamentally distorts its composition. In their seminal work, Tanzi and Davoodi (1997) argued that corruption redirects public investment toward large, complex, and visible infrastructure projects because these offer greater opportunities for rent-seeking, bribery, and concealing misallocated funds. This "golden rule" bias toward capital expenditure often comes at the expense of critical recurrent spending, such as on operations and maintenance (O&M).

More recent empirical evidence from Sub-Saharan Africa (SSA) by Bazie et al. (2024) confirms this, showing that a 1% increase in corruption correlates with a 0.928% increase in military spending but leads to a decrease of over 1% in education spending. Their study of 48 African countries found that corruption favours sectors where resources are easily concealed (defence, transport) to the detriment of those where oversight is easier (education, mining). Mauro (1998) similarly found that higher corruption is associated with lower spending on education as a share of GDP.

This literature provides a crucial comparator for Zimbabwe's pattern, where budget allocations confirm that the distortion is not just between sectors but within the social sectors themselves where, specifically, a bias toward curative, wage-heavy hospital services over preventative public health and non-wage education inputs. Moreover, there has been major infrastructure upgrades and refurbishment works at Parirenyatwa Hospital, expected now to move to Harare Hospital (large, complex, and visible infrastructure projects) without commensurate attention to staff welfare, hospital consumables and drugs. Senior Treasury officials themselves have acknowledged the risk of opening *"a beautiful hospital with good equipment but without medicines"* (Guvamatanga, 2026, cited in The Herald, 19 January 2026). Healthcare workers have consistently raised concerns about severe shortages of medication, injections, syringes, and functional equipment, with the oncology department specifically citing inconsistent supply of essential

Senior Treasury officials themselves have acknowledged the risk of opening "a beautiful hospital with good equipment but without medicines" (Guvamatanga, 2026, cited in The Herald, 19 January 2026).

cancer drugs and consumables as a pressing obstacle (Mutizira, quoted in New Ziana 2025).

Zimbabwe's current hospital renewal drive perfectly illustrates this distortion. The Presidential Hospital Renovation Programme, launched following an unannounced visit by the President to Parirenyatwa, is undertaking a nationwide overhaul of public health infrastructure. This includes the construction of a new cancer building and extensive refurbishment of staff residential buildings at Parirenyatwa. Underpinning this is a significant capital injection for cancer treatment infrastructure. Treasury has used US 30 million raised from the sugar tax to procure state–of–the–art radio therapy machines, with over US5 million already paid as deposits to suppliers (MoFEDIP 2026).[2] The scope of the planned upgrades is also expanding. Following the Parirenyatwa works, similar refurbishments are expected at Harare Hospital, continuing the pattern of large-scale, capital-intensive investments. Yet, while these "brick and mortar" projects proceed, the recurrent budget for day-to-day operations remains critically under-resourced. This is the "golden rule" in practice, prioritising visible, ribbon-cutting infrastructure over the invisible, life-saving basics of running a hospital, a pattern that directly mirrors the allocative inefficiencies predicted by Tanzi and Davoodi (1997).

Treasury has used US 30 million raised from the sugar tax to procure state–of–the–art radio therapy machines, with over US5 million already paid as deposits to suppliers (MoFEDIP 2026).

Clientelism as a Driver of Fiscal Distortion

Political science literature provides the mechanism through which these distortions occur: political clientelism. Defined by Camacho (2025) as "the discretionary provision of private benefits by government officials…to specific groups of citizens in exchange for political support," clientelism shifts public spending away from universal provision toward selective, politically motivated distribution. In clientelist systems, politicians prefer to allocate resources to visible, excludable goods or to services that can be targeted to "core supporters" or "swing voters." Kramon and Posner (2016) found in Kenya that while having a co-ethnic president increased primary schooling for that group by 0.36 years, having a co-ethnic minister of education was equally, if not more, important, suggesting that power is shared among elites from different ethnic groups who each favour their own "piece of the pie." This aligns with the power-sharing view of Francois et al. (2015), which shows that African presidents appoint cabinet members from diverse ethnic groups to build a ruling coalition.



Clientelism shifts public spending away from universal provision toward selective, politically motivated distribution.

In Zimbabwe, this study finds evidence consistent with patterns of elite patronage in which politically connected business actors often referred to colloquially as "*tenderpreneurs*" or "*mbinga*" are perceived to derive

[2] https://_dmarc.businessdaily.co.zw/index-id-home-zk-53092.html

disproportionate benefits from public contracting and other state-linked economic opportunities. Such dynamics can weaken competition, distort procurement processes, and undermine public confidence in the equitable management of public resources. Where public contracts are awarded through non-competitive or weakly regulated processes, the resulting concentration of economic benefits may reinforce networks of political influence and reduce accountability. Analysts and investigative reports suggest it is the proceeds of state capture and inflated public contracts, laundered through a network of shell companies and opaque mining and procurement deals. As political analyst Tendai Ruben Mbofana has observed, this patronage has created a government that is "divorced from the suffering of the people," reducing beneficiaries to "stooges" of their political backers (Mbofana, 2025, cited in The Neswday, 3 October 2025).



Analysts and investigative reports suggest it is the proceeds of state capture and inflated public contracts, laundered through a network of shell companies and opaque mining and procurement deals.

The Political Economy of Health Financing

The health sector literature emphasises that financing reforms are inherently political. Mhazo and Maponga (2022), in their scoping review of Zimbabwe's health financing reforms, demonstrate how shifts in ideas (from socialist equity in the 1980s to neoliberal efficiency in the 1990s), interests (of the World Bank, donors, and domestic private sector), and institutions (path dependency from the colonial era) have shaped outcomes. They show that the introduction of user fees in the 1990s, driven by neo-liberal ideology, directly reversed equity gains and shifted the burden of financing onto the poor. This study extends their framework by explicitly linking these political economy factors to corruption risks in budget execution, such as the discretionary cash-rationing that emerged as a coping mechanism for fiscal stress.

This same political economy triad is now being reshaped by a new, high-stakes dynamic, the withdrawal of unconditional US health funding and the country's pivot toward domestic financing. In early 2026, Zimbabwe formally terminated negotiations for a proposed US$367mn Health financing Memorandum of Understanding (MoU) with the United States (US) under the America First Global Health Strategy citing concerns over data sharing, unequal partnership terms, and lack of guaranteed access to medical innovations. The rejection of such a significant funding stream, even on lopsided terms, triggered immediate unease about the sustainability of HIV, TB, and malaria programmes, which have long been donor dependent. In response, the government has accelerated a long-deferred institutional shift, the rollout of the National Health Insurance (NHI) scheme, scheduled for June 2026. Framed as "the next frontier in Universal Health Coverage," the NHI aims to pool funds from ring-fenced earmarked taxes including levies on sugar and mobile airtime to finance care for the 87% of citizens without medical aid, moving away from the old Treasury-absorbed budgets that were often diluted by competing fiscal pressures. This represents a significant ideational

The rejection of such a significant funding stream, even on lopsided terms, triggered immediate unease about the sustainability of HIV, TB, and malaria programmes, which have long been donor dependent.

shift, from donor-led, disease-specific vertical programmes toward a state-led, horizontal, risk-pooling model, driven by the interests of a government seeking to assert fiscal sovereignty in the wake of donor withdrawal.

Equity and Gendered Impacts

Zimbabwe faces a profound and multifaceted crisis in human development, with vast and often unmet education and health needs that are distributed inequitably across its population. In the health sector, the burden of disease is high and shifting, with Non-Communicable Diseases (NCDs) now causing an estimated 39% of all deaths yet receiving less than 1% of the total health budget (MoHCC Resource Mapping Report, 2023; MoFEDIP, 2025). This underinvestment is compounded by a persistent burden of communicable diseases and maternal mortality; Zimbabwe's maternal mortality ratio stands at 363 deaths per 100,000live births (ZiMSTAT 2022), a figure that is acutely concentrated in rural areas where access to functional emergency obstetric care is severely limited (WHO, 2023). While improved from 651 in 2010, remains significantly above the global average of 223 and nearly twice that of South Africa (119) and Botswana (144). (Demographic Health surveys of th different countries) Women and girls, for instance, carry a disproportionate burden: they are the primary users of reproductive health services, yet face chronic shortages of essential medicines, inadequate maternal care facilities, and a lack of safe sanitation in schools that forces many girls to miss class during menstruation (MoFEDIP, 2025; KII, Matabeleland North). In rural provinces like Matabeleland North, the failure to complete a provincial hospital for over two decades has forced women to travel vast distances or pay out-of-pocket at mission facilities for services that are supposed to be free, placing an untenable financial and physical burden on the most vulnerable (KII, Matabeleland North Provincial Health Authority).

Simultaneously, the education sector struggles to accommodate a growing school-age population with an infrastructure gap of an estimated 3,000 schools, leaving millions of children, especially those in rural and peri-urban informal settlements, learning in overcrowded classrooms or under trees (MoFEDIP, 2025; OAG, 2025). These population-wide needs are not uniform but are deeply differentiated by gender, geography, and socio-economic status. Persons with disabilities (PWDs) and children in marginalized communities often have their specific needs, such as assistive devices, accessible infrastructure, or specialized learning materials, completely absent from budget allocations, as the formal resource allocation system is designed for an "average" citizen who does not exist (PSA, 2022).

Corruption and clientelism have profound equity implications precisely because they exacerbate this mismatch. The principle of equitable resource allocation demands that public funds be channelled toward the specific,



The education sector struggles to accommodate a growing school-age population with an infrastructure gap of an estimated 3,000 schools.

varied needs of each subpopulation, whether that means investing in NCD treatment for an aging urban population, maternal health for rural women, or specialized education for children with disabilities. When resources are diverted due to corruption, or when allocation is distorted by political clientelism, these tailored needs go unmet (Camacho, 2025; Tanzi & Davoodi, 1997). As Franck and Rainer (2012) found, ethnic favouritism in SSA can improve educational and health outcomes for co-ethnics, but this effect was often stronger for women than men, suggesting that while favouritism can be gendered, it can also inadvertently benefit women in some contexts. However, the broader literature, including the PSA Mid-Term Review (2022), concludes that fragmentation of funding and the absence of gender-responsive budgeting systematically disadvantage women and girls, particularly in accessing SRHR services (PSA, 2022). The result is a two-tiered system: those with political connections or private resources can access services, while the poor, rural populations, and women, who are the most dependent on public provision are systematically excluded by a state that fails to channel resources to where they are needed most.

Fragmentation of funding and the absence of gender-responsive budgeting systematically disadvantage women and girls, particularly in accessing SRHR services (PSA, 2022).

This study will contribute to this literature by providing granular, qualitative evidence from Zimbabwe on how PFM bottlenecks translate these systemic failures into poor outcomes for the most marginalized groups, including women, girls, and groups at risk of discrimination.

THE PFM LEGAL FRAMEWORK IN THE ZIMBABWE

The Statutory PFM Cycle and the Enhanced Budget Calendar

International public finance literature conceptualizes a robust PFM system through a cyclical framework of sequential stages designed to optimize allocative efficiency, macro-fiscal stability and operational accountability. In Zimbabwe, the PFM architecture is anchored in a comprehensive *de jure* statutory framework, primarily governed by Chapter 16 of the **Constitution of Zimbabwe Amendment (No. 20) Act (2013) and the Public Finance Management Act (PFMA) [Chapter 22:19].**

Section 298 of the Constitution formalizes the normative principles of public finance, legally mandating fiscal transparency, institutional accountability, and the prudent, economic, and efficient allocation and expenditure of public resources (Government of Zimbabwe, 2013). The operational modality of this framework is regulated by the **Public Finance Management (General) Regulations, 2019 (S.I. 135 of 2019)**, as amended by **S.I. 127A of 2021.**

International public finance literature conceptualizes a robust PFM system through a cyclical framework of sequential stages designed to optimize allocative efficiency, macro-fiscal stability and operational accountability.

TABLE 1: THE COMPREHENSIVE STATUTORY PFM AND BUDGET CALENDAR

PFM PHASE	TIMELINE	STATUTORY MILESTONE / ACTIVITY
Auditing & Reporting (Prior Year)	31 March	Previous year's annual performance reports must be published (PFMA Section 35).
	30 May	First-quarter performance reports for the current year are published (PFMA Section 33).
	30 June	The OAG releases the Audit Report for the previous fiscal year (Section 10, Audit Office Act).
Strategic & Formulation Stage	June – July	Ministries submit revised strategic priorities to the Treasury. Treasury prepares the Budget Strategy Paper (BSP) and the Mid-Year Fiscal Policy Review.
	August	Treasury issues the Budget Call Circular (detailing expenditure ceilings). The BSP is approved by Cabinet (by 15 August) and tabled in Parliament. Second-quarter performance reports are due by 30 August.
	September – October	Line ministries submit formal budget proposals. Parliament undertakes nationwide public budget consultations in line with Sections 13 and 141 of the Constitution.
Approval Stage	November	Cabinet finalises the draft budget. The Minister of Finance presents the National Budget to Parliament on the last Thursday of November.
	December – 30 January	Parliament debates the budget, passes the Appropriation Act and Finance Act, and the President assents to the Bills into law.
Implementation Stage	January – December	Funds are released by the Treasury to spending units. Line ministries implement the budget and submit continuous performance reports to Parliament.

Analysis of De Facto Structural Fractures

De jure, Zimbabwe's PFM cycle presents a coherent and transparent fiscal framework. De facto, however, empirical analysis reveals profound structural dislocations. A volatile macro-fiscal environment and persistent cash-rationing (termed *"eating what they kill"* by the Minister of Finance during the 2023 budget debate) systematically undermine the formulation stage. While ministries submit costed proposals, the Treasury's strict reliance on a cash-budgeting modality ensures that disbursements are contingent upon daily revenue mobilisation rather than the statutory Appropriation Act. Consequently, social sector ministries divert administrative capacity toward negotiating daily cash releases rather than achieving strategic targets.

The education sector struggles to accommodate a growing school-age population with an infrastructure gap of an estimated 3,000 schools.

The Consolidated Revenue Fund (CRF) and Fund Release Mechanisms

The Consolidated Revenue Fund (CRF) represents the "power of the purse" in Zimbabwe. Legally, all revenues must be paid into the CRF, as mandated by Section 302 of the Constitution and no withdrawal is permitted without Parliamentary authorisation. Operationally, the transition of money from the CRF to a line ministry's account is not automatic. It requires a four-step process:

i. *The Minister of Finance issues a General Warrant;*

ii. *Treasury issues allotments based on cash availability, not the approved budget;*

iii. *The Accountant-General issues a specific warrant "unlocking" credits in the PFMS; and*

iv. *The disbursement is made.*

The critical distortion occurs at step two. Because Zimbabwe operates under a Cash-Budgeting Framework, the General Warrant is operationalised through monthly or quarterly "*allotments*" based on actual cash in the CRF. This system gives MoFEDIP immense discretionary power, as it can prioritise releases to politically sensitive sectors (e.g., security, agricultural subsidies) while delaying or denying releases to health and education, regardless of Parliamentary approval. This is the core institutional mechanism enabling the Cash-Rationing Hypothesis (explained in further detail below).

Budget formulation process therefore is largely ceremonial, divorced from the reality of fiscal space.

Zimbabwe operates under a Cash-Budgeting Framework, the General Warrant is operationalised through monthly or quarterly "allotments" based on actual cash in the CRF.

THE FINDINGS

Zimbabwe's education and healthcare financing is shaped by a complex macro-fiscal and socio-political context characterised by persistent macroeconomic instability, high inflation, exchange rate volatility, and constrained fiscal space. Analysis of the MoFEDIP 2026 budget statement and estimates of revenue and expenditure reveals that the 2026 national budget allocated approximately ZiG30.4 billion (around US$994 million) to the MoHCC, representing only 1.8% of GDP and meeting just 36% of the Ministry's estimated requirements, leaving a shortfall of approximately ZiG54.9 billion (MoFEDIP, 2026). This is below the sub-Saharan African average for public health expenditure of approximately 2.7% of GDP , and well short of the Abuja Declaration's 15% target for health allocation from the national budget. As of September 2025, only 37% of the approved health budget had been utilised, with capital budget execution particularly low at just 12%. This low absorption reflects broader PFM challenges, including delayed disbursements, liquidity constraints, and administrative bottlenecks, which reduce the effective use of allocated resources and undermine service delivery.

As of September 2025, only 37% of the approved health budget had been utilised, with capital budget execution particularly low at just 12%.

The education sector faces similarly acute constraints. The MoPSE was allocated ZiG47.4 billion (US$1.55 billion) for 2026, representing 16.3% of the national budget and only 2.4% of GDP, a decline from 3.4% in 2025 and well below international benchmarks (Author's analysis of the 2026 Education Budget). Employment costs consume 72% of the education budget, leaving scant resources for non-wage expenditures, while capital expenditure constitutes just 2.7% (ZiG1.3 billion) despite an estimated infrastructure gap of 3,000 schools (MoFEDIP, 2025). By contrast, Zambia allocates approximately 4.1% of GDP to education, while Botswana's public health expenditure exceeds 3% of GDP.[3] Budget execution remains weak: by September 2025, MoPSE had utilised only 56% of its budget, with social benefits and capital spending languishing at just 1% and 28% respectively (Author's analysis of the 2026 Education Budget). These constraints have profound equity implications. The Learner Support Services Programme, critical for inclusive education received only 5% of the MoPSE budget, with sanitary wear provision amounting to just ZiG85 (US$2.31) per learner for the entire year, forcing many girls to miss school during menstruation. Similarly, the Home-Grown School Feeding Programme received only US$618 per school annually, while persistent underfunding has left BEAM with US$98 million in arrears, crippling school operations. This

The Learner Support Services Programme, critical for inclusive education received only 5% of the MoPSE budget.

[3] ourworldindata.org

systemic underfunding perpetuates a two-tiered education system that disproportionately disadvantages rural girls, children with disabilities, and other marginalised groups who depend most on public provision.

Emerging Analytical Hypotheses

Based on an initial literature review, the study proposes the following refined hypotheses which the study aims to validate:

1 THE CASH-RATIONING HYPOTHESIS:

By the end of June only about 35% of the approved national budget had been spent, significantly below the expected level for the halfway point of the fiscal year.

While Parliament approves annual budget appropriations, actual resource allocation is largely determined during the budget execution phase through Treasury's cash management and expenditure release processes. Under cash-budgeting arrangements, variations between approved appropriations and actual disbursements can significantly affect the implementation of sectoral budgets, with health and education often experiencing operational and capital funding shortfalls. Because many of these decisions involve a degree of administrative discretion, the budget execution phase represents a critical point at which robust transparency, oversight, and accountability mechanisms are needed to minimise corruption risks and ensure that resource allocation remains aligned with approved policy priorities. The 2025 Mid-Term Budget and Economic Review Statement, revealed that by the end of June only about 35% of the approved national budget had been spent, significantly below the expected level for the halfway point of the fiscal year. The statement attributed this low burn rate to inefficiencies within the ministries themselves.

Evidence: The formal budget is a performative document; real allocation is determined during execution by Treasury's cash management committee—a hidden power forum where political connections and ministerial influence often override objective need.

Budget Execution Data (2022–2024):

YEAR	KEY FINDING
2022	ZWL 534 billion net underspending; Unallocated Reserve transfers exceeded approved budget by 593%
2023	ZWL 6.5 trillion net underspending; Unallocated Reserve transfers exceeded approved funds by 241%
2024	ZWL 11.8 billion net underspending (ZiG); US$277 million in direct Treasury payments omitted from ministry PFMS records

(Source: OAG Reports 2023, 2024, 2025).

The transition of money from the Consolidated Revenue Fund to a line ministry's account requires a four-step process. The critical distortion occurs at Step 2 because Zimbabwe operates under a Cash-Budgeting Framework, the General Warrant is operationalised through monthly or quarterly allotments based on actual cash in the CRF not the approved budget. This gives MoFEDIP immense discretionary power to prioritise releases to politically sensitive sectors while delaying or denying releases to health and education. While the PFMS is operational at national and provincial levels, its deployment often terminates at the district level, failing to reach primary health care facilities and schools. This forces frontline institutions to rely on manual records, leading to unrecorded expenditures, arrears, and a massive accountability blind spot.

"The blue book says we have the budget, but the bank account says otherwise. Because Treasury operates on a cash-rationing basis, we literally have to go and beg for our own allocated funds every month."
- The Government of Zimbabwe

As one government official noted: *"The blue book says we have the budget, but the bank account says otherwise. Because Treasury operates on a cash-rationing basis, we literally have to go and beg for our own allocated funds every month."* A former government official confirmed: *"There is a world of difference between the top-down ceilings and the bids... It's just a wish-list."* This cash-rationing model has resulted in the accumulation of over ZWG 14.7 billion in payment arrears by 2024, as agencies were forced to commit funds that were never released.

2 THE DONOR SUBSTITUTION HYPOTHESIS:

The Government of Zimbabwe (GoZ) deliberately underfunds specific policy areas (e.g., preventative public health, BEAM, community health systems) where it knows or anticipates Development Partner funding will be available. This allows it to free up domestic resources for politically strategic expenditures while blaming donors for any service delivery gaps. The evidence shows this is not just about misallocation; it is about corrupt capture of resources meant for essential services. The result is a system where beneficiaries of patronage have a vested interest in perpetuating the status quo, while ordinary citizens bear the cost through underfunded schools and clinics.

Evidence: The government's chronic underfunding of the BEAM is a prime example. Despite Parliament allocating funds, BEAM has been in a state of perpetual arrears crisis for years (e.g., US$98 million by 2024), forcing schools to rely on private contributions and donor top-ups to fulfil vulnerable children's right to education, while the government prioritises other politically strategic expenditures. Where health is concerned, compelling evidence comes from the pharmaceutical supply chain, as revealed in a KII with a representative from Development Partners. When development partners, including the United Nations Childrens' Fund (UNICEF), procured pharmaceuticals on behalf of the Government, they spent approximately $25 million per annum to procure drugs that were 'almost adequate' for

Where health is concerned, compelling evidence comes from the pharmaceutical supply chain, as revealed in a KII with a representative from Development Partners.

major needs. However, once this function was handed over to NatPharm, the alternative suppliers secured a $70 million tender to supply drugs, more than twice the amount UNICEF previously spent yet drugs remain scarce in public hospitals. The plausible outcome in this scenario is 'less value for more money'. The 2023 OAG report confirms systemic dysfunction, with the MoHCC receiving an 'Adverse' opinion and only 34% of government entities receiving clean opinions (OAG 2023).

3 THE POLITICAL PRIORITISATION HYPOTHESIS:

Clientelist pressures to deliver visible, short-term, excludable benefits (e.g., agricultural inputs, individual wage adjustments, ribbon-cutting for new (incomplete) buildings) often concentrated around electoral cycles override long-term, diffuse investments in human capital (e.g., teacher training, textbook procurement, medicine supply chains, preventative health). Linked to this, MPs are more beholden to their political parties than their constituents, largely because of the whipping system. This means they never raise issues of equity when the budget and its implementation is being debated or scrutinised in their committees (Matanga, 2024.)



The security sector's budget has consistently surpassed that of the MoHCC (2026 Estimates).

Evidence: The security sector's budget has consistently surpassed that of the MoHCC (2026 Estimates). The OAG's 2024 report on schools found that most newly constructed schools were in politically strategic areas, while provinces like Bulawayo and Harare dramatically underperformed. This is complemented by the data on asset distribution, where visible, high-prestige items like vehicles are prioritised, but their delivery is not enforced, indicating that the 'ribbon-cutting' is more important than the 'driving'.

4 THE SYSTEMIC IMPUNITY HYPOTHESIS:

The failure of the Executive to enforce OAG and PAC recommendations is the primary enabling factor for corruption risks in PFM. Because Accounting Officers and procurement officials face no credible threat of sanction (debarment, prosecution, dismissal) for violating the PFMA or Public Procurement and Disposal of Public Assets Act [Chapter 22:23] (PPDPA Act), corrupt practices have become normalised as a low-risk, high-reward activity. This is compounded by the recalcitrance of the Executive to implement recommendations by Parliamentary committees, coupled with a structured mechanism to follow up with the Executive on the same (Matanga, 2024). The evidence reveals that the primary bottleneck is the Executive's systematic failure to act as only about 20% of the Auditor-General's recommendations are ever implemented. The PAC does follow up but is structurally constrained, lacking enforcement powers, severely under-resourced, and facing chronic late submissions from ministries, some still outstanding from 2015. Civil society has bemoaned the lack of law enforcement when there is evident proof in the form of the AG's report.



The failure of the Executive to enforce OAG and PAC recommendations is the primary enabling factor for corruption risks in PFM.

Evidence: This is the most robustly supported hypothesis. The OAG reports from 2022 (57% not addressed), 2023 (58% not addressed), and 2024 (71% not addressed) show a clear trend of the Executive's failure to implement audit recommendations. Furthermore, the same specific findings recur annually: unreconciled Sub-Paymaster General's accounts (variance of ZWL 1.2 trillion in 2022; ZWL 100 billion in 2023), unsupported expenditure (ZWL 580 million in 2022; close to ZWL 967 billion in 2023), and undelivered assets (74 in 2022; 60+ in 2023). This repetition without consequence is the very definition of systemic impunity.

This impunity is not abstract. In the health sector, the 'dual practice' system persists because there are no consequences for doctors who exploit public infrastructure for private gain and lure patients to their surgeries for expert care. In education, teachers who exert minimal effort during regular hours to maximise private tutoring income face no sanctions.

Political Economy Analysis

The allocation of public resources to education and healthcare in Zimbabwe is shaped by deeply embedded political economy dynamics in which corruption and clientelism systematically distort the prioritisation, distribution, and execution of public spending.

The allocation of public resources to education and healthcare in Zimbabwe is shaped by deeply embedded political economy dynamics in which corruption.

Consistent with Francois et al. (2015), the ruling ZANU-PF party maintains power through a coalition of elites representing different provinces and ethnic groups. This is managed through the whipping system courtesy of Section 129 (k) of the Constitution, which allows parties to recall MPs who do not follow the party line. As one MP retorted: *"We can unanimously agree that funding for maternal health is a disaster. But the moment we step into the House, the Chief Whip lays down the party position. If you vote against the Finance Bill... you risk being recalled."* Thus, visible power (Parliamentary oversight) is subverted by hidden power (party discipline). In exchange for loyalty, MPs and elites expect their home districts to receive preferential access to resources roads, clinics, schools. This is not necessarily about the President's ethnicity (as in Kenya), but about the distribution of "prebends" (state resources) to maintain the coalition.

In exchange for loyalty, MPs and elites expect their home districts to receive preferential access to resources roads, clinics, schools.

The evidence suggests that the selection of health and education priorities is not driven solely by objective needs assessments but is often shaped by corruption risks and political clientelism. Large, visible infrastructure projects, such as the Presidential Hospital Renovation Programme at Parirenyatwa and the planned refurbishment of Harare Hospital, are consistently prioritised over recurrent spending on medicines, consumables, and preventative care. This pattern aligns with the golden rule identified in the literature: capital-intensive projects offer greater opportunities for rent-seeking through inflated contracts, while the invisible, life-saving basics of

running a hospital provide fewer opportunities for kickbacks. The result is a two-tiered system where ribbon-cutting for new buildings is politically rewarded, while frontline facilities remain critically under-resourced.

The OAG's 2024 Value for Money Audit found that most newly constructed schools were concentrated in politically strategic areas.

This distortion is compounded by the tendency to favour projects in areas with higher rent-seeking potential or stronger political connections. The OAG's 2024 Value for Money Audit found that most newly constructed schools were concentrated in politically strategic areas, while provinces like Bulawayo and Harare dramatically underperformed against their construction targets.

The hidden power matrix identifies Vested Commercial Interests. The *"tenderpreneurs"* (private bidders who leverage political connections to secure public procurement contracts, not to deliver quality services, but to extract personal financial benefit) have a vested interest in weak procurement systems. They actively resist the roll-out of the e-GP system because manual, emergency procurement allows for inflated, single-sourced contracts. A KII with a Government Official revealed that road rehabilitation contracts in a certain province were consistently awarded to a company owned by a relative of a senior ruling party official. The company would do 10% of the work, invoice for 90%, and abandon the project. When the matter went to court, it was mysteriously withdrawn. This is the Procurement Capture Hypothesis in action, directly leading to the dilapidated state of infrastructure, including school buildings and rural health centre access roads.

The Accountability Breakdown is not a bug, for powerful actors, it is a feature. A review of the 9th Parliament performance by SAPST notes that while compliance with quarterly reporting increased to 63%, enforcement of sanctions remains non-existent. The OAG produces detailed reports of missing assets (e.g. unregistered ambulances). The PAC issues Treasury Minutes (formal responses issued by the Ministry of Finance (Treasury) to the Public Accounts Committee (PAC) of Parliament, following the release of an OAG's report demanding action). However, the Executive routinely fails to implement recommendations. As an MP stated: "Nothing happens to the culprits. The Executive's failure to enforce sanctions makes our post-audit function feel like a toothless exercise." This Systemic Impunity Hypothesis is the master variable that allows all other corruption risks to flourish.

The hidden power matrix identifies Vested Commercial Interests. The "tenderpreneurs" have a vested interest in weak procurement systems.

The OAG 2024 report provides quantifiable evidence of this impunity. Only 29% of the 411 audit findings raised in 2023 were addressed by the time of the 2024 audit. This means 71% of identified financial irregularities, asset losses, and procurement violations went entirely unpunished. This includes specific cases, such as the Ministry of Home Affairs and Cultural Heritage, which failed to deliver 2 vehicles fully paid for in 2022, and the Ministry of Local Government, Public Works and National Housing, which had 20 undelivered vehicles and 17 undelivered fire trucks (OAG).

STAKEHOLDER INTERVIEW FINDINGS



STAGE 1: STRATEGIC PLANNING AND BUDGET FORMULATION

i. Finding 1: There are misaligned and compressed planning timelines that severely limit evidence-based budgeting.

The 2025 Second Budget Call Circular was issued on September 24, 2024, with submissions due just ten days later. A government official noted: *"The budgeting process often feels like a hurried compliance exercise rather than strategic planning. We receive the Call Circular and are given just a couple of weeks to consolidate the needs of central hospitals, provincial health offices, and district clinics. There is simply no time to cost our requirements effectively."*

MDAs submitted bids of over ZiG828.5 billion for 2026 against an available envelope of ZiG253 billion, which was 3.3 times above the available capacity.

ii. Finding 2: The bidding process is ceremonial.

MDAs submitted bids of over ZiG828.5 billion for 2026 against an available envelope of ZiG253 billion, which was 3.3 times above the available capacity. Because Treasury systematically slashes these bids to align with their revenue projections, line ministries view the compilation of comprehensive budget requirements as an exercise in futility. A Government official stated: *"Every year we go through the rigorous exercise of calculating what it actually costs to run our schools and clinics, but we know it is a ceremonial ritual. We bid for what we need to survive, but Treasury slashes our bids by more than half to fit their ceiling."* This assessment was confirmed by a former senior Government employee, who stated that MDAs are forced to operate on a 'wish-list' because Treasury does not enforce realistic ceilings. He noted that the failure to publish audited financial statements in a timely manner is a critical bottleneck, *'If we open the website, we won't see audited financial statements... The best that we can do is to rely on unaudited outturns. That's another weakness of the PFM architecture.'*

iii. Finding 3: There is a predetermined budget from Treasury anchored on strict macro-fiscal stabilization rather than service delivery needs.

Compounding the inadequacy of consultations is the perception that Treasury approaches the budget cycle with a predetermined framework. Treasury's overriding objective is to maintain macroeconomic stabilization, anchoring fiscal policy on strict cash budgeting and keeping the fiscal deficit strictly below 3% (and frequently targeted at 1.5%) of GDP. Whenever stakeholders or line ministries demand increased allocations for social sectors, Treasury consistently defends its position by citing restricted fiscal space and the imperative to avoid unbudgeted expenditures that could fuel inflation. As a result, the formulation stage is dictated by Treasury's macro-fiscal stabilization targets rather than the operational realities of the health and education sectors.

iv. Finding 4: There is an inadequacy of budget consultations and limited Parliamentary influence over final budget allocations.

The budget formulation process incorporates multiple layers of consultation, including nationwide public hearings mandated by Section 141 of the Constitution and the annual Pre-Budget Seminar. Despite these robust formal structures, the uptake of public and parliamentary recommendations by the Executive remains constrained. For example, during the 2023 budget process, out of 73 recommendations made by Parliament, only 47 (64%) were taken on board by the Executive. Stakeholders noted that consultations often serve to legitimize the budget rather than fundamentally shape it, and debates are often rushed late into the night to ensure the budget is passed before the start of the fiscal year. A Member of Parliament (MP) said *"We travel across the country gathering citizens' views, and we hold extensive Pre-Budget Seminars. We know exactly what the hospitals and schools need. But when the Finance Bill comes to the House, we are basically rubber-stamping it. The power of the purse technically lies with Parliament, but our ability to alter the allocations to reflect ground realities is severely restricted."* As testimony of this MP's assertion, an assessment by TI Z has also shown that presently, the oversight of Parliament in the budget is limited to monitoring expenditure, to ensure revenue is accounted for, to ensure that it is properly incurred, and falls within set limits and appropriations. There is however no additional oversight power available to ensure that the budget meets Parliament's objectives [impliedly, those including the advancement of equity in the delivery of services]. (Matanga, 2024).



The budget formulation process incorporates multiple layers of consultation, including nationwide public hearings mandated by Section 141 of the Constitution and the annual Pre-Budget Seminar.



STAGE 2: BUDGET APPROVAL STAGE

v. Finding 5: Parliament's "power of the purse" is severely restricted by the rushed budget approval process.

Budget debates are frequently reduced to rubber-stamping exercises and are often rushed late into the night to ensure the Appropriation and Finance Bills are passed before the start of the fiscal year. An MP stated: *"We have the constitutional mandate to approve the budget, but by the time the Finance Bill reaches the House, our hands are tied. If we demand more money for hospitals or schools, Treasury simply asks us to point out which other ministry we should take it from. We end up passing a budget we know is grossly inadequate for the social sectors simply because we cannot rewrite the fiscal framework on the floor of the House."*

Budget debates are frequently reduced to rubber-stamping exercises and are often rushed late into the night to ensure the Appropriation.

vi. Finding 6: The approval of rigid wage ceilings entrenches structural imbalances.

In the education sector, wages and salaries consistently absorb over 80% of the budget, reaching up to 95% of actual expenditure in 2023. This structural imbalance, approved by Parliament, severely constrains the fiscal space for non-wage expenditures such as teaching and learning materials, infrastructure development, and maintenance. A civil society representative noted: *"The budget that gets approved is essentially a wage bill budget. When over 80% of the education budget goes to paying teachers, there is nothing left to buy textbooks or procure medicines. T e approval process fails to correct this imbalance, leaving our social infrastructure to collapse."*

"When over 80% of the education budget goes to paying teachers, there is nothing left to buy textbooks or procure medicines."

vii. Finding 7: The partisan "whipping system" undermines independent parliamentary scrutiny and prevents objective budget approval.

While Parliament is constitutionally mandated to debate and approve the budget, this power is severely compromised by intense partisan politics aligning with the Political Prioritisation Hypothesis. Stakeholders noted that the political "whipping system," enforced through Section 129 (k) of the

Constitution (which allows political parties to recall Parliamentarians who do not follow the party line), strips MPs of their independence. Consequently, even when Parliamentarians from across the political divide recognize that the allocations for the MoHCC or the MoPSE are grossly inadequate, they are forced to vote along party lines and approve the budget to avoid losing their parliamentary seats. An MP noted that *"As a committee, we can unanimously agree during our post-budget analysis that the funding for maternal health and rural schools is a disaster. But the moment we step into the House for the final debate, the Chief Whip lays down the party position. If you vote against the Finance Bill to protest the underfunding of hospitals, you risk being recalled under Section 129(k). So, we pass budgets we know are flawed."*

"If you vote against the Finance Bill to protest the underfunding of hospitals, you risk being recalled under Section 129(k)."

viii. Finding 8: Portfolio Committees focus narrowly on fragmented sectoral allocations rather than challenging the overall macro-fiscal distribution during the post-budget analysis and approval debates.

Because Parliament fails to interrogate the overall macro-fiscal framework or challenge the disproportionate allocations given to other sectors (such as defence or capital infrastructure), they are unable to effectively force a fundamental realignment of national priorities toward the social sectors. A Government official noted: *"The major weakness during the approval stage is that our committees work in silos. Everyone is just looking at their small slice of the pie. The Health [and Child Care Portfolio] Committee will complain that they didn't get the 15% Abuja target, while education complain if the 20% Ethekwini declaration is not reached but they don't challenge why other non-social sectors are getting the lion's share of the total budget. Because they don't attack the macro-budget framework as a whole, Treasury easily dismisses their isolated demands."*

ix. Finding 9 : Political economy dynamics and clientelism drive the approval of visible, capital-intensive projects at the expense of critical social sector service delivery.

At the core of the approval stage is a political economy dynamic where the budget is shaped by clientelism and rent-seeking incentives rather than objective needs. Stakeholders highlighted that during the final budget negotiations, political actors prioritize visible, short-term, and capital-intensive infrastructure projects because they are politically expedient, electorally rewarding, and offer greater opportunities for procurement kickbacks. A KII with a responded from an independent oversight institution noted: *"When the budget is being finalized, there is a clear bias toward concrete and steel. Politicians and elites push for the approval of massive infrastructure projects because you can cut a ribbon in front of them, and more importantly, they are lucrative for 'tenderpreneurs.' It is much harder to extract rents from buying chalk for a rural school or paracetamol for a clinic. As a result, Parliament ends up approving a budget that starves primary social services to feed capital-intensive sectors."*

"It is much harder to extract rents from buying chalk for a rural school or paracetamol for a clinic."



STAGE 3: BUDGET IMPLEMENTATION AND EXECUTION STAGE

x. Finding 10: The bureaucratic fund release process creates severe liquidity bottlenecks.

The transition of money from the central Consolidated Revenue Fund (CRF) to a line ministry's account is not automatic upon the passing of the National Budget. It requires a cumbersome legal and technical process. Under Section 23 of the PFMA, the Minister of Finance must first issue a "General Warrant" to authorize the Accountant-General to release funds. Without this warrant, any transfer of funds, even if budgeted is illegal. A Government official stated: *"People celebrate when the budget is passed in December... but getting the actual cash released involves endless red tape. By the time funds hit the hospital's account, inflation has often already eroded the value."*

The transition of money from the central Consolidated Revenue Fund (CRF) to a line ministry's account is not automatic upon the passing of the National Budget.

xi. Finding 11: Human subjectivity and rent-seeking dominate the manual cash release process.

Because Treasury operates on a strict cash-rationing basis, the daily or weekly releases to Line Ministries are often influenced by the perceived political power of the respective Ministry and the personal relationships between Ministerial Directors of Finance and Treasury officials. This subjective, manual process leaves significant room for rent-seeking behaviour, where ministries must essentially "lobby" or leverage informal networks to secure their actual Treasury releases, severely disrupting objective operational planning for the health and education sectors. A Ministry official stated: *"Securing your release depends on who you know at Treasury and how much political weight your Minister carries. It is a highly subjective process."* This is direct evidence for the Cash-Rationing Hypothesis.

"Securing your release depends on who you know at Treasury and how much political weight your Minister carries."

xii. Finding 12: Compromised procurement and costly retendering are growing.

The procurement of essential goods, such as medicines or school equipment, is often delayed, and poor performance by contractors has

forced the Government to strictly enforce blacklisting and invoke penalty clauses without concrete punitive actions implemented. A governing agency respondent noted: *"We see a trend where some ministries still find excuses to transact manually outside the e-GP system... contracts are awarded to capacity-lacking suppliers. When they fail to deliver, the government is forced to blacklist them and restart the entire process."* This is direct evidence for the Procurement Capture Hypothesis.

"When they fail to deliver, the government is forced to blacklist them and restart the entire process."

xiii. Finding 13: The flawed and overbearing power of School Development Committees (SDCs) in the BEAM Community Selection Committee (CSC) in determining beneficiaries contributes to massive structural inefficiencies and an unsustainable debt bill.

Although the BEAM, (A government education social protection fund) Operational Manual vests the formal authority for beneficiary selection in CSC, which is composed of SDC members and community representatives, SDCs have overbearing influence over the vetting process. Research has documented that SDC members have abused this power to select their own children for BEAM benefits, swelling the register with politically connected or affluent families and straining the fiscally unsustainable programme (Makombe & Mangwiro, 2024; TI Z, 2016). This creates inclusion and exclusion errors. A government community worker said: *"SDCs wield enormous power at the grassroots, but when it comes to BEAM, this creates a major bottleneck. Because SDCs essentially influence the vetting of who gets onto the BEAM register, the lists submitted to the Ministry are enormous. The government simply cannot fund it, which is why we end up with a ballooning BEAM bill and schools left paralyzed by unpaid arrears."*

xiv. Finding 14: Ministry Budget Committees misprioritize funds towards employee welfare-enhancing activities, while manual payment processes encourage rent-seeking by accounts officials.

Although Budget Committees have been established at the Ministry level to determine how actual releases should be allocated based on priorities, two major implementation issues have emerged. First, due to the severely eroded value of public service salaries, there is an observed misprioritization of funds towards employee activities that benefit employees financially such as unnecessary workshops, travel allowances, and procurement of goods that directly benefit Ministry officials rather than frontline service delivery. Secondly, there is an observed practice among government officials of exploiting administrative bottlenecks at the payment stage to exercise personal discretion over cash disbursements, intentionally prioritising specific suppliers whom they know will offer lucrative financial kickbacks. This rent-seeking behaviour heavily incentivizes accounts and finance officials to bypass core welfare needs and statutory mandates, instead favouring private contractors who guarantee personal financial kickbacks. Consequently, crucial internal

There is an observed practice among government officials of exploiting administrative bottlenecks at the payment stage to exercise personal discretion over cash disbursements.

resources are systematically misdirected away from critical operational or capital areas, severely undermining institutional integrity and worsening the overarching welfare of citizens and lower-tier government personnel.

A former Government employee highlighted in a KII that "The problem isn't just how contracts are awarded; the real decay happens at the payment stage where human discretion overrides operational priorities. We had a clear instance where Treasury finally released resources explicitly earmarked to clear long-outstanding travel, subsistence, and field allowances due to our front-line officers, some of which had been pending for months and severely affected staff morale. However, a senior official in the finance department intentionally diverted those funds. They initiated an internal virement, moving the allocation away from personnel welfare to settle outstanding invoices for a specific private service provider instead. It's an open secret why it happened, officers' allowances don't yield kickbacks, but fast-tracking a supplier's invoice creates an immediate opportunity for a transactional payout. Because of this administrative discretion to prioritize certain suppliers over institutional commitments, the welfare of our officers was directly worsened, and core public sector operations were effectively paralyzed."

"The problem isn't just how contracts are awarded; the real decay happens at the payment stage where human discretion overrides operational priorities."

xv. Finding15: Limited automation in the actual payment process creates opportunities for corruption. Zimbabwe largely operates on a cash-based accounting model that recognizes expenses at the point of payment (unlike the accrual-based model).

Because the system lacks an automated "first-in, first-out" payment queue, officials in Ministries' accounts departments have the discretion to decide who gets paid first. Stakeholders alleged that accounts staff frequently pay recent procurements ahead of suppliers who have been owed for years, creating a fertile ground for corruption and kickbacks. Consequently, actual releases fail to cascade down to the sub-national levels to effect actual service delivery. A Ministry official based in a District Government office noted *"Because civil servants are poorly paid, Budget Committees misdirect the little cash that is released towards workshops just so directors can claim per diems. Worse still, the payment system is not automated. An accounts clerk can choose to pay a supplier who delivered goods yesterday while ignoring a contractor who has been waiting for three years. This cash-based discretion means funds get trapped at the head office, and the clinics and rural schools get nothing."*

Because the system lacks an automated "first-in, first-out" payment queue, officials in Ministries' accounts departments have the discretion to decide who gets paid first.



STAGE 4: AUDITING AND REPORTING STAGE

xvi. Finding 16: There is systemic non-compliance with statutory in-year reporting.

During the 9th Parliament, the overall compliance rate for the submission of quarterly budget implementation reports only increased from 39% in 2018 to 63% by 2022, still far below the 100% compliance requirement. An official from Parliament noted: *"We cannot effectively monitor the budget if we are flying blind. There are no punitive consequences for this non-compliance."*

During the 9th Parliament, the overall compliance rate for the submission of quarterly budget implementation reports only increased from 39% in 2018 to 63% by 2022.

xvii. Finding 17: The Executive systematically fails to implement Auditor-General recommendations.

This failure to penalize financial misconduct, despite the existence of disciplinary provisions in Part IX of the PFMA means that issues like unacquitted travel advances, unregistered assets, and unauthorized expenditures persist year after year without consequence. An MP stated: *"Nothing happens to the culprits. The Executive's failure to enforce sanctions makes our post-audit function feel like a toothless exercise."* This is direct evidence for the Systemic Impunity Hypothesis.

xviii. Finding 18: Chronic underfunding of internal audit functions (often less than 0.1% of budget for MoHCC prevents proactive risk management.

This severe under-resourcing prevents ministries from conducting adequate spot checks, tracking resources in real-time, and addressing inefficiencies before they escalate into major audit queries. A Government internal auditor stated: *"We are expected to ensure schools are properly utilising SDC funds, but we are given virtually zero operational budget for travel and spot checks. We cannot prevent fraud if we don't have the resources to even visit the facilities we are supposed to audit."*

Under-resourcing prevents ministries from conducting adequate spot checks, tracking resources in real-time, and addressing inefficiencies before they escalate into major audit queries.

xix. Finding 19: Fragmented reporting systems, unreconciled direct payments, and off-budget donor funds obscure the true state of sector finances and complicate comprehensive auditing.

The Treasury frequently executes "direct payments" and offsets to providers that are not immediately reconciled within the line ministry's PFMS ledgers or appropriation accounts, leading to massive, unexplained variances in audit reports. A Senior Government auditor noted *"Auditing the MDAs is a nightmare of fragmentation. We see Treasury making direct payments on behalf of ministries, but the ministries themselves have no supporting documents or reconciliation for these payments in their own ledgers. Add to that the off-budget donor funds and local authority spending that aren't on the PFMS, and it becomes incredibly difficult to give a true and fair view of what was actually spent on health and education."*

"We see Treasury making direct payments on behalf of ministries, but the ministries themselves have no supporting documents or reconciliation for these payments in their own ledgers."

The 2022-2026 Budget Execution Crisis: Empirical Evidence

Analysis of appropriation accounts over the four-year period (2022-2025) reveals a systematic breakdown in budget credibility:

2022 FISCAL YEAR	2023 FISCAL YEAR	2024 FISCAL YEAR
• ZWL 534 billion (US1.47 Billion) Net underspending across major ministries • Unallocated Reserve transfers exceeding approved budget by 593% • ZWL 580 million(US1.6 Million) unsupported expenditure lacking invoices/delivery notes • ZWL 1.2 trillion (US 3.3 Billion) unreconciled Sub-Paymaster General accounts variance *(OAG Report 2023)* *Contextualised using the implied exchange rate derived from the 2022 Supplementary Budget (approximately ZWL 363 = US$1)*	• Net underspending: ZWL 6.5 trillion (US 1.06 Billion) across 28 ministries • Unsupported expenditure of ZWL 966.8 billion (US 158 Million) (67% increase from 2022) • ZWL 4.2 trillion (US 688 Million) unauthorised expenditure through Financial Adjustments Bill • 58% of prior year audit findings remained unaddressed *(OAG Report 2024,)* *Contextualised using the year-end exchange rate of approximately ZWL 6,104 = US$1*	• ZWL 11.8 billion (US 4.84 Million) total net underspending: (Note: currency transition to ZiG in April 2024) • US$277 million Direct Treasury payments omitted from ministry PFMS records • ZWL 58.7 billion (US 2.4 Billion) Health sector payments without supporting documents • Only 34% of 131 audited entities received unqualified opinions *(OAG Report 2025,)* *Contextualised using conversion rate for budget execution analysis is ZiG 24.39 = US$1 (the post-September devaluation rate)*

2025 FISCAL YEAR (JAN-SEPT)	2026 APPROVED FRAMEWORK
• ZiG188.7 billion (Revenue shortfall target vs. ZiG156.3 billion actual (us 1.21 shortfall, 17% variance) • 56% of approved allocations Budget utilisation across MDAs • Health sector execution 37% of approved budget (12% capital) • Estimated 55-60% of wage bill, and less than 30% of capital Education sector budget execution *(MoFEDIP 2025 Fiscal Framework and 2026 Budget , used budget exchange rate of approximately ZiG 26.77 = US$1)*	• Health: ZiG30.4 billion (US 1.0 billion 1.8% of GDP, 36% of ministry requirements) • Education: ZiG47.4 billion (US 1.55 billion) (wage bill constitutes 72%) • Social protection: ZiG12.7 billion (BEAM arrears: US$63 million) • (2026 Estimates of Expenditure "Blue Book", Vote 14 & 15) Exchange rate used : approximately ZiG 26.2–26.77 = US$1

Health Financing Landscape: Donor Dependence and Allocative Inefficiency

Zimbabwe's health financing landscape is characterized by a complex and highly fragmented structure. The 2026 budget allocated only about 7% to public health and preventive services, compared to 80% for curative care. This misalignment with disease burden is stark: NCDs cause an estimated 39% of deaths but receive less than 1% of total funding (MoHCC Resource Mapping Report, 2023), with the NCD sub-programme receiving a mere ZiG78 million in 2025, just 0.3% of the entire health budget (MoFEDIP 2025) despite the observation that NCDs cause 39% of deaths (WHO, 2023). Meanwhile, employment costs consume over 60% of the health budget (ZiG17.2 billion in 2025), leaving scant resources for medicines, equipment, and preventative programmes. Family Health (including SRHR) budget declined 367% in real terms from 2025 to 2026 while Drugs and medicines were cut by 33% from ZiG162 million to ZiG108 million. Health Systems Strengthening (RBF) Increased 239% (favouring administrative mechanisms over frontline supplies).

The 2026 budget allocated only about 7% to public health and preventive services, compared to 80% for curative care.

The Donor Substitution Hypothesis finds strong support. The government routinely underfunds public health programmes (e.g., maternal and child health, NCD prevention) because it anticipates that Development Partners (DPs) will step in. The 2023 Resource Mapping Report reveals that external funding for health fell from US$ 504million in 2022 to US$ 398 million in 2023, with the transition from the Health Development Fund to the Health Resilience Fund (HRF) representing a US$270 million decrease. This created a "funding cliff", leaving a gap that domestic budgets are unable or unwilling to fill, often disrupting critical services such as health programmes

or school feeding schemes) for critical programmes like Results-Based Financing (RBF) and community health. External financing is fast drying up, with PEPFAR funding suspended and major bilateral donors signalling significant aid cuts.

This is a deliberate political economy strategy, by underfunding these areas, the government forces donors to fill the gap, freeing up domestic resources for politically expedient expenditures (e.g., wage bill, security). However, this creates a vicious cycle of fragmentation, as donor funds operate off budget through parallel systems, reducing Treasury's visibility and control and weakening national PFM systems in the long run (D'Aquino et al., 2019).

This prioritization has a direct, regressive impact on vulnerable populations. In Matabeleland North Province, the failure to complete the Lupane Provincial Hospital (a project stalled for 21 years), has left the province relying on St. Luke's Mission Hospital, a major Roman Catholic referral centre located in the same district. This is despite the government's policy mandating free maternal care and treatment for under-fives. St. Luke's does not receive enough central budget support to cover its costs and is forced to charge user fees on a cost-recovery basis. This creates a massive barrier for women, who travel long distances expecting free delivery services only to find they must pay out-of-pocket. In effect, the government's political failure to invest in its own infrastructure is converting a pro-poor health policy into a regressive tax on rural women." (Source: KII, with a Health Authority).

The priority for visible, ribbon-cutting infrastructure over the essentials is also evident in the Presidential Hospital Renovation Programme. Large-scale capital injection is directed to prestigious central hospitals like Parirenyatwa for new buildings and cancer equipment, while the recurrent budget for day-to-day operations, including critical medicines, consumables, and staff welfare remains critically under-resourced. Health workers have raised concerns about severe shortages of medication, injections, syringes, and functional equipment, with the oncology department specifically citing inconsistent supply of essential cancer drugs. (New Ziana, 1 December 2025; Pindula, 1 August 2024) This creates a scenario where a new cancer wing may be opened without the drugs to treat patients, a classic case of prioritizing the 'bricks and mortar' over the 'breath and life' of a functional hospital.

Health workers have raised concerns about severe shortages of medication, injections, syringes, and functional equipment, with the oncology department specifically citing inconsistent supply of essential cancer drugs.

The parallel dynamics in education mirror those in health. As obtained from a KII with a development partner representative, who asserted that teachers draw public salaries while exerting minimal effort during regular class hours, reserving their energy for extra lessons where they can earn additional income. This practice is directly linked to the systemic underfunding of education sector.

Suspected procurement capture is also endemic in health. The OAG's reports consistently flag the bypassing of the e-GP system. KIIs with government officials revealed that *"some ministries still find excuses to transact manually outside the system... contracts are awarded to suppliers who lack capacity. When these suppliers inevitably fail to deliver... the government is forced to blacklist them and restart the entire tendering process."* This is the classic "tenderpreneur" model, where politically connected firms win inflated contracts for medicines or equipment, deliver substandard or no goods, and face no legal consequences, despite provisions for blacklisting, perpetuating stockouts in clinics. The 2026 Budget, compared to the 2025 budget further exposes this dysfunction, funding for drugs and medicines was cut by 33% in 2026 (from ZiG162 million to ZiG108 million), while the Health Systems Strengthening (RBF) budget was increased by 239%, a reallocation that favours administrative mechanisms over frontline medical supplies.

The pharmaceutical supply chain example discussed earlier (see page 29) illustrates this pattern: a $70 million tender awarded to a politically connected entity delivered less value than the previous $25 million donor-procured system, leaving patients without medicines while benefiting a select few. Political Prioritisation is also evident. The 2026 budget ring-fenced ZiG 50 million for Presidential Guard Barrack construction while the Lupane Provincial Hospital whose groundbreaking was in 2004, serving a marginalised region, stalls for lack of funds. The security sector received ZiG46.88 billion, surpassing the allocation to health (ZiG30.4 billion) (MoFEDIP 2026 Estimates of Expenditure).

The security sector received ZiG46.88 billion, surpassing the allocation to health (ZiG30.4 billion) (MoFEDIP 2026 Estimates of Expenditure).

Analysis of the OAG's 2024 report suggests that the health sector's inability to procure and deliver essential goods is not a logistical failure but a symptom of 'Procurement Capture.' The MoHCC processed an astounding ZWL 58.7 billion in payments without adequate supporting documents such as invoices or delivery notes. This lack of an audit trail enables a system where inflated contracts can be awarded to these politically connected 'tenderpreneurs' who deliver substandard goods or nothing at all. This is further evidenced by the recurrence of undelivered assets across government, a pattern that the 2024 OAG report shows has not abated since 2022.



The fragility of this system is laid bare in the 2024 OAG's report, which issued an Adverse Opinion on the MoHCC's Appropriation Account. The OAG found that direct payments from Treasury to health suppliers (US$22.6 million) were not accounted for, resulting in a 'material understatement' of expenditure. This is not a technical oversight; it is a direct violation of the PFMA and constitutes a severe accountability breakdown.

Education Sector Mirror Analysis

Public resource allocation to the education sector reflects a paradox similar to that observed in health. The MoPSE consistently receives between 16–17% of the national budget, yet over 80% of this is absorbed by wages, reaching as high as 95% of actual expenditure in 2023 (MoFEDIP 2025). Capital expenditure accounted for only about 2.1% of the education budget in 2025 (ZiG 999.6 million), despite an estimated infrastructure gap of 3,000 schools (MoFEDIP 2025). This has resulted in a massive infrastructure backlog, including classroom shortages and inadequate WASH facilities, disproportionately affecting rural schools and learners with disabilities (Parliament of Zimbabwe, 2025).

The MoPSE consistently receives between 16–17% of the national budget, yet over 80% of this is absorbed by wages.

The BEAM, designed to support vulnerable learners, is a prime example of the Systemic Impunity Hypothesis. By 2024, BEAM had accumulated an estimated US98 million in arrears owed to schools, and by 2025 the figure had reached US63 million in verified arrears (MoFEDIP 2025). As one government official stated in a KII: *"When Parliament approves a budget that only covers a fraction of BEAM requirements, it is the schools that suffer. The government promises free education for the vulnerable, but because the approved funds are insufficient, we just accumulate debt. Schools are owed millions... they cannot buy chalk, pay utility bills, or maintain infrastructure."*

This is not a technical error but a systemic feature. The Executive knowingly incurs unauthorised expenditure (contravening the PFMA), accumulates arrears, and then periodically returns to Parliament with a Financial Adjustments Bill to condone the overspending. No official is ever held accountable. The 2025 and 2026 budget confirm that budget execution is weak across most social protection programmes, with BEAM utilising only 7% of its budget by September 2024 and the Home-Grown School Feeding Programme utilising just 1%. This is reinforced by clientelism at the local level, where Community Selection Committees (CSCs) influence the vetting of BEAM beneficiaries, swelling the register with politically connected families, further straining the fiscally unsustainable programme (Makombe & Mangwiro, 2024; TI Z, 2016).

The 2025 and 2026 budget confirm that BEAM utilised only 7% of its budget by September 2024 and the Home-Grown School Feeding Programme utilising just 1%.

As the 2026 Budget Strategy Paper concedes, total spending requests from ministries amounted to ZWG825 billion, of which only ZWG312 billion (38%) could be funded, a 62% shortfall that will inevitably cripple frontline service delivery. When the choice is between building a school in a political patronage neutral rural district and funding a project in a security sector general's home area, the latter wins.

The Infrastructure Scandal: Learning Under Trees

Out of 44 sites reserved for schools in Harare, Manicaland, and Bulawayo, 41 (93%) remain undeveloped.

The OAG's Value for Money Audit on the Facilitation, Provision and Construction of Schools by the MoPSE (2025) provides evidence of political patronage and procurement capture. Despite a government target to build 300 schools per year (1,800 over six years), only 242 were constructed. OAG physical inspections revealed that:

- Pupils at Tategulu Primary (Bulawayo) are learning under trees, with a teacher-pupil ratio of 1:50, resorting to 'hot seating' (A practice in overcrowded schools where a classroom is shared by multiple classes on a rotating schedule because there are not enough classrooms for all learners to have a permanent space) where students access a classroom only once a week (OAG VFM, 2025).

- At Hatcliffe 3 Primary (Harare), the OAG found condemned classrooms 'with no windows and finished floors,' yet the Ministry had paid the contractor. This is direct evidence of the Procurement Capture Hypothesis.

- Out of 44 sites reserved for schools in Harare, Manicaland, and Bulawayo, 41 (93%) remain undeveloped. Some sites are now occupied by churches and illegal settlers.

The 'Infrastructure Scandal' is not a recent revelation but a chronic failure.

The evidence suggests that the primary driver is not simple resource misappropriation, but a systemic failure where funds are released without ensuring contractor capacity, procurement is poorly coordinated, and oversight mechanisms are non-functional.

The 'Infrastructure Scandal' is not a recent revelation but a chronic failure. When a contractor can be paid in full for school furniture that is never delivered, as noted by the OAG in the Constituency Development Fund (CDF) audit, the connection between budget allocation and service delivery is completely severed by corruption.

This is the ultimate cost of corruption, where children are deprived of a basic right to a safe learning environment while politically connected contractors are paid for work not done.

Gender, Equity and Inclusion Focused Analysis

The impacts of these corruption risks are not gender neutral. The Health Financing Progress Matrix (HFPM) assessment noted that user charges are often *"highly detailed and/or defined in percentage terms... with no functioning protection mechanisms,"* which acts as a regressive tax on women seeking

maternal and reproductive health services. This is compounded by the fact that the 2025 budget showed that the Maternal and Child Health Care budget had a utilisation rate of only 11% by September 2025, meaning that funds allocated to save mothers and newborns were simply not released.

Furthermore, the PRM Process Map highlights how SRHR funding is a minute fraction of the budget. The 2026 Budget reveals that the Family Health Sub-programme (which includes reproductive health) declined by 367% in real terms, receiving a negligible allocation. Invisible power, the stigmatisation of SRHR issues as private or not worthy of public action allows male-dominated budget committees to deprioritise funding for sanitary wear, family planning, and adolescent youth-friendly services. The 2025 Education Budget shows that sanitary wear provision was allocated ZWG85 million (US$2.31 per learner for the entire year), a budget that is inadequate and has faced complaints around the quality. A KII with a health professional at subnational level revealed that: *"The budget for sanitary wear is often released late, if at all. Girls miss school. It is not seen as a priority by the men in Harare deciding the releases."* This demonstrates how corruption and inefficiency in budget execution intersect with patriarchal norms to directly harm girls' education and health.

The 2026 Budget reveals that the Family Health Sub-programme (which includes reproductive health) declined by 367% in real terms, receiving a negligible allocation.

The OAG's 2024 inspection of sanitation at Hatcliffe 3 Primary School found only 5 toilet seats serving 522 girls, a ratio of 1:104, five times worse than the government's own guideline of 1:20 (OAG VFM, 5). This is a direct health and dignity risk for girls. Combined with the 2026 budget's inadequate provision for sanitary wear (ZWG120 million for 1.5 million learners, or ZIG 80 (Approcimates USD3) per learner per year, per the 2026 MoFEDIP Budget), the state is systematically failing to meet the specific needs of female learners.

The failure to build state capacity is forcing non-state actors, like mission hospitals, to fill the gap. However, as noted in a KII, this substitution leads to the erosion of the 'Free User Fee' policy. Mission hospitals operating on cost-recovery are forced to charge for services that are supposed to be free, such as maternal and child healthcare. Women in remote parts of the province travel long distances with the expectation of free delivery services, only to be hit with an unexpected out-of-pocket bill. This financial barrier to accessing life-saving care is a direct and tangible consequence of the state's reliance on donor or mission facilities to substitute for its own underfunded public health infrastructure. It fails the GESI test completely, as *"women, the primary users of these services, are the ones most excluded by the lack of a provincial facility."* (Source: KIIs, with Health Authority).

The 2026 budget has inadequate provision for sanitary wear (ZWG120 million for 1.5 million learners, or ZIG 80 (Approcimates USD3) per learner per year.

Inefficiencies in public resource allocation within Zimbabwe's health and education sectors have profound and disproportionate effects on equity and inclusion, with women, rural populations, and marginalised groups

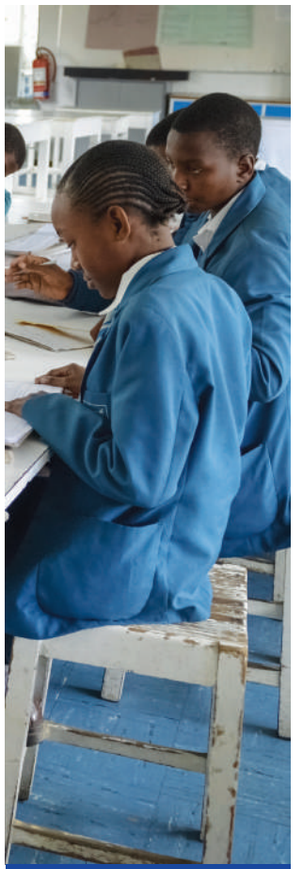
bearing the greatest burden. Although both sectors are formally positioned as central to human development and social protection, structural weaknesses in financing, allocation, and execution processes translate into unequal access to essential services. These inequities are not incidental but are reinforced by underlying political economy dynamics, including discretionary allocation practices, fragmented financing systems, and weak accountability mechanisms.

One of the most significant pathways through which inequities manifest is the persistent underfunding of preventive and social services, particularly SRHR. Preventive care, maternal health services, and community-based interventions, critical for improving outcomes for women and girls receive comparatively limited and inconsistent funding. This bias reflects broader allocative inefficiencies, where resources are not always aligned with population needs or disease burden, thereby exacerbating gender and geographic disparities. In rural areas, where access to health facilities and education infrastructure is already constrained, such underinvestment further widens service delivery gaps and entrenches structural inequalities.

The gendered cost of corruption is starkly illustrated by reports of pregnant women in Zimbabwe being forced to pay informal bribes before receiving maternity care. A 2020 Guardian article[4] documented women being asked, "What did you bring us?" before being attended to, with lawyers warning that delays and non-attendance had contributed to the loss of babies' lives. Such practices turn access to maternal care into a transactional process, directly endangering women and newborns and showing how corruption disproportionately harms those most dependent on public health services.

Regional disparities in resource allocation also contribute to unequal outcomes. Allocation patterns are often influenced by political considerations rather than objective needs-based criteria, resulting in uneven distribution of facilities, personnel, and operational funding across districts. This disproportionately disadvantages rural and peripheral communities, which typically have weaker political voice and limited capacity to supplement public provision through local resources. The result is a dual system in which better-resourced urban or politically connected areas experience relatively improved service access, while rural and marginalised communities face chronic shortages of essential services.

A critical consequence of these systemic shortcomings is the increasing reliance on out-of-pocket (OoP) expenditures by households. As public systems fail to deliver adequate and reliable services, citizens are



In rural areas, where access to health facilities and education infrastructure is already constrained, underinvestment further widens service delivery gaps and entrenches structural inequalities.

[4] https://www.theguardian.com/global-development/2020/nov/03/lives-have-been-lost-pregnant-women-in-zimbabwe-forced-to-pay-bribes-when-giving-birth

compelled to compensate through private spending on healthcare, education-related costs, and other essential services. High OoP payments act as a significant barrier to access, particularly for low-income households, and have a regressive effect that disproportionately impacts women and rural populations. For women, especially those requiring maternal and reproductive health services, financial barriers can delay or prevent access to care, with direct implications for health outcomes. Similarly, in education, household contributions often determine the extent to which children, particularly girls from disadvantaged backgrounds can remain in school.

These dynamics reflect broader patterns of exclusion, where marginalised groups face multiple and overlapping disadvantages in accessing public services. Women, girls and other groups at risk of discrimination are affected not only by underinvestment in gender-sensitive services but also by broader socio-economic constraints that limit their ability to absorb additional costs. Rural communities experience compounded challenges due to geographic isolation, limited infrastructure, and weaker institutional support. Other vulnerable populations, including persons with disabilities and low-income households, are similarly affected by the combined impact of underfunded services and reliance on private coping mechanisms.

Rural communities experience compounded challenges due to geographic isolation, limited infrastructure, and weaker institutional support.

In response to these systemic gaps, households increasingly adopt a range of coping strategies, including private expenditure, informal service provision, and reliance on social networks or community support systems. While these mechanisms may provide short-term relief, they do not address underlying inequities and can deepen disparities over time by reinforcing unequal capacities to access services. Furthermore, the reliance on informal arrangements can reduce accountability within public systems, as service delivery becomes less dependent on state provision.

Overall, the findings of this study highlight that equity gaps in Zimbabwe's health and education sectors are rooted in systemic challenges in financing, allocation, and governance. Health financing remains insufficient and fragmented, limiting the ability of the state to provide comprehensive and equitable services. Resource allocation is often inefficient and misaligned with actual needs, while weak budget execution further undermines service delivery. Governance and accountability constraints allow these inefficiencies to persist, with political economy dynamics playing a central role in shaping allocation decisions and reinforcing disparities. As a result, corruption risks are not only systemic but have tangible consequences for equity, contributing to persistent exclusion of vulnerable populations from essential services.

Health financing remains insufficient and fragmented, limiting the ability of the state to provide comprehensive and equitable services.

Addressing these inequities requires a dual focus on improving both the adequacy and distribution of resources. Strengthening the alignment between policy priorities and budget allocations, improving the predictability

and transparency of budget execution, and enhancing accountability mechanisms are critical steps toward ensuring that public resources reach those most in need. Without addressing these underlying structural and governance challenges, efforts to expand access to education and healthcare will remain constrained, and existing inequalities will continue to widen.

Provincial and Subnational Allocation Patterns

Zimbabwe operates a highly centralized PFM system. Under this model, the national Treasury in Harare controls the entire budget cycle from setting expenditure ceilings and approving allocations to authorizing the release of funds to line ministries on a cash-rationing basis. Subnational governments, including provincial and district authorities, have very limited discretion over how funds are spent in their regions. Section 301 of the Constitution mandates that at least 5% of national revenue be allocated to provincial and local authorities, yet this provision remains largely unimplemented as revenues allocated remain below this threshold and their release is erratic. Even where allocations were made, the funds were often not released in full, and no upward revision occurred when revenue collections exceeded projections meaning that even in years of strong revenue performance, subnational authorities received no corresponding increase in their share.

Funds are channelled through specific line ministries, such as Health or Education, which then disburse resources to provincial and district offices as directed by Treasury.

In practice, subnational governments do not receive block grants and have limited independent revenue-raising powers. Instead, funds are channelled through specific line ministries, such as Health or Education, which then disburse resources to provincial and district offices as directed by Treasury. Crucially, Treasury releases funds based on daily revenue collections rather than approved budgets, meaning that even when Parliament has allocated money for a particular programme or region, those funds may never reach the intended subnational level if Treasury prioritizes other expenditures. This has effectively rendered the constitutional principle of devolution a “paper promise,” as subnational authorities lack both the financial autonomy and the institutional mechanisms such as their own cost centres to plan, budget, or execute provincial priorities independently.

This pattern is a direct consequence of the Cash-Rationing Hypothesis, discussed on page 30 This centralized cash-rationing model creates geographic winners and losers, undermining equity and disproportionately harming rural populations, women, and marginalised groups. Health disparities are stark, using data from the MoHCC 2023 Resource Mapping Report and the OAG 2024 station visits, clear patterns emerge. The OAG only managed to visit 169 out of 4,715 district stations due to “financial constraints” (OAG 2024, p. ii). This lack of oversight perpetuates local capture, as central authorities have limited visibility into how resources are actually utilized at the subnational level. While central hospitals in Harare receive visible capital investment (e.g., Parirenyatwa), rural facilities are

The OAG only managed to visit 169 out of 4,715 district stations due to “financial constraints”.

starved of operational budgets, exacerbating inequalities between urban and rural populations.

The consequences of this centralized model are most starkly illustrated by the case of Matabeleland North Province. KIIs revealed that the province is effectively paralyzed by a lack of basic infrastructure. Its Provincial Hospital is a mission facility (St. Luke's) operating on a cost-recovery basis, which undermines the government's *"Free User Fee"* policy and results in out-of-pocket payments for services intended to be free, particularly for maternal care. The situation is exacerbated by the fact that the Lupane Provincial Hospital project has been under construction since 2003, with progress stalled at only 18% completion. This has created a health vacuum for the entire province. Crucially, because there is no functional provincial hospital, there is no primary cost centre to receive large-scale budget releases for provincial-level essential services. This structurally restricts the province from providing tertiary care and forces patients to be referred to central hospitals in Bulawayo a costly and often fatal journey for emergencies (KII, Matabeleland North).

KIIs revealed that the Matabeleland North Province is effectively paralyzed by a lack of basic infrastructure.

The education sector mirrors these disparities. The aforementioned OAG Value for Money (VFM) Audit Report reveals that of the 242 schools constructed between 2018 and 2023, distribution was highly uneven: Harare and Bulawayo provinces consistently underperformed against their construction targets, while other provinces received disproportionate attention, suggesting that political considerations rather than objective need guide infrastructure investment (OAG, 2024 VFM Audit, Table 6). The OAG also found that at reserved school sites in Bulawayo's Cowdray Park, illegal structures have been erected, and at a site in Westlea (Manicaland), the land has been taken over by a farmer. This is a classic case of elite capture of public land intended for social services, demonstrating how political connections, or lack thereof at the local level determine whether a community receives a school or a farm.

The OAG also found that at reserved school sites in Bulawayo's Cowdray Park, illegal structures have been erected, and at a site in Westlea (Manicaland), the land has been taken over by a farmer.

Beyond infrastructure, the absence of subnational financial autonomy means that even when schools exist, district education offices have little control over operational budgets for teaching materials, maintenance, or sanitation, further entrenching disparities between well-resourced urban schools and underfunded rural institutions. Rural schools, which serve predominantly poor and female learners, are left to rely on underfunded and often politicized School Development Committees (SDCs) to fill the gap, perpetuating a two-tiered education system where the quality of a child's education depends on their geographic location and the political connections of their community.

It is therefore clear that in the absence of subnational financial autonomy and functioning infrastructure, the centralized system does not simply fail

to deliver services equitably, it actively creates and perpetuates geographic and gender-based inequalities. Some rural provinces with weaker political connections or smaller constituencies are systematically underfunded, while politically strategic areas receive disproportionate resources, regardless of objective need. The failure to implement devolution in practice thus has tangible consequences for the most vulnerable populations, who depend most on public services and have the least capacity to compensate through private means.

Some rural provinces with weaker political connections or smaller constituencies are systematically underfunded.

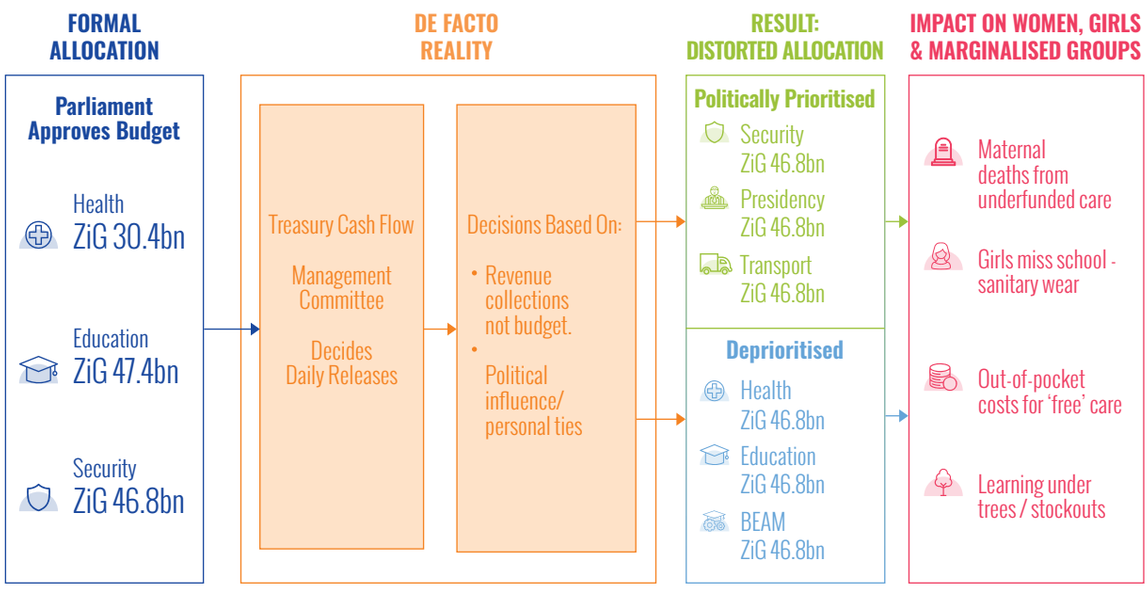


RECOMMENDATIONS

The study finds that corruption in Zimbabwe's public finance system is less about changing budget allocations through the formal legislative process than about influencing how, when and to whom resources are released during budget execution. As shown in Figure 1 below, Treasury's discretionary cash management practices can effectively reshape the approved budget, creating opportunities for political, institutional or personal interests to override principles of equity and need. Where this occurs, women, girls and other vulnerable groups bear a disproportionate share of the costs through delayed or diminished access to essential health and education services, including maternal and reproductive healthcare, primary healthcare, schools, learning materials and other services on which they depend most. Strengthening public financial management should therefore focus not only on improving technical controls but also on reducing discretionary power in budget execution, increasing transparency in cash releases, and ensuring that resource allocation decisions are guided by equity and protected from undue influence so that public resources consistently reach the services and programmes that address the needs and uphold the rights of women, girls and other historically disadvantaged populations.

Some rural provinces with weaker political connections or smaller constituencies are systematically underfunded.

FIGURE 1.



In view of the foregoing, Table x below summarises the recommendations.

INSTITUTION RESPONSIBLE FOR IMPLEMENTATION	RECOMMENDATION	TIMESCALE
Ministry of Finance, Economic Development and Investment Promotion	1. Institutionalise a transparent, rules-based budget timetable that preserves Zimbabwe's progress in publishing key budget documents, while ensuring Parliament is given adequate time to review, debate and scrutinise the proposed budget before approval, particularly to safeguard cash management that prioritises Parliament's approved budget and protects essential allocations for health, education and other equity-enhancing programmes. 2. Introduce quarterly cash release plans legally bound to the approved budget ceilings, not daily revenue collections. Move toward rules-based commitment controls using the PFMS. This directly addresses the Cash-Rationing Hypothesis. 3. Mandate the publication of monthly, disaggregated budget execution reports (by programme, province, and district) on a public portal to make cash-rationing visible and subject to public scrutiny. 4. Clear the backlog of audited financial statements and publish them on the Open Budget website within 90 days. Reliance on unaudited outturns perpetuates the information asymmetry that allows corruption to hide.	Short term (6-12 months)
PRAZ/ Ministry of Finance, Economic Development and Investment Promotion	5. Issue a directive that all procurement transactions must be processed through the e-GP system. Operationalise Section 99 of the PPDPA Act to publicly debar and blacklist non-performing "tenderpreneur" contractors. This directly addresses the Procurement Capture Hypothesis. 6. To strengthen the e-GP system, the Government should ensure that all procurement information from pre-tendering and tendering to post-tendering stages is published in compliance with open-data principles. This requires amending the PPDPA to legally anchor comprehensive e-GP use; enhancing the system with automated validation and analytics tools; investing in ICT infrastructure at district level; and enforcing mandatory, end-to-end usage without exemptions. 7. The Government should, within 6 months, maintain and regularly publish a public register of all suppliers debarred by PRAZ, specifically naming those identified in the OAG 2024 report for non-delivery of vehicles (e.g., suppliers to the Ministry of Local Government and the Ministry of Home Affairs).	Short term (6-12 months)
Parliament	8. Strengthen parliamentary oversight of budget execution by requiring regular reporting on cash releases, expenditure variances and deviations from approved appropriations, with particular scrutiny of programmes serving women, girls and other disadvantaged groups.	Short term (6-12 months)

INSTITUTION RESPONSIBLE FOR IMPLEMENTATION	RECOMMENDATION	TIMESCALE
	9. Review the whipping system and amend section 129 (k) of the constitution to ensure that MPs conduct oversight independently. 10. Parliament must launch a plan of action for deeper and applied understanding among MPs, of gender mainstreaming in the oversight process. This should include in allocation of resources. 11. Introduce and enforce a mechanism for sanctions against Accounting Officers who fail to implement PAC recommendations or submit statutory reports (e.g., withholding of bonuses, public censure). This directly addresses the Systemic Impunity Hypothesis. 12. Publish PAC budget reports and recommendations—including a public-facing tracker—as part of Parliament's annual expenditure report. The tracker should provide a clear follow-up mechanism for major variances between approved budgets and actual expenditures, detailing whether corrective actions have been taken and by whom. Any unresolved findings that recur for three consecutive years should trigger an automatic, mandatory investigation by a special joint committee of Parliament Institute a 'Three-Strikes' Rule for Recurring Audit Findings. The Public Accounts Committee (PAC) should formally classify audit findings. Any finding that recurs for three consecutive years triggers an automatic, mandatory investigation by a special joint committee of Parliament. The Accounting Officer of the relevant Ministry must be publicly summoned to explain the persistent failure and a binding, time-bound corrective action plan must be tabled and voted on by Parliament. Failure to implement this plan should result in formal sanctions as per Recommendation. This directly targets the 'Systemic Impunity Hypothesis' by creating a mechanism to break the cycle of recurring failure. Invoke Section 91 of the PFMA to impose financial penalties on the responsible Officers The current culture of condoning unauthorized expenditure via Financial Adjustments Bills without attaching personal liability must cease.	
MoPSE, MOHCC, MoFEDIP	13. Phase in a requirement for all donor funds to be managed through the PFMS (on-budget, off-treasury) with transparent reporting to improve visibility and reduce fragmentation. This addresses the Donor Substitution Hypothesis. 14. Regulate the dual practice system by establishing clear guidelines for public-private engagement in health and education. This includes mandatory disclosure of private practice income, explicit limits on patient referrals from public to private facilities, and independent oversight of private practice conducted in public facilities to prevent the exploitation of state infrastructure for private gain.	Medium term (1 to 3 years)

INSTITUTION RESPONSIBLE FOR IMPLEMENTATION	RECOMMENDATION	TIMESCALE
MoFEDIP/MOHCC	15. Mainstream anti-corruption safeguards and inclusive, equality-based policies into all key processes in the education and health sectors that impact women, girls and groups at risk of discrimination. 16. Mandate a shift in budget composition to reduce the wage bill (through efficiency, not layoffs) and increase non-wage operational and capital expenditure to at least 30% of sector budgets within 3 years.	Medium term (1 to 3 years)
Parliament	17. Fully resource the Parliamentary Budget Office with analysts and access to the PFMS to provide independent fiscal analysis and break the Executive's information monopoly.	
	18. Amend the PFMA to legally anchor Programme-Based Budgeting, requiring that performance against programme outcomes is audited by the OAG and reported to Parliament.	Long term (3-5 years)
	19. Expand and optimise health and education taxes and earmarked levies, ensuring revenues are ring-fenced, transparently managed and used for the intended purpose and not consolidated in the CRF.	Medium term (1 to 3 years)
	20. Parliament should consider allocating at least 1% of the national budget to the OAG, as recommended by the Public Accounts Committee, to enable comprehensive audit coverage, including of foreign missions and district-level stations This should be complemented by the amendment of the legal framework to strengthen the OAG's operational independence . including retention of a percentage of audit fees to establish a skills retention fund, addressing staff exodus due to poor remuneration	Medium term (1 to 3 years)
All MDAs	21. Gradually integrate donor funding into on-budget systems, with safeguards to ensure transparency and fiduciary assurance.	
	22. Regulate the dual practice system by establishing clear guidelines for public-private engagement in health and education, including mandatory disclosure of private practice income, limits on patient referrals from public to private facilities, and independent oversight of private practice conducted in public facilities."	

CONCLUSION

Drawing from the combined evidence, the central challenge is not the absence of frameworks, but the lack of integration, enforcement, and system-wide coherence in public finance and sector financing systems. The study has validated four core hypotheses. Cash-rationing turns the budget into a fiction. Donor substitution allows the government to externalise its responsibilities to fund essential services while retaining control over politically strategic spending. Political prioritisation ensures that visible, clientelist goods (wage appeasement, subsidies, security) crowd out the invisible, long-term investments in human capital that are the foundation of development. Underpinning all of this is systemic impunity, where a weak accountability ecosystem and active political protection ensure that those who divert public resources from clinics and classrooms face no consequences.

Political prioritisation ensures that visible, clientelist goods crowd out the invisible, long-term investments in human capital that are the foundation of development.

Addressing these challenges requires moving beyond technical PFM fixes to engage directly with the underlying political economy. It requires not just new software (e-GP) but a new political settlement where the incentives of elites are aligned with the delivery of public services. This is a long and difficult road, but as the case studies from the PSA project show, strengthening citizen demand for accountability (social accountability monitoring) and empowering oversight institutions can, over time, begin to shift the balance of power. The recommendations provided offer a sequenced, realistic pathway to restore budget credibility, curb procurement capture, and end the impunity that fuels the misallocation of resources away from Zimbabwean populations most in need, including women, girls and groups at risk of discrimination.

This report concludes that the primary obstacle to equitable healthcare and education in Zimbabwe is not a lack of policy ambition, but the systematic misuse and misallocation of public resources through a corrupt political economy. The ‘Cash-Rationing Hypothesis’ is proven by three years of OAG reports showing that the approved budget is routinely discarded by Treasury. The ‘Procurement Capture Hypothesis’ is validated by the multi-year failure to deliver paid-for assets and the $70m drug tender that delivered less value for more money. The ‘Systemic Impunity Hypothesis’ is irrefutably evidenced by the government’s worsening record of ignoring audit findings, with 71% of 2023’s findings unresolved by 2024. Zimbabwe does not have a resource problem; it has an accountability problem and a consequence problem. The solutions are political before they are technical.

The primary obstacle to equitable healthcare and education in Zimbabwe is not a lack of policy ambition, but the systematic misuse and misallocation of public resources through a corrupt political economy.

BIBLIOGRAPHY

1. Madenyika, M. (2024). 'Zimbabwe. The Rise of the Mbingas.' ZAM Magazine 09 October 2024 [https://www.zammagazine.com/investigations/1883-the-rise-of-the-mbingas
2. Bazie, P., Thiombiano, N., & Maiga, E. W. H. (2024). Allocating budget in developing countries, the need to fight corruption: evidence from Sub-Saharan African countries. Future Business Journal, 10(2).
3. Bergin, J. (2024). 'Left Behind. Corruptio in Education and Helath Services in Africa'. Berlin: Transparency International
4. Camacho, G. (2025). Clientelism across the public financial management cycle. Transparency International Anti-Corruption Helpdesk Answer.
5. D'Aquino, L., Pyone, T., Nigussie, A., et al. (2019). Introducing a sector-wide pooled fund in a fragile context: mixed-methods evaluation of the health transition fund in Zimbabwe. BMJ Open, 9(6), e024516.
6. Fox, A. M., & Reich, M. R. (2015). The politics of universal health coverage in low- and middle-income countries: a framework for evaluation and action. Journal of Health Politics, Policy and Law, 40(5), 1023-1060.
7. Franck, R., & Rainer, I. (2012). Does the leader's ethnicity matter? Ethnic favoritism, education and health in Sub-Saharan Africa. American Political Science Review, 106(2), 294-325.
8. Francois, P., Rainer, I., & Trebbi, F. (2015). How is power shared in Africa? Econometrica, 83(2), 465-503.
9. Government of Zimbabwe. (2009). Public Finance Management Act [Chapter 22:19].
10. Government of Zimbabwe. (2013). Constitution of Zimbabwe Amendment (No. 20) Act, 2013.
11. Government of Zimbabwe. (2019). Public Finance Management (General) Regulations, 2019 (S.I. 135 of 2019).
12. Government of Zimbabwe. (2024). Public Procurement and Disposal of Public Assets Act [Chapter 22:23] (and any subsequent amendments).
13. International Monetary Fund. (2019). Zimbabwe PFM workshop. IMF Country Report. Retrieved from https://www.imf.org/-/media/files/countries/resrep/zwe/pfm-workshop-january-2019.pdf
14. ZIMCODD. (2020). Alignment of legislation impacting public finance. Zimbabwe Coalition on Debt and Development. Retrieved from https://www.zimcodd.org/wp-content/uploads/2020/02/Alignment-of-Legislation-Impacting-Public-Finance.pdf
15. Kramon, E., & Posner, D. N. (2016). Ethnic Favoritism in Education in Kenya. Quarterly Journal of Political Science, 11(1), 1-58.
16. Makombe, P., & Mangwiro, T. (2024). Conflict management, heads and schools' development committees: Implications for educational management. International Journal of Social Sciences and Management Review, 7(6), 21–37. https://doi.org/10.37602/IJSSMR.2024.7603
17. Makombe, P., & Mangwiro, T. (2024). Conflict management, heads and schools' development committees: Implications for educational management. International Journal of Social Sciences and Management Review, 7(6), 21–37. https://doi.org/10.37602/IJSSMR.2024.7603

18. Matanga, D. (2024). 'Parliamentary Oversight Assessment for Zimbabwe. 2018-2022'. Harare" TI Z

19. Mauro, P. (1998). Corruption and the composition of government expenditure. Journal of Public Economics, 69(2), 263-279.

20. Mbofana, T., (2023). 'Zimbabwean 'mbingas' flashy lifestyle reflect a corrupt economy'. Harare: NewsDay [https://www.newsday.co.zw/opinion-analysis/article/200011387/zimbabwean-mbingas-flashy-lifestyles-reflect-a-corrupt-economy

21. Mhazo, A. T., & Maponga, C. C. (2022). The political economy of health financing reforms in Zimbabwe: a scoping review. International Journal for Equity in Health, 21(1), 78.

22. Ministry of Finance and Economic Development (MoFEDIP). (2021). Review of Programme-Based Budgeting Implementation in Zimbabwe.

23. Ministry of Finance and Economic Development (MoFEDIP). (2025). 2026 Estimates of Expenditure (Blue Book), Vote 14: Health and Child Care.

24. Ministry of Health and Child Care (MoHCC). (2023). 2023 Health Sector Resource Mapping and Expenditure Tracking (RMET) Report.

25. MoFEDIP. (2025). Treasury Circular No. 10 of 2025: Expenditure Control Measures. Harare: Government Printers.

26. New Ziana. "Parirenyatwa Hospital Oncology Department Grossly Under-Resourced." New Ziana, 1 Dec. 2025, newziana.co.zw/parirenyatwa-hospital-oncology-department-grossly-under-resourced.

27. Office of the Auditor-General (OAG) of Zimbabwe. (2022). Report of the Auditor-General on Appropriation Accounts, Finance and Revenue Statements and Fund Accounts for the Year Ended December 31, 2021.

28. Office of the Auditor-General (OAG) of Zimbabwe. (2023). Report of the Auditor-General on Appropriation Accounts, Finance and Revenue Statements and Fund Accounts for the Year Ended December 31, 2022.

29. Office of the Auditor-General (OAG) of Zimbabwe. (2024). Report of the Auditor-General on Appropriation Accounts, Finance and Revenue Statements and Fund Accounts for the Year Ended December 31, 2023.

30. Office of the Auditor-General (OAG) of Zimbabwe. (2025). Report of the Auditor-General on Appropriation Accounts, Finance and Revenue Statements and Fund Accounts for the Year Ended December 31, 2024.

31. Office of the Auditor-General (OAG) of Zimbabwe. (2025). Value for Money Audit Report on the Construction and Maintenance of Schools by the Ministry of Primary and Secondary Education.

32. Parliament of Zimbabwe. (2023). Review of Oversight and Legislative Performance of the 9th Parliament of Zimbabwe: Focus on Public Finance Management and Budget Oversight.

33. Parliament of Zimbabwe. (2025). Report of the Joint Portfolio Committee on Primary and Secondary Education and the Thematic Committee on Gender and Development on the state of universal access to basic primary and secondary education in Zimbabwe (S.C. 2, 2025). Parliament of Zimbabwe.

34. Partnership for Social Accountability (PSA) Alliance. (2022). Mid-Term Review: 'Strengthening Social Accountability and Oversight in Health and Agriculture in Southern Africa Project'.

35. Public Service Commission. (2022). Circular Minute on Fuel Allocations for Public Servants (Ref: D/165). Harare: PSC. [August 2022]

36. Southern African Parliamentary Support Trust (SAPST). (2021). Review of the oversight and legislative performance of the 9th Parliament of Zimbabwe.

37. Tanzi, V., & Davoodi, H. (1997). Corruption, Public Investment, and Growth (IMF Working Paper No. 97/139). International Monetary Fund.

38. Transparency International Zimbabwe. (2016). Frequently asked questions: What is the BEAM programme? TI Z. http://tizim.org/wp-content/uploads/2016/05/faq7.pdf

39. Transparency International Zimbabwe. (2016). Frequently asked questions: What is the BEAM programme? TI Z. http://tizim.org/wp-content/uploads/2016/05/faq7.pdf

40. Treasury. (2022). Circular Number 4 of 2022: Migration to IPSAS Financial Reporting Framework. Harare: Accountant-General's Department, MoFEDIP.

41. MoFEDIP (2025). Circular Number 1 of 2025: Submission of Appropriation Accounts and Annual Returns for the Year Ended December 31, 2024. Harare: Accountant-General's Department, MoFEDIP.

42. MoFEDIP (2025). Circular Number 2 of 2025: Clearance of 2024 Payment Arrears. Harare: Accountant-General's Department, MoFEDIP.

43. MoFEDIP. (2025). Circular Number 4 of 2026: Payment of Local Suppliers and Contractors in Zimbabwe Gold (ZiG). Harare: MoFEDIP. [March 2026]

44. WHO Zimbabwe. (2025). Zimbabwe Health Financing Landscape Assessment. Available at: https://www.afro.who.int/countries/zimbabwe/publications

45. World Bank. (2016). Toward Next-Generation Performance Budgeting: Lessons from the experiences of seven reforming countries.

46. World Bank. (2025). Zimbabwe Public Expenditure Review: Social Sectors. Available at: https://documents.worldbank.org/en/zimbabwe

47. World Health Organization (WHO). (2020). The Health Financing Progress Matrix: Country Assessment Guide.

ZIMCODD. (2025). 2026 National Budget Analysis: Social Sector Allocations. Available at: https://www.zimcodd.org/budget-analysis-2026

APPENDIX A
METHODOLOGY (INCLUDING RESEARCH DESIGN AND STRATEGY)

A.1 Research Design

This study adopted a mixed-methods research design that integrates both qualitative and quantitative approaches to provide a comprehensive analysis of corruption and public resource allocation in Zimbabwe's education and healthcare sectors. The mixed-methods approach was selected for three primary reasons:

1. **Triangulation:** Combining secondary data analysis with primary data collection enables cross-validation of findings, strengthening the robustness and credibility of the analysis.

2. **Complementarity:** Quantitative budget data provides the "what" (patterns, magnitudes, trends), while qualitative interviews provide the "why" (mechanisms, incentives, political dynamics).

3. **Contextual Depth:** The qualitative component allows for exploration of informal practices, institutional constraints, and political dynamics that are seldom captured in official data sources.

A.2 Secondary Data Analysis

Secondary data analysis forms the analytical backbone of the study and is structured around three complementary approaches:

A.2.1 PFM System Mapping

PFM system mapping was used to trace formal budget processes, including policy formulation, allocation, and reported expenditure flows. This analysis drew on:

- The Public Finance Management Act (PFMA) [Chapter 22:19] and its associated regulations
- The Constitution of Zimbabwe Amendment (No. 20) Act (2013) , particularly Chapter 16 on public finance
- The Review of Programme-Based Budgeting Implementation in Zimbabwe (2021)
- The Public Procurement and Disposal of Public Assets Act (PPDPA) [Chapter 22:23]

The mapping traced the complete budget cycle across four stages: (1) Strategic Planning and Budget Formulation, (2) Approval, (3) Implementation and Execution, and (4) Auditing and Reporting. This allowed the study to identify points of vulnerability and divergence between formal rules and actual practice.

A.2.2 Budget Execution Analysis

Budget execution analysis was employed to assess the credibility of allocations by comparing approved budgets with actual disbursements and expenditures. Data sources included:

- Estimates of Expenditure ("Blue Books") for fiscal years 2022–2026 (Votes 14: Health and Child Care; Vote 15: Primary and Secondary Education)
- MoFEDIP Budget Strategy Papers and Mid-Term Fiscal Policy Review Statements
- MoHCC Health Sector Resource Mapping and Expenditure Tracking (RMET) Reports (2022, 2023)
- MoFEDIP Fiscal Framework Reports and monthly budget execution updates

The analysis focused on:

- Budget credibility- Variance between approved budgets and actual expenditures
- Composition of spending- Wage vs. non-wage, recurrent vs. capital, curative vs. preventative
- Execution rates- Percentage of budget utilised by programme and sub-programme
- Arrears accumulation- Growth in payment arrears over time

A.2.3 Auditor-General's Reports

The study systematically reviewed four years of Auditor-General's reports (2021, 2022, 2023, and 2024 fiscal years) for the health and education sectors. The review protocol involved:

1. Extracting specific case studies of procurement failure (e.g., undelivered vehicles, uncompleted projects)
2. Documenting asset mismanagement (e.g., unregistered assets, missing inventory)
3. Identifying expenditure control breaches (e.g., unsupported payments, unauthorised expenditure, direct payments)
4. Tracking recurrence of findings across multiple years to identify systemic (rather than isolated) failures
5. Analysing compliance rates with audit recommendations and Treasury Minutes

This longitudinal approach was central to validating the Systemic Impunity Hypothesis, as it allowed the study to demonstrate that specific financial irregularities recur year after year without consequence.

A.2.4 Education Budget Analysis

A dedicated analysis of the education budget was conducted using the 2026 National budget on Education document, which provided detailed breakdowns of:

- Allocations by programme (Junior Education, Secondary Education, Infant Education, Learner Support Services, etc.)
- Composition by economic classification (employment costs, goods and services, capital expenditure, social benefits)
- Budget execution rates by programme (January–September 2025)
- Specific allocations for inclusive education (BEAM, sanitary wear, school feeding, special needs education)

A.3 Primary Data Collection

A.3.1 Key Informant Interviews (KIIs)

Primary data was collected through nineteen Key Informant Interviews (KIIs) with strategically selected stakeholders across the PFM and social sectors. Stakeholders were purposively selected based on their institutional roles in budget formulation, allocation, execution, and oversight.

KII PARTICIPANTS INCLUDED:	
CATEGORY	**INSTITUTIONS REPRESENTED**
Government (Central)	MoFEDIP, MoHCC, MoPSE
Government (Subnational)	Matabeleland North Provincial Health Authority
Parliament	Parliamentary Budget Office (PBO), Public Accounts Committee (PAC)
Oversight	Office of the Auditor-General (OAG), Procurement Regulatory Authority of Zimbabwe (PRAZ)
Development Partners	UNICEF, FCDO
Civil Society	Zimbabwe Coalition on Debt and Development (ZIMCODD), Transparency International Zimbabwe
Independent Institutions	Governance and anti-corruption experts

PARTICIPANT BREAKDOWN	
STAKEHOLDER CATEGORY	**NUMBER OF KIIS**
Government Officials (Central)	5
Government Officials (Subnational)	2
Parliamentarians	3
Oversight Institutions	3
Development Partners	2
Civil Society	4
Total	**9**

A.3.2 Semi-Structured Interview Protocol

KIIs were conducted using a semi-structured questionnaire designed to explore:

1. Budget Formulation: How are priorities identified and costed? How are ceilings set? What is the nature of consultations?
2. Budget Approval: How does Parliament exercise its "power of the purse"? What constraints exist?
3. Budget Execution: How does the cash-rationing system work in practice? How are funds released? What role do informal networks play?
4. Procurement: How are contracts awarded? What is the implementation of e-GP? What are the barriers to compliance?
5. Auditing and Reporting: Why are audit findings not implemented? What are the consequences for non-compliance?
6. Equity and Inclusion: How do PFM bottlenecks affect women, girls, rural populations, and persons with disabilities?

The semi-structured approach allowed for deep exploration of informal practices, institutional constraints, and political dynamics while maintaining consistency across interviews.

Sample Interview Questions:

- *"Can you describe the process by which your ministry develops its budget proposal? How are priorities identified and costed?"*
- *"In practice, how does the fund release process work? What determines which ministries receive their allocations on time?"*
- *"What happens when a contractor fails to deliver? Are there consequences?"*
- *"Why do you think audit recommendations are not implemented? What barriers exist?"*
- *"How do these PFM challenges affect access to services for women, girls, and rural populations?"*

A.3.3 Data Saturation

Interviews continued until data saturation was reached, meaning that new interviews ceased to yield novel information or perspectives. This was achieved after nineteen interviews, reflecting the relatively small number of institutions with direct insight into the PFM system.

A.4 Data Analysis

A.4.1 Qualitative Data Analysis

KII transcripts were analysed using thematic analysis, following Braun and Clarke's (2006) six-phase framework:

1. Familiarisation: Reading and re-reading transcripts to gain an overall understanding
2. Generating initial codes: Identifying key concepts, practices, and dynamics
3. Searching for themes: Grouping codes into broader analytical categories
4. Reviewing themes: Ensuring themes are coherent and distinct
5. Defining themes: Developing clear definitions and boundaries for each theme
6. Writing up: Producing the narrative findings presented in the report

Themes were organised around the four budget cycle stages and the four analytical hypotheses (Cash-Rationing, Donor Substitution, Political Prioritisation, Systemic Impunity).

A.4.2 Quantitative Data Analysis

Budget data was analysed using **descriptive statistics** to assess:

- Trends in allocations and expenditures over time
- Budget execution rates (actual/approved)
- Composition of spending (economic classification, programme)
- Arrears accumulation

Currency Challenges: Given Zimbabwe's macroeconomic instability and multiple currency transitions (including the introduction of ZiG in April 2024), the analysis prioritised:

- Relative shares (percentage of total budget, composition by economic classification)
- Execution rates (%)
- Qualitative assessments of trends
- Structural patterns rather than nominal or converted values

A.5 Data Triangulation

To enhance the validity and reliability of findings, the study employed multiple forms of triangulation:

1. Data Triangulation: Combining budget data, Auditor-General reports, and KII testimonies
2. Methodological Triangulation: Integrating quantitative budget analysis with qualitative interviews
3. Source Triangulation: Cross-referencing perspectives from government, Parliament, oversight institutions, development partners, and civil society
4. Time Triangulation: Analysing data across multiple fiscal years (2022–2024) to identify persistent patterns

A.6 Analytical Framework

The study adopted a combined analytical framework integrating:

1. Tracing formal rules and institutional arrangements (PFM System Mapping)
2. Assessing credibility and composition of allocations (Budget and Expenditure Analysis)
3. Uncovering informal drivers of decision-making, including political incentives, patronage networks, and institutional norms (Political Economy Analysis (PEA))

The PFM Power Matrix framework (Camacho, 2025) was operationalised to distinguish between:

- Visible Power: Formal rules, institutions, and legal frameworks
- Hidden Power: Behind-the-scenes influence of elites, party networks, and "tenderpreneurs"
- Invisible Power: Normalised norms of impunity, deprivation, and what is considered "acceptable"

APPENDIX B

STAKEHOLDER MAPPING AND ANALYSIS

B.1 Introduction

This appendix provides a systematic mapping of key institutions involved in Zimbabwe's PFM system for the health and education sectors. The mapping distinguishes between formal mandates (what institutions are legally required to do) and observed influence (how they actually operate in practice), based on the PFM Power Matrix framework which distinguishes visible, hidden, and invisible power.

B.2 Key Institutions and Their Roles

INSTITUTION	FORMAL MANDATE	OBSERVED INFLUENCE / POWER DYNAMICS
Ministry of Finance, Economic Development and Investment Promotion (MoFEDIP)	• Control the entire budget cycle • Issue Budget Call Circulars and expenditure ceilings • Authorise fund releases via General Warrants • Manage the Consolidated Revenue Fund (CRF) • Prepare the National Budget • Issue Treasury Minutes in response to audit findings	• **Visible Power:** Formal gatekeeper of the budget • **Hidden Power:** Cash Flow Management Committee operates opaquely, deciding daily releases based on political priorities • **Invisible Power:** Cash-rationing has become normalised; ministries accept they must "beg" for funds subject to political pressure from powerful ministries (security, agriculture)
Ministry of Health and Child Care (MoHCC)	• Formulate health policy and programmes • Prepare and submit budget proposals • Implement approved health budget • Manage public health facilities	• **Visible Power:** Formally responsible for health service delivery • **Hidden Power:** Limited influence over fund releases; must negotiate monthly with Treasury for cash • **Invisible Power:** Dual practice system normalised; doctors use public infrastructure for private gain due to low salaries
Ministry of Primary and Secondary Education (MoPSE)	• Formulate education policy and programmes • Prepare and submit budget proposals • Implement approved education budget • Manage public schools	• **Visible Power:** Formally responsible for education service delivery • **Hidden Power:** Limited influence over fund releases; 72% of budget consumed by wages with little discretion over reallocation • **Invisible Power:** SDCs have captured BEAM selection process; normalised practice of teachers prioritising private tutoring

INSTITUTION	FORMAL MANDATE	OBSERVED INFLUENCE / POWER DYNAMICS
Parliament (Budget Committee, Portfolio Committees, PAC)	• Approve the National Budget (Appropriation Act and Finance Act) • Exercise oversight over budget execution • Review Auditor-General reports • Issue recommendations to the Executive	• **Visible Power:** Constitutional "power of the purse" • **Hidden Power:** Severely constrained by whipping system (Section 129(k)); MPs cannot vote against party line or risk recall • **Invisible Power:** Budget debates are rubber-stamping exercises; Parliamentary recommendations have limited impact
Parliamentary Budget Office (PBO)	• Provide independent fiscal analysis to Parliament • Support committees with budget expertise	• **Visible Power:** Technical advisory function • **Hidden Power:** Under-resourced; limited analytical capacity • **Invisible Power:** Marginalised in the budget process; Executive holds information monopoly
Office of the Auditor-General (OAG)	• Audit all government accounts • Report findings to Parliament • Identify financial irregularities and asset losses	• **Visible Power:** Constitutional mandate to audit and report • **Hidden Power:** Limited operational budget; only visited 169 of 4,715 district stations due to financial constraints (2024) • **Invisible Power:** Reports are produced but recommendations are routinely ignored by the Executive; findings recur annually without consequence
Procurement Regulatory Authority of Zimbabwe (PRAZ)	• Regulate public procurement • Oversee implementation of PPDPA Act • Operationalise the e-GP system • Blacklist non-performing contractors	• **Visible Power:** Regulatory authority over all public procurement • **Hidden Power:** Limited enforcement capacity; ministries bypass e-GP with impunity • **Invisible Power:** Tenderpreneurship normalised; politically connected firms win inflated contracts without consequence
Public Accounts Committee (PAC)	• Scrutinise Auditor-General reports • Summon Accounting Officers to explain irregularities • Issue recommendations to Treasury and Executive	• **Visible Power:** Parliamentary oversight function • **Hidden Power:** Limited enforcement; recommendations are ignored without consequence • **Invisible Power:** Accountability is a toothless exercise; no sanctions for non-compliance
School Development Committees (SDCs)	• Bridge between state and community at school level • Mobilise resources for schools • Participate in BEAM beneficiary selection via Community Selection Committees	• **Visible Power:** Legal body corporate under the Education Act • **Hidden Power:** Overbearing influence over BEAM selection; documented cases of selecting own children and politically connected families • **Invisible Power:** Nepotism and clientelism normalised at local level

INSTITUTION	FORMAL MANDATE	OBSERVED INFLUENCE / POWER DYNAMICS
Community Selection Committees (CSCs)	• Formally select BEAM beneficiaries • Conduct community-based vetting of eligible learners	• **Visible Power:** Formal authority under BEAM Operational Manual • **Hidden Power:** Composed of SDC members and school heads, effectively giving SDCs control • **Invisible Power:** Inclusion errors (non-poor selected) and exclusion errors (vulnerable left out) normalised
Development Partners (DPs)	• Provide technical and financial support • Fill funding gaps in health and education • Operate off-budget and on-budget programmes	• **Visible Power:** Significant funding influence • **Hidden Power:** Government deliberately underfunds areas where DPs are expected to step in (Donor Substitution Hypothesis) • **Invisible Power:** Fragmentation of funding normalised; parallel systems weaken national PFM
Civil Society Organisations (CSOs)	• Advocate for accountability and transparency • Monitor budget execution • Amplify citizen voices	• **Visible Power:** Advocacy and monitoring functions • **Hidden Power:** Limited access to decision-making; often excluded from budget negotiations • **Invisible Power:** Social accountability monitoring is marginalised; citizen voices have limited influence
Provincial and District Authorities	• Implement national policies at subnational level • Manage health and education facilities • Provide local services	• **Visible Power:** Formal implementation responsibility • **Hidden Power:** Very limited financial autonomy; funds channelled through line ministries • **Invisible Power:** Devolution is a paper promise; subnational authorities lack cost centres to receive direct budget releases

B.3 Power Matrix Summary

POWER	DESCRIPTION	EVIDENCE
Visible Power	Formal rules, laws, and institutions	Constitution, PFMA, PPDPA Act; Parliamentary approval; OAG audits; PRAZ regulations
Hidden Power	Behind-the-scenes influence of elites, party networks, and “tenderpreneurs”	Treasury Cash Flow Management Committee; whipping system; politically connected contractors; selective fund releases
Invisible Power	Normalised norms that shape what is considered acceptable	Cash-rationing accepted as normal; audit findings ignored; dual practice normalised; SDCs selecting own children normalised; “begging” for funds accepted

TRANSPARENCY INTERNATIONAL ZIMBABWE
the coalition against corruption

CONTACT DETAILS

Head Office
96 Central Avenue P O Box CY 434,
Causeway Harare
Tel:+263 242 793 246/7,
+263 242 793 277, +263 242 797 288
VOIP Call: 08677004072

TIZim_info
Transparency International Zimbabwe
Transparency International Zimbabwe
transparencyzw
transparencyzw
www.tizim.org
tiz@tizim.org

PUBLISHED
October 2026

LEAD BY
Nqobani Tshabangu

EDITED AND REVIEWED BY
Jamie Bergin and
Daniela Patiño Piñeros

ABOUT TRANSPARENCY INTERNATIONAL ZIMBABWE (TI Z)

Transparency International Zimbabwe (TI Z) is a non- profit, non- partisan, systems orientated local chapter of the international movement against corruption. Its broad mandate is to fight corruption and related vices through networks of integrity. It was established in 1996 and became accredited as a national chapter in 2001, as one of six such chapters in Southern Africa. National TI chapters are independent non-governmental organisations, with their own governance structures and funding sources. They are supervised by an international board, which reviews each chapter every three years.

Since inception, TI Z has strategically partnered with the private and public sectors, with the aim of advancing good governance in Zimbabwe. The organization's work has consistently focused on preventing and combating corruption, within its non- partisan values and approaches.

TI Z holds that corruption can be effectively tackled where democratic values thrive. In this regard, TI Z's work is built on a belief that people-centred and accountable governance systems and processes are central to transparency. TI Zimbabwe's work is anchored on transparency, accountability, integrity, fairness, courage of conviction and learning.

VISION

A Zimbabwean society free from all forms and practices of corruption.

MISSION

To combat corruption, hold power to account and promote transparency, accountability, and integrity in all sectors of society.