



# Tracking Parliamentary Involvement, Approvals and Rejections of Loans in Selected SADC Member Countries

Malawi, Mozambique, Zambia, Zimbabwe  
2018 – 2022



AFRICAN FORUM AND NETWORK  
ON DEBT AND DEVELOPEMNT



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## EXECUTIVE SUMMARY

While Parliaments play a critical role in oversight on public debt management, their involvement and impact has been minimised in most cases by executive decisions on debt without consulting the legislature. However, as the representative body of the people, parliamentarians and their oversight roles are vital to national fiscal accountability to ensure government spending decisions align with citizen priorities. Since 2018, the African Forum and Network on Debt and Development (AFRODAD) and its national partners have been training parliamentarians at the Southern African Development Community (SADC) regional and national levels. These trainings have been conducted through various platforms including the SADC Parliamentary Forum (SADC PF), AFRODAD Annual Summer Schools and also at national and regional debt advocacy meetings.

The regional policy brief focuses on tracking parliamentary involvement, approvals and rejections of loans in selected SADC, Member Countries (Malawi, Mozambique, Zambia and Zimbabwe) for the period covering 2018 to 2022. The specific objectives were threefold. First, to evaluate and document how parliamentarians have been using the skills and tools they obtained from trainings conducted by AFRODAD (between 2018 and 2022) in loan approvals, rejections, responsible borrowing, and prudent debt management. Second, to document, strengthen the evidence base and deepen parliamentarian's understanding and skills when reviewing loan approvals, national budgets, budget framework papers, and debt reports submitted to parliament. Last, to bring out the challenges members of parliament (MPs) face as they conduct oversight on debt management, and how they overcome them. To achieve the objectives, a multipronged and triangulation approach was employed and it included secondary document review, international best practices and benchmarking, and primary data collection using a standardized questionnaire.

The major findings with regards to the first objective, are that the key areas of training through which parliamentarians were able to gain meaningful skills for oversight following trainings by AFRODAD include: (i) value for money tracking; (ii) debt tracking; (iii) budget analysis; (iv) audit analysis; (v) illicit financial flows tracking and (v) gender and debt management oversight. In the case of the second objective, the major finding is that parliamentarians' understanding of budget and debt issues have been deepened following the trainings from AFRODAD and this is evidenced by increased and effective parliament debates on debt management, increased committee oversight actions and oversight by parliament on government borrowings associated with COVID-19.

The first part of the third objective requires an inventory of challenges MPs face as they conduct oversight on debt management. The major challenges that were articulated are:

- Weak legislation,
- Inadequate resources to conduct research and prepare debates,
- Unwillingness by the executive to fully disclose the debt status,
- Lack of skills by parliamentarians on debt issues,
- The whipping system that hinders thorough debates on debt issues,
- Non adherence to the value for money aspect, and (vii) lack of a gender lens in oversight on debt management.

The major findings with regards to proposed solutions to overcome the various indicated challenges includes the following:

- Strengthening legislation,
- Availing of adequate debt information,
- Resourcing parliament's with adequate finances,
- Continuous capacity building of parliamentarians,
- Capacity building to parliament staff,
- Promote intra-SADC parliamentarian learning exchange programs,
- Strengthen women MPs' understanding of public finance management issues,
- Establish SADC caucus on oversight on debt management and
- Ensure site visits of projects being done using loan funds



## INTRODUCTION

The COVID-19 pandemic has negatively affected Africa's sovereign debt situation and there has been an increase in countries in debt distress<sup>1</sup> or with high risk of debt distress<sup>2</sup>. Despite the high risk, African countries continue to borrow. In the past, official creditors of African countries were primarily the rich Western countries and multilateral institutions such as the World Bank (WB) and the International Monetary Fund (IMF). However, in the contemporary setting, countries now owe money to a broader range of creditors which now include China, India, Turkey and multilateral institutions like the African Export-Import Bank and the African Development Bank (AfDB). Between 2019 and 2021, in the Sub-Saharan African (SSA) region, public debt increased from a pre-pandemic level of 51% of the Gross Domestic Product (GDP) to a pandemic-era of 61% of GDP. In the Southern African Development Community (SADC) region, Mozambique and Zimbabwe are already in debt distress whilst Malawi and Zambia are at high risk. The debt situation in these countries is likely to be further exacerbated by the war between Russia and Ukraine. The triple effect of high rising interest rates, rising food and fuel prices and the COVID-19 aftermath, will further exacerbate the squeeze in government budgets, thus threatening Africa's post-pandemic recovery.

While Parliaments play a critical role in oversight on debt management, their involvement and impact has been minimised in most cases by executive decisions on debt without consulting the legislature. During the COVID-19 pandemic, parliaments in many African countries found themselves being further alienated during national spending decisions, including their oversight roles of loan approval processes and loan-financed projects. As the representative body of the people, parliamentarians and their oversight roles are vital to national fiscal accountability to ensure government spending decisions align with citizen priorities.

Since 2018, the African Forum and Network on Debt and Development (AFRODAD) and its national partners have been training parliamentarians at the SADC regional and national levels. These trainings have been conducted through various platforms including the SADC Parliamentary Forum (SADC PF), AFRODAD Annual Summer Schools and also at national and regional debt advocacy meetings.

This policy brief evaluates the extent to which members of Parliament in southern African countries, with a specific lens on Malawi, Mozambique, Zambia and Zimbabwe, have made use of the skills gained through the trainings to strengthen their oversight role on debt management. The evaluation considers parliamentarian's involvement in loan approvals, rejections, responsible borrowing, and prudent debt management. The evaluation is important in strengthening the evidence base and deepen parliamentarians' understanding and skills when reviewing loans and approving national budgets, and budget frameworks papers submitted to parliaments.

<sup>1</sup> Debt distress is defined as a situation where a country's government is struggling to pay the debts it had incurred on behalf of their states.

<sup>2</sup> Currently, 23 low income African countries are either in debt distress or at high risk of debt distress.

## Objectives of the policy brief

Given the above brief background and in line with the terms of references (ToRs), the objectives of the research assignment are to:

- Evaluate and document how parliamentarians have been using the skills and tools they obtained from Trainings Conducted by AFRODAD (between 2018 and 2022) in loan approvals, rejections, responsible borrowing, and prudent debt management.
- Document, strengthen the evidence base and deepen parliamentarian's understanding and skills when reviewing loan approvals, National Budgets, Budget Framework Papers, and Debt Reports submitted to parliament.
- Bring out the challenges MPs face as they conduct oversight on debt management, and how they overcome them.

## Methodology

To achieve the above stated objectives, a multipronged and triangulation approach was employed. The analysis underpinning this brief is drawn from a review of several documents including National Public Debt Reports and Ministerial Statements on National Debt. In addition Parliament Committee reports, debates captured in the Hansard, and other Parliamentary reports on public finance management oversight in general and debt oversight in particular. The evaluation also benefitted from reports from the World Bank, the International Monetary Fund (IMF), the IMF Country Reports, and the World Bank-IMF Debt Sustainability Analysis (DSA). Further, the evaluation conducted primary data collection and collected information and feedback from members of parliament (MPs) (or parliamentarians) from Malawi, Mozambique, Zambia and Zimbabwe who were beneficiaries of the training conducted by AFRODAD. To ensure collection of comparative data and information, a standardized question was employed as the main tool for gathering the information from the trained MPs. The respondents to the questionnaire were randomly selected (five from each country) MPs from a list of participants to the training sessions conducted by AFRODAD between 2018 and 2022, and the response rate was 75%. To uphold confidentiality and anonymity, names of names of MPs who participated in this noble survey through the questionnaire are not presented in this report.



## The SADC Debt Context

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The COVID-19 pandemic exacerbated the debt situation in SADC countries. Six of the 16 SADC member states, including Zimbabwe and Angola, had exceeded the SADC public debt threshold of 60% in 2019 with some of the countries declared to be in danger of debt distress by the International Monetary Fund (IMF) and the World Bank (Muriungi, 2021). The section presents debt profiles for:



Malawi



Mozambique



Zambia



Zimbabwe





## Malawi debt issues in summary



According to the IMF, Malawi is at high risk of debt distress. Malawi's total debt as at December 2020 amounted to US\$4.64 billion or 54% of the country's GDP. The debt comprised of external debt at US\$2.64 billion which is about 23% of GDP and US\$2.72 billion domestic debt, a share of about 31% of GDP. As at end-June 2021, total public debt stock was equivalent to 59% of the GDP for Fiscal Year 2020/21. Of the total public debt stock, USD3.6 billion were external debt or 31% of GDP.

The External debt stock consisted of 73% central government debt and 27% central bank debt in June 2021 as compared to 87% and 13% in June 2020, respectively. The domestic debt stock, comprised 82%, treasury notes, 13% treasury bills and 5% promissory notes. High budget deficits and high real interest rate on domestic debt are the key drivers of debt dynamics in Malawi.

In its presentation of the 2022/2023 national budget speech, the Ministry of Finance assured Parliament and the nation that public debt management is a priority in budget implementation and that the Ministry of Finance is reviewing domestic debt profiles with a view of restructuring debt towards longer maturity period, which will address the current debt sustainability concerns.

The prioritisation of debt issues has played out in the form of review and adoption of improved Public Finance Management legislation which was recently passed by the Malawi parliament in March 2022.

Government also pledged in the national budget speech to maintain a policy of concessional borrowing; preferring grants and only under very exceptional circumstances contract non-concessional loans for high value investments. According to the budget speech Government will engage its external creditors to restructure some of the loans. The Ministry of Finance will intensify efforts to refinance all expensive and near-maturing debt using cheaper debt to create fiscal space. In line with the G20 and the Paris Club Debt Service Suspension Initiative (DSSI), Government engaged all its creditors to suspend debt service payments for the period January to December 2021. The initiative was aimed at supporting poor countries to overcome the intertwined health and economic effects of covid-19 pandemic. The commitments made by government in the 2022/23 budget speech and the existence of a new piece of legislation on public finance management have provided impetus for parliament over sight actions on debt management in Malawi.



## Mozambique debt issues in summary



According to the IMF, Mozambique's debt remains in distress. Before the COVID-19 pandemic, the Mozambican economy was recovering from Tropical Cyclones (TCs) Idai and Kenneth which struck in 2019. Mozambique continues to accumulate external debt service arrears on the defaulted loans. The total public debt as at December 2020 according the World Bank<sup>3</sup> was US\$20.93 billion, representing 101.4% of the country's GDP. Domestic public debt has continued to rise as the authorities resorted to the domestic market to fulfil financing needs, given Mozambique's limited access to external financing. The domestic debt stock reached 22 % of GDP in 2021, up from 16 % in 2019. The growth in the cost of public debt takes place in a context in which Mozambique has postponed the payment of instalments equivalent to US\$175.6 million on loans from some of the country's largest creditors, such as China, Japan and Portugal, as well as from Belgium, France, South Korea South and Spain. This is in light of Mozambique's accession to the Debt Service Suspension Initiative of the Paris Club and G20 countries.

In May 2022 the IMF approved a new economic program for Mozambique that includes a \$456 million loan. This new loan comes six years after the IMF froze a previous arrangement with Mozambique due to the government's concealment of more than \$1 billion of hidden debt.

According to the IMF, the new loan is part of a three-year arrangement and constitutes about 150% of the natural-gas rich nation's quota with the fund and will potentially catalyse additional financing by development partners. The parliament of Mozambique will need to play a key role in monitoring the management of this loan as well as playing oversight on the implementation of reforms which include further governance reforms, strengthening the anti-money laundering framework, and creating a sovereign wealth fund.



<sup>3</sup> <https://datatopics.worldbank.org/debt/ids/countryanalytical/mwi/counerpartarea/wld>



## Zambia debt issues in summary



Zambia's debt soared in the past decades to the extent that in the late 1990s, it became almost impossible for Zambia to meet its debt obligations and this led to its classification as a Highly Indebted Poor Country (HIPC). Despite having benefited from the HIPC debt relief in the early 2000s, Zambia has borrowed heavily since 2012 and is now burdened with debt. One reason cited has been the shift in the international financial systems that created more space for developing countries such as Zambia to borrow from commercial markets and private financial sources rather than the conventional bilateral and multilateral lending institutions.

In 2017, Zambia was assessed as one of the countries that were at the verge of debt distress by the IMF/ World Debt Sustainability Assessment (DSA). Between 2011 and 2021, Zambia's debt has been on the rise putting a huge burden on the treasury in terms of debt servicing. The increase in debt has seen Zambia, Africa's second largest copper producer become the first COVID 19 era default nation, in November 2020, when it defaulted on its US\$ 42.5 million repayment. According to the World Bank<sup>4</sup> Zambia's external debt stock including publicly guaranteed and non-publicly guaranteed loans amounted to US\$30.05 billion as of December 2020 and this represents 115% of the country's GDP. The debt service burden is evidently crowding out the productive sectors or economic affairs in the national budget.

Since the new Zambian government assumed office, a priority has been to tackle the huge foreign public debt inherited from the previous government. The debt is officially calculated at US\$14.1 billion but it could be higher.

The efforts by the new government include a campaign been to cancel public projects costing more than US\$2 billion<sup>5</sup>. The government has also tabled the Public Debt Management Bill to strengthen Parliament's oversight of borrowing and limit it to 65% of GDP. In addition a debt management office has also been set up to ensure future debt was sustainable and launched an audit to ensure services purchased by the state were value for money. The strengthening of legislation and the various efforts towards debt management by the new government requires parliament to closely track these proposals to ensure that the new debt management impetus by the new government remains progressive towards the lives of Zambians.

The government's debt management strategy also includes the provisional US\$1.4 billion loan it negotiated with the IMF in December 2021. This loan is conditional, and will depend on the government negotiating debt relief under the G20-Paris Club Common Framework for Debt Treatments. This was adopted in 2020 to help highly indebted countries like Zambia out of the COVID-19-induced financial crisis.

4 <https://openknowledge.worldbank.org/bitstream/handle/10986/36289/9781464818004.pdf>

5 <https://issafrica.org/iss-today/zambia-on-the-brink-of-historic-debt-relief-deal>



## Zimbabwe debt issues in summary



According to the Mid Term Budget Review presented by the Minister of Finance in July 2022, As at end of June 2022, public and publicly guaranteed debt was comprised of ZWL\$1.3 trillion<sup>6</sup> and US\$13.2 billion of domestic and external debt, respectively. Preliminary Public and Publicly Guaranteed (PPG) external debt stock as at end June 2022 amounted US\$13.2 billion, of which US\$5.5 billion is owed to bilateral creditors, US\$2.6 billion to multilateral creditors and US\$4.9 billion is RBZ external debt (including blocked funds). This debt is a 28 % growth from US\$10.7 billion debt as at end of December 2020 (72.1% of GDP) and a 32.1% growth from US\$8.1 billion (84% of GDP) as at end December 2019. The quantum of debt is against the Public Debt Management Act target of 70%.

The country's external debt continues to burden the economy by restricting access to low cost, long-term financing required to support the desired medium to long term growth trajectory. To address this challenge, Government has developed the Arrears Clearance, Debt Relief and Restructuring (ACDRR) Strategy aimed at restoring debt sustainability. The country is still yet to finalise the Public Finance Management amendment bill which is currently before Parliament.

The high rising public debt in the SADC region is a cause for concern. Thus, parliaments have a responsibility to ensure governments are executing spending decisions that deliver on the needs of citizens. It is therefore the duty of parliamentarians to exercise their oversight and accountability roles and also be engaged in discussion with of various stakeholders in debt discussions and decision-making.



<sup>6</sup> Approximately US\$2.8 billion at official rate as at 3rd August 2022

## The Role of Parliament in Debt Management Oversight



Given the importance of public debt to the overall economic health of a country, it is imperative that parliaments exercise their oversight roles over public debt and public debt management. According to the 2017 Global Parliamentary Report, parliamentary oversight is one of the three core functions of parliaments (with the other functions being law making and representation). The oversight role of parliament allows legislators to hold government to account on behalf of the citizens they represent.

The role of Parliament in oversight on public debt cannot be over emphasised. Adoption of democratic practices by SADC states (though evolving in various ways at the national level) remains the premise for an active and effective parliament in oversight on public resources among other things. The Universal Declaration on Democracy states that democracy is found on the right of everyone to take part in the management of public affairs; it therefore requires the existence of representative institutions at all levels and, in particular, a parliament in which all components of society are represented and which has the requisite powers and means to express the will of the people by legislating and overseeing government action<sup>7</sup>. Article 27 of the African Charter on Democracy, Elections and Governance emphasizes that in order to advance political, economic and social governance, State Parties shall commit themselves to strengthening the capacity of parliaments and legally recognized political parties to perform their core functions. Article 33 of the same charter further encourages State Parties to institutionalize good economic and corporate governance through, inter alia: effective and efficient public sector management and through the promotion of transparency in public finance management. A critical aspect of any government's financial stability and sustainable economy is the ability to effectively manage its public debt. Given the

importance of this administrative task it is imperative for countries to have capable oversight mechanisms (such as Parliament) in order to ensure transparency and accountability.

Parliaments in most countries in southern Africa are empowered by their Constitutions, Public Finance Management legislation and other pieces of law, to play oversight on debt management. Through their oversight function mainly conducted through Committees (in most cases the Budget Committees and Public Accounts Committees of Parliament) members of Parliament in Malawi, Mozambique, Zambia and Zimbabwe make efforts to bring the Executive to account on debt management.

The legislation in these countries obliges the Executive to consult Parliament before contracting debt. Parliament as the representatives of the citizens must scrutinize all proposals for acquisition of debt, particularly in as far as it relates to the impact on the lives of the people they represent. In Zimbabwe for example, the Constitution in section 119 is clear about the role of Parliament to “protect the constitution”. This entails that Parliamentarians must consider the impact any debt decisions have on the progressive realization of rights (including health, education, and other aspects of social development). Parliament's scrutiny of intended debt contraction must also be informed by several macroeconomic factors and the potential impact of the debt on the overall economy. In Malawi the newly passed Public Finance Management Act provides that “The Minister may borrow by way of term loan within Malawi or elsewhere, as the National Assembly shall determine by an authorizing Act, not more than such sums of money as that Act authorizes.”

7 <http://archive.ipu.org/cnl-e/161-dem.htm>



The involvement of parliament in debt management compels the ministries of finance to provide detailed information to parliament on the executive’s intention to contract debt. The information is more than often highly technical, presenting a challenge for parliamentarians to meaningfully scrutinize the intentions of the executive. Where Parliamentary Budget Offices exist (such as in Zambia and Zimbabwe), these have assisted the Budget Committees and the Public Accounts Committees to analyse the potential debt and come up with recommendations for the Executive. Table 1 is a summary of the legislation in Malawi, Mozambique, Zambia and Zimbabwe, that empowers Parliament to play oversight on debt management.

**Table 1: Legislation that empowers parliament to play oversight on debt management**

Country	Constitutional Provisions for Debt Management	Other legislation on Debt Management	Provisions empowering Parliament on debt management
Malawi	The Malawian constitution (section 176)	Public Financial Management Act 2022 (PFMA)  The Reserve Bank of Malawi Act (Cap 44:02)	CONSTITUTION -- requires an act of parliament to grant authority to the minister of finance to borrow and issue guarantees on behalf of the government  PFMA -- The minister of finance is recognised as the sole authority to contract borrowing on behalf of the government and issuing guarantees subject to the approval of Parliament.
Mozambique	Article 179 of the Mozambican Constitution requires that the legislature be consulted on sovereign debt guarantees.	Public Finance Management Act, 2002	General provisions exist in the PFMA on parliament’s role in the national budget approval of appropriations and oversight on implementation



Country	Constitutional Provisions for Debt Management	Other legislation on Debt Management	Provisions empowering Parliament on debt management
Zambia	The Constitution (Amendment) Act No. 2 of 2016	The Loans and Guarantee's (Authorisation) Act No. 13 of 1994  Public Finance Management Act No. 1 of 2018	PFMA – Parliament approves the appropriations for the national budget. The current legislation is not clear on mandatory consultation of parliament on debt contraction
Zimbabwe	The Constitution of Zimbabwe in Section 300 provides for Debt Management	Public Debt Management (PDM) Act  Public debt management bill – currently before parliament	Constitution mandates the Minister of Finance to report to Parliament at least twice a year on both the performance of loans raised by the state; and loans guaranteed by the state.  The Minister must also table in Parliament a comprehensive statement of the public debt during the budget speech to parliament  Section 300 of the Constitution empowers Parliament to make a final decision on government borrowing and state guarantees.  PFMA Section 36(3) – role of Parliament to ratify all external loans contracted under the Public Debt Management Act

Source: Constructed by author using various sources





## Parliament Oversight mechanisms

Parliamentarians have a number of mechanisms provided through parliamentary rules to demand accountability on debt management. The common mechanisms include committee system, questions sessions and debate time. The trainings conducted by AFRODAD took into account these critical mechanisms that parliamentarians have at their disposal, and by doing so provided critical skills that allow legislators to frame their demand for accountability appropriately for debate, question time and committee actions. To a large extent members of parliament who received training from AFRODAD noted their increased ability to formulate policy questions as well as in contributing to debate on public debt management particularly following presentation of debt management statements by Ministers responsible for Finance. Members of parliament belonging to Budget Committees also reported their increased contribution to steering the portfolio committees towards oversight actions to demand accountability from the executive.

### *Committee system*

The Committee system adopted by parliaments in the SADC region creates a platform for legislators to collectively, as members of Budget Committees or Public Accounts Committees, conduct oversight actions on debt management<sup>8</sup>. In order to play oversight committees often:

Include intended actions on debt management as part of their committee workplans for specific sessions of parliament sitting. The workplans allow the committee to chronologically plan their oversight actions. It also provides an indication to the administration of parliament on oversight actions that require specific financial resourcing (for example investigative visits to project sites where loans are being spent on infrastructural or other developments).

Summoning the Executive to appear before the Committees to answer questions on debt management. Ministers responsible for Finance, their Permanent Secretaries and officials from Debt management offices/ units (as well as other relevant persons) can be summoned through the powers of parliament. Most of the questions asked by parliament during these hearings focus on the actions being taken by government to address specific debt issues.

Parliament is also empowered to demand for information on the Executive's debt management actions. It is often that information presented through the budget speeches and ministerial statements on debt is often insufficient for parliament to adequately scrutinize debt management. Parliament can write to the Ministry responsible for Finance or relevant department to provide this information to parliament

Oversight actions on debt management are often reduced into a committee report that contains observations and recommendations by parliament to the executive. For example Public Accounts Committees (PACs) can analyse performance audits produced by the State Audit Institutions on matters related to public debt and prepare committee reports with their own substantial recommendations. PACs can also review the government's annual borrowing plan and debt figures included in the audited financial statements as well as request the executive to provide status updates on plans and timelines that are presented by the government on debt-related matters.

<sup>8</sup> National assembly hansard 3 march 2022 vol 48 no 28 (1)



### Question Time in Parliament

Individual members of parliament can raise questions to assess the state of debt transparency by the executive. This mechanism allows members of parliament to ask the executive to clarify on any issues arising during implementation of debt management decisions. Through the use of questions parliamentarians have an opportunity to ask immediate questions without having to wait for committee sessions. A Member of Parliament from Zimbabwe who has been involved in a number of various capacity building initiatives by AFRODAD for example the Summer School and AFCoDD has contributed immensely to parliament debates on issues related to illicit financial flows, public finance and debt. For example during a parliamentary session, he asked policy with regards to the implementation of the recommendations of the Auditor-General's report and digitalising government institutions for public finance management.<sup>9</sup>

### Parliamentary Debate

Debating public finance issues is in general limited by the fact that most parliamentarians have no technical background in this area. To ensure effective debate on public finance issues by MPs, parliamentary budget offices (PBOs) such as is found in Zambia and Zimbabwe have a role to play in providing support to parliamentarians in the form of analysis that allows them (parliamentarians) to ask the right questions and to debate meaningfully. Parliamentarians debates related to debt have been improving in most SADC countries as they now speak at an informed position due to workshops conducted by AFRODAD. Parliamentarians are able to ask key questions with regards to contents of national budgets and debt reports submitted. They are asking pertinent questions on loans purposes and sources, terms and conditions, debt limits breaches, and projects development impacts. Challenges have been observed in Zimbabwe, Zambia where finance ministers are not always around to answer some of the questions raised.

### Gender Mainstreaming in Debt management Oversight

Parliament as the oversight institution on public finance management and debt management has the potential to ensure that the issues affecting women and young girls are mainstreamed into considerations on debt issues. The impact of the debt burden is largely felt by women, who remain vulnerable in most SADC countries. It is critical that women parliamentarians in particular are able to articulate issues related to public finance management in general and debt management in particular so that they can ask critical questions around the impact of loan agreements on women in their society. The deliberate targeting of women parliamentarians for training on debt issues, as done by AFRODAD, is progressive in empowering women to be able to contribute to committee deliberations and debate on debt management from an informed perspective, while at the same time bringing in the gender lens to perspectives on the executive's decisions.

AFRODAD in partnership with CTPD, FEMINET and the SADC-PF held a Debt and Gender Seminar for women legislators. The aim was to capacitate women parliamentarians in the SADC region with regards to public debt and public finance management. The seminar was very much helpful in capacitating members of parliament, and below are some evaluation comments from two MPs who attended the seminar:

<sup>9</sup> national assembly hansard 17 august 2022 vol 48 no 68.pdf



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*“It was not just a seminar were female parliamentarians from SADC just came and debated on debt related issues, rather we came out of the seminar with a strategy, we constituted ourselves into a network were we have planned to continue sharing ideas as parliamentarians from SADC demanding for accountability and gender sensitive debt policies from our national governments”.....Member of Parliament, South Africa*

”

”

*“The oversight role can best be necessitated if parliamentarians are equipped with information with regards to debt and thus speak at an informed position. We are in a partrichiacial society which is mainly dominated by males. For a lot of issues for example when it comes to illicit financial flows and debt, women find it difficult to debate due to few numbers and also that sometimes they won't be able to articulate the issues due to lack of information.”.....Member of Parliament, Zimbabwe*

”

### Capacity building – an enabler to parliament’s oversight on debt management

With regards to capacity building, there are a number of areas related to budgeting; loan approvals ad rejections that parliamentarians need training on. First, most MPs in SADC region need to be trained, and have requisite skills and knowledge on how to track implementation of the national budget both at national level and at micro (or sector) level. Second, MPs need to understand the international context in terms of borrowing and the political economy affecting debt decisions. Last, MPs need to analyse the budget as representatives of the people as opposed to the political party position and this can be progressively achieved through empowering them to understand the technical issues around debt and the potential impact on the future of the national economy.

AFRODAD at the regional level has conducted a number of trainings on public debt with the SADC-PF for example: (i.) “Negative Effects of Sovereign Debt in Southern Africa” (May 2019) (ii.) International Public Finance and Budget credibility in the SADC region (2019). In these workshops, AFRODAD and partners at the regional level (SADC) did significant work in presenting and popularising the African Borrowing Charter which lay downs the principle of responsible borrowing and spending. Some progress in transparent parliamentary approvals of budgetary and loan processes were hence observed albeit weaknesses. This is as a result of greater civil society demands for transparent parliamentary engagement in budgetary approvals and accountability including interventions by AFRODAD.



## Covid-19 and Parliament's oversight role

The Covid-19 pandemic put pressure on fiscal spending and most governments including those in the SADC region found themselves having to increase spending despite already constrained resources. In order to assist poor countries to cope with the pandemic, the IMF lent close to a trillion American dollars to countries through an emergency financing facility. Similarly, the World Bank also extended loans to countries including those in the SADC region (DRC-US\$47m, Eswatini-US\$6m, Lesotho-US\$7.5m and Malawi-US\$37m). Expenditure of these resources was meant to be targeted on health and social sectors in order to cushion the fiscal strain during the pandemic. It is important to note however that in most cases parliament was not consulted in the contraction of the Covid-19 related debt with the emergency nature of the borrowing being the major explanation for the exclusion of parliament in this process. Parliaments however, can play oversight on the expenditure of these resources. Covid-19 funds Audit reports have been produced and presented to parliament in some countries such as Zambia and Zimbabwe where the PAC Committees had an opportunity to scrutinize the audit report and offer recommendations to the executive. In Mozambique, the Global Fund reports that the country had utilized less than 35% of its available COVID-19 2020 funding by the end of the grant in June 2021<sup>10</sup>. Low absorption and use of COVID-19 Response Mechanism funding could hamper future preparedness and program progress, according to the report. Parliament's role in monitoring debt contraction during emergencies as well as the need to track utilisation of these resources is critical.

The need for involvement of citizens in demanding accountability cannot be underestimated. Parliamentarians as representatives of the people have a role to play in ensuring that their constituency members are aware of the national issues around debt and that they can appreciate the impact of government decisions on their lives and the economy at large. Where citizens are informed about the national budget for example, they are able to demand accountability from the state but also demand accountability from their parliamentarians to represent their needs in the national assembly through debate and questions. Citizens can demand accountability from parliament to play its oversight role on debt through informed submissions during public hearings and other platforms where they can engage legislators. Where legislation provides for citizens to petition parliament (such as in the case of Zimbabwe) demand for accountability on debt issues can be channeled to parliament through petitions by citizens.<sup>11</sup> Parliament is obliged to attend to the issues raised in citizen petitions through the Committee system.

10 [https://www.theglobalfund.org/media/11838/oig\\_gf-oig-22-006\\_report\\_en.pdf](https://www.theglobalfund.org/media/11838/oig_gf-oig-22-006_report_en.pdf)

11 [High Court orders Ncube to disclose foreign debts -Newsday Zimbabwe](#)

## Key Findings

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AFRODAD has undertaken a number of capacity building workshops for the legislators over the years. This has helped them in understanding public finance and debt related issues at an informed position. For example, AFRODAD through AFCoDD established the Harare declaration on which it urged governments to work with their National Legislatures to strengthen national legal frameworks to ensure transparency and accountability for sovereign debts negotiations, borrowing and management as espoused in the African Borrowing Charter. Furthermore, through this framework, AFRODAD endorsed the clarion call for Africa to be a Rule Maker and not a Rule Taker



## Extent to which parliamentarians have been using the skills obtained from trainings

The experiences in oversight on debt management in Malawi, Mozambique, Zambia and Zimbabwe though varied, also reveal common issues that affect the execution of oversight actions by parliamentarians. In the countries under review, oversight actions on debt management are mostly conducted through the committee systems of parliament (particularly the Public accounts Committees and the Budget Committee), as well as through debates conducted in parliament. Other mechanisms such as motions and questions moved and raised to the executive on debt issues have also been used by parliamentarians to demand accountability on debt management. These actions by parliamentarians are guided mainly by provisions in the national constitutions, and in legislation related to public finance management which provide for parliament's involvement in the debt management process. The standing rules and orders of parliaments which establish the committee system and its functions as well as the rules relating to mechanisms such as motions and questions, play a key role in guiding the oversight actions.

The evaluation sought to observe the extent to which the skills learnt through trainings conducted by AFRODAD, are being used by

parliamentarians as they demand accountability from the executive on debt management. Parliamentarians from Malawi, Mozambique, Zambia and Zimbabwe acknowledge the fact that the content of the trainings conducted by AFRODAD was key in increasing their understanding of debt issues as well as their appreciation of their role in playing oversight. Key areas of training through which parliamentarians were able to gain meaningful skills for oversight include: (i) value for money tracking; (ii) debt tracking; (iii) budget analysis; (iv) audit analysis; and (v) illicit financial flows tracking. It is in these key areas that parliamentarians also demonstrated their improved knowledge through contribution to debate, raising questions and motions in parliament and through strengthening their committee oversight actions on debt.

A review of the oversight actions by parliamentarians reveals the use of skills in the following: (i) value for money tracking; (ii) debt tracking; (iii) budget analysis; (iv) audit analysis; (v) illicit financial flows tracking; and (v) gender and debt management oversight. Table 2 summarizes the key areas in which MPs were trained and the respective oversight actions.





## Training areas of parliamentarians and oversight actions

Area of Training	Oversight actions
Value for money tracking	Value for money tracking in government funded projects in ministries, parastatals and local authorities. These actions include questions raised to Ministers responsible for finance as well as physical visits to infrastructural projects funded through loans.
Debt tracking	Through increased articulation of public debt management, parliamentarians were able to comprehend and debate the update reports on debt presented by the Ministers responsible for finance and the implications of debt on development.
Budget analysis	<ul style="list-style-type: none"> <li>Members of parliament were able to strengthen their debate on the national budget (appropriation and finance bills)</li> <li>During the national budget formulation stage an improvement in the ability to debate issues on how debt affects development and also the need to have discipline and prevent unsustainable debt, is evident among the members of parliament that received training.</li> </ul>
Audit analysis	<ul style="list-style-type: none"> <li>Analysis of the Auditor General's report</li> <li>Tabling of motions related to transparency and accountability on the use of public resources.</li> </ul>
Illicit financial flows tracking	Meaningful debate on the need to reform legislation and address the impact of illicit financial flows on development
Gender and debt management oversight	Inclusion of the gender lens in debate on debt management particularly by women members of parliament who received training



## Parliamentarians' understanding of budget and debt issues

### *Parliamentary Debates on debt management*

Debate in parliament is one of the key tools used by parliamentarians to bring the executive to account on public debt management. Opportunities for members of parliament to debate on debt management were availed mainly through the presentation of National Budget Speeches and Ministerial Statements on National Debt by ministers responsible for finance. Budget Speeches and Ministerial statements on debt are expected to include detailed information on the following, but not limited to: (i) the amount of net new borrowing needed in the upcoming budget year; (ii) the central government's total debt burden at the end of the upcoming budget year; and (iii) the interest payments on the outstanding debt for the upcoming budget year. Most countries in the SADC region are yet to provide extensive detailed information on debt in order to enable parliament to scrutinise and debate the executives approach to debt management. In Zimbabwe for example whilst there has been significant improvement in the provision of debt information to parliament by the Ministry responsible for Finance, members of parliament have proposed a debt audit to be conducted with a view that it will reveal the realities which may be nuanced in reports produced so far.

The Budget Speeches presented in Malawi, Mozambique, Zambia and Zimbabwe for the period 2018 to 2022 reveal an effort by the ministers responsible for finance to address the issues of debt through giving an update on the debt situation as well as outlining the plans of the Ministry to address debt in the next financial year. When ministers responsible for finance present their budget speeches, parliamentarians have an opportunity to analyse the budget and then debate it before its approval. This evaluation observed that the debates on debt issues by parliamentarians has strengthened over the years. In the case of Malawi for example, while the debate on the 2019/2020 budget included members of parliament raising issues on debt, the parliamentarians also raised issues related to the inadequacy of the public finance management legislation in empowering parliament to strengthen its oversight role. In March 2022 Malawi adopted an improved public finance management act whose provisions on debt oversight empower parliament to have more scrutiny on debt management. Parliamentarians in Zimbabwe noted with concern the fact that the minister responsible for finance did not present the mid-term budget statement according to the timelines specified in public finance management legislation. During debate on the 2020 mid-term budget statement Zimbabwean parliamentarians questioned the minister responsible for finance on the need to present these statements to parliament on time to allow legislators to provide meaningful input not only on debt issues but on implementation of the national budget. As a result Parliament of Zimbabwe has seen the minister responsible for finance presenting the mid-term budget review in 2021 and 2022 timeously.



### *Committee oversight actions*

Often the government will prepare a separate annual debt reports or include a debt report in its annual financial report. According to the World Bank’s Debt Management Performance Assessment (DeMPA) methodology, the report should include an evaluation of the debt management operations including borrowing, liability management operations such as debt exchanges and loan guarantees extended. The report should include sufficient information to enable parliament to evaluate how successful the debt management operations have been, including new borrowings and how debt-related transactions have been in meeting the (debt management) objectives. There are multiple important entry points for the public accounts committee or budget committees to engage in issues related to public debt. Oversight actions by the Public Accounts Committees and the Budget Committees are visible in SADC countries. The targeted training by AFRODAD, which drew mainly members of parliament who sit in the two key committees dealing with debt management has contributed to strengthening of the oversight function through increased Committee resolutions on debt management oversight actions, tracking of projects funded by loans, follow up engagement of the ministries responsible for following presentation of updates on debt management.

The Budget and Finance Committee of Parliament in Malawi has conducted a survey to assess how debts are being used to transform the lives of the intended beneficiaries. The committee’s observations were that the people of Malawi were yet to benefit from the projects being implemented through borrowed funds.

These oversight actions are part of the value for money visits to some major national projects and the Committee recommendations include an explanation from the minister responsible for on the value for money and government’s plan on servicing the debts.

The experience of Mozambique where the Mozambique Constitutional Council<sup>12</sup>, held that loans made to companies by Credit Suisse and VBT were null and void because they were unconstitutional because among other issues, they had not been presented to and approved by Parliament as required by the applicable statutes, has seen efforts in Mozambique to review the approach to debt management and ensure that the role of parliament is acknowledged. Equipped with skills gained from capacity building on public debt management, parliament has scrutinised the COVID audit report through the public accounts committee (PAC) and has also considered, amendments to the Public Probity law and legislation on Anti-Money Laundering<sup>13</sup> and Combating the Financing of Terrorism.

In Zimbabwe, July 2019, The PAC produced a report on the Compliance Issues for the Ministry of Finance and Economic Development. The Committee report was based on the auditor general and testimony from key officials and highlighted key areas of non-compliance by the Ministry of Finance related to public debt<sup>14</sup>. Key in the report was the Committee’s observation of a culture of non-compliance by the Ministry of Finance and Economic Development officials and by other ministries in government.

12 <https://www.afronomicslaw.org/2020/08/05/prudent-debt-management-and-lessons-from-the-mozambique-constitutional-council>

13 <https://www.imf.org/en/News/Articles/2022/03/28/pr2295-mozambique-imf-staff-reaches-staff-level-agreement-on-an-ecf-arrangement>

14 [The role of parliaments in oversight of public debt management](#)



*Some of the key findings on non-compliance with the Public Debt Management Act, 2015 (PDMA) that were noted in the PACs report include:*



### **Reporting on public debt**

The report noted Non-compliance with the constitution because the Minister of Finance and Economic Development failed to present to parliament a report on loans raised and guarantees issued by the state and a comprehensive report on public debt.

### **Borrowing limits set by parliament**

In terms of borrowing limits set by parliament, the report find the Non-compliance with the PDMA because the limits for government's borrowing was not fixed by the national assembly by resolution nor by means of a provision in a finance bill.

### **Parliamentary approval of guarantees**

In terms of parliamentary approval of guarantees, there was non-compliance with the PDMA because the minister of finance and economic development failed to propose and seek approval from the national assembly on the aggregate of the amounts to be guaranteed.

### **Ratification of loans by parliament**

The report identified non-compliance with the constitution and the PDMA because the minister of finance and economic development failed to ensure that all relevant loans contracted were subjected to ratification by parliament.

The government has since made strides to address some of these issues. The timely production of the debt bulletin by the Ministry since 2019, the presentation of statements on debt management by the Minister of Finance to parliament has increased the information being shared on debt to not only legislators but also to citizens. In turn this has also paved way for increased interrogation of debt management by parliamentarians particularly through the skills gained from the AFRODAD trainings.

### **Reporting on guarantees**

Non-compliance with the PDMA because the minister of finance and economic development failed to lay before the national assembly statements relating to guarantees in the timeline established in the Act. The report further identified non-compliance on this matter because the minister of finance and economic development failed to list and present to the national assembly, monthly, quarterly and annual reports on loans and guarantees.

### *Involvement of Parliament in government borrowings associated with COVID-19*

The Covid-19 pandemic ushered in the need for expenditure of specific funds targeted at dealing with the pandemic. Due to the emergency nature of the pandemic a lot of countries in the SADC region saw the executive taking spending decisions without thorough consultation and approval from parliaments. Trainings conducted by AFRODAD prior to the pandemic equipped members of parliament with skills to interrogate expenditures by the executive and demand accountability on the same. The thorough consideration and analysis conducted by some parliaments (Zambia and Zimbabwe for example) reflected the use of skills gained from the AFRODAD trainings. In Zambia the PAC (in 2021) considered the Audit Report on Covid-19 Funds and observed that the audit revealed that the Ministry of Health awarded contracts to suppliers who engaged in cover bidding. In addition the Ministry of Health over-committed expenditure by entering into contracts that exceeded the total budgetary provision of K716 million by K63, 783,528 without authority. The PAC observed that the irregularities are in violation of the provisions of the Public Procurement Act No.12 of 2008 and the public procurement regulations. The committee proposed disciplinary action by the Ministry on officers who were involved in the irregularities; adherence by the Ministry to public procurement regulations; and the conducting of a forensic investigation into the use of Covid-19 funds.

In May 2022 the PAC Committee of parliament in Zimbabwe presented (to the national assembly) its findings on the Audit Report on Covid-19 funds. The report revealed a number of irregularities regarding procurement, distribution of the funds to intended beneficiaries, duplication of disbursements, breach of procurement regulations among others. Parliament's recommendations focused on the need for the adherence to public finance management legislation and regulations in handling of public resources. The PAC has since developed a tracking tool to monitor implementation of the detailed recommendations based on this report.



## Challenges Faced in Debt Management Oversight by MPs



This sub-section describes the challenges MPs face as they conduct oversight on debt management. Most of these weaknesses informed the design of the trainings conducted by AFRODAD for members of parliament. While the parliamentarians trained by AFRODAD have begun to take steps towards strengthened oversight on debt management some overarching challenges still remain which are likely to be dealt with over time as pressure on the executive mounts through increased oversight by parliamentarians. The majority of the respondents to the evaluation identified the following, as key challenges limiting effective oversight on public debt management:





## Weak legislation

Legislation on public finance management and debt management in most SADC countries remains relatively weak according to 70% of the respondents to the evaluation questionnaire. The legislators cited that specific sections particularly those that relate to the role of parliament pre loan agreement and post loan agreement, would need to be strengthened in order to strengthen oversight by the legislative body.

## Inadequate resources to conduct research and prepare debates

A deterrent to parliamentarians' oversight role on all financial bills that are approved by Parliament is inadequate resources to conduct research and prepare debates. Information on debt is often highly technical in nature and parliamentary committees that play oversight on debt management will require support to understand the technicalities of debt assumption in order to equip them to conduct effective oversight actions.

## Unwillingness by the executive to fully disclose the debt status

Most parliamentarians, who contributed to this evaluation, noted that in most cases information provided to parliament through the presentation of the national budget speeches and ministerial statements on debt, is insufficient to enable effective scrutiny of the impact of loans on the economy and on the lives of citizens.

## Lack of skills by parliamentarians on debt issues

Lack of skills by parliamentarians to scrutinise proposals for debt contraction, debt tracking, value for money analysis, illicit financial flows, budget analysis and gender and debt management is another major challenge to their oversight role. Parliaments in the region do not have the capacity to conduct in-depth training for parliamentarians on public finance management and debt management in particular. Given the technical nature of public finance management, without capacity building, parliamentarians remain limited in terms of conducting effective debt oversight.

## The whipping system

Respondents also highlighted the existence of a whipping system in political parties. The whipping system compels members of political parties to vote based on a party position. This compromises objectivity in decisions by Parliament

## Non adherence to the value for money aspect

Through the evaluation 75 % percent of the respondents were of the view that governments do not always use borrowed funds for the purposes outlined in loan agreements. The inability of parliament to monitor the implementation of projects through investigative visits also limits the appreciation of parliament on the reality of the government's progress in use of loans.

## Lack of a gender lens in oversight on debt management

The majority of respondents (70%) to the evaluation noted that debt management oversight still lacks the use of a gender lens particularly in assessing the impact of loans on citizens. Training on gender and debt management is yet to target more women members of parliament as well as other male legislators who are gender sensitive in their approach to parliamentary oversight.





## Recommendations

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This section presented various solutions and options that were suggested by interviewed stakeholders with regards to how the challenges described in section 5 can be overcome.



## Strengthening legislation



There is continuous need for the strengthening of public finance management and other legislation that relates to debt management in SADC countries. Whilst progress has been made in most countries to progressively strengthen legislation, the SADC PF model law on public finance management presents an opportunity for countries to reflect on the adequacy of existing legislation to improve transparency and accountability on debt management. Key in strengthening the legislation is the need to ensure that provisions for the oversight role of parliament on debt management are available to empower parliament to play effective oversight. Parliamentarians need to be equipped with an understanding of the gaps in their current national legislation as well as with the SADC model law. This will enable them to propose the need for amendments to strengthen public finance management legislation. Parliamentarians in Zimbabwe for example are considering a public finance amendment bill which can benefit from the SADC model law following its adoption by SADC heads of state.

## Availing of adequate debt information



Legislation in most countries already provides for parliament to demand debt information from the Ministry of Finance and other relevant debt units. Parliament should continuously demand detailed information from the executive both before and after contraction of debt. Debt approvals or rejections by parliaments should be informed by adequate information. AFRODAD and its partners continue to provide alternative sources of debt information through electronic versions of research debt reports, newsletters, debt profiles and social media platforms.

## Resourcing parliament's with adequate finances



Resourcing parliament's with adequate finances to enable research on debt issues is critical. Specific support to parliamentary budget offices (PBOs) to increase their capacity (both technical and financial) to conduct research and analysis on national debt issues will facilitate provision of meaningful support to members of parliament. This will result in improved articulation of debt issues by Committees of Parliament and contribute to effective demand for accountability on debt. Civil Society organisations can play a role in supporting parliaments through capacity building of legislators at the national level. Tanzania Coalition on Debt and Development (TCDD) in collaboration with AFRODAD conducted a Parliamentary training on Strengthening Parliamentary oversight in Public Debt Management in the Covid-19. The seminar highlighted the need for strong Parliaments that will ensure there is improved relationship and mutual benefits between the government and the private sector.



## Continuous capacity building of parliamentarians



Continuous capacity building of parliamentarians remains critical to building a mass of legislators who can question the executive on matters related to debt. When parliamentarians assume office after elections, they need capacity building on such critical issues as debt management, debt tracking, illicit financial flows, gender and debt management among others. A member of parliament from South Africa who was one of the attendees of the women and debt seminar conducted by AFRODAD emphasised on the important role and involvement of CSOs in public finance management. She highlighted that the civil society organisations (CSOs) need to continue to stand in the gap through providing continuous capacity building to parliamentarians.

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*We have resources but still poor, as African women we believe that we are less fortunate as compared to man. We need to continue having these discussions to capacitate ourselves be on the same playing ground as man. Will use the information discussed back home and capacitate other fellow women parliamentarians and work with CSOs.*

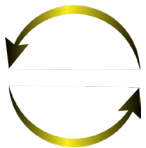
”

## Capacity building for parliament staff



The turnover rate of legislators in developing democracies is very high. In recent parliamentary elections in African countries, only a third of incumbents were re-elected on average.<sup>15</sup> The election cycle affects the use of skills gained by parliamentarians to play oversight on debt management. In order to build sustainability, capacity building on debt management should also target parliament staff including the parliament budget office. Parliament staff equipped with technical skills on understanding debt issues can provide immediate advice and support to new members of parliament, new chairpersons of critical committees such as the budget and PAC on effective oversight on debt management.

## Promote intra-SADC parliamentary learning exchange programs



Exchange learning among members of parliament from SADC countries. Countries in the SADC region are at different levels in terms of the impact of parliament on debt management oversight. Creation of learning platforms for members of parliament to appreciate best practices from jurisdictions that have made progress in bringing the executive to account on debt decisions continues to be key. The exchange learning bring about appreciation on strengthening of legislation that empowers parliament to play effective oversight, revisions of parliament standing rules and orders to allow for strengthened oversight mechanisms on the executive, inclusion of citizens in demanding accountability on debt management, among other issues.

15 <https://static1.squarespace.com/static/5d2610dac406240001ee7541/t/6214403582284236fa29fb5b/1645494325895/Paper+Website.pdf>

### Strengthen women MPs' understanding of public finance management issues



Strengthen women parliamentarian's understanding of critical issues related to public finance management and debt management in particular. The Debt and Gender Seminar for women legislators held by AFRODAD showed the need to capacitate women parliamentarians so that they debate debt related issues and public finance management from an informed position. Hon. Chrizoster Halwiindi Phiri from Zambia applauded AFRODAD for conducting a women seminar on debt and acknowledged the importance of capacitating women legislatures in public finance management. When women are capacitated at the political level to influence policy it will have a positive impact on gender sensitive development policy. While targeting women MPs who sit in the Budget Committee or PAC is strategic as a starting point, capacity building should progressively target even women legislators who do not sit on these committees. This will broaden the understanding of debt management issues by more women in parliament and allow them to contribute to budget debates and other oversight actions. The percentage of women in parliaments in the region is already low, and the trend shows that representation of women in the budget committee and the PAC remains low as well.

### Establish SADC caucus on oversight on debt management



Establishment of a regional caucus for members of parliament on oversight on debt management. A regional caucus on debt management oversight through a body such as the SADC PF can allow for more dialogue and debate on the region's approach to debt. In December 2020 during the 48th Plenary session of the SADC PF, parliamentarians from South Africa and Namibia jointly raised a motion urging SADC Member Parliaments to join and support the Conference of Speakers & Heads of African parliaments (CoSAP) and African Speakers Debt Cancellation Campaign Initiative (DCCI); and called on Member Parliaments to support this motion and pledge to advocate for debt cancellation as a remedy to the current dilemma the region and continent is facing. The existence of a caucus may present a meaningful platform for members of parliament to appreciate the technical issues relating to motions of this nature and by doing so debate the motion effectively and promote support for resolutions made regarding the motion.



### Ensure site visits of projects being implemented using loan funds

The use of loans by the executive is often meant to be seen through the development of infrastructure or other development projects. Physical observation, through investigative visits to project sites by parliamentarians, can provide further insight into the use of loans by government. Parliaments in the region should be resourced to allow budget committees and PAC to conduct physical visits to observe first hand and to feed into tracking of resource use by the executive.





## Conclusion

The regional policy brief focused on tracking parliamentary involvement, approvals and rejections of loans in selected SADC, Member Countries (Malawi, Mozambique, Zambia and Zimbabwe) for the period covering 2018 to 2022. The specific objectives were threefold. First, to evaluate and document how parliamentarians have been using the skills and tools they obtained from trainings conducted by AFRODAD (between 2018 and 2021) in loan approvals, rejections, responsible borrowing, and prudent debt management. Second, to document, strengthen the evidence base and deepen parliamentarian's understanding and skills when reviewing loan approvals, national budgets, budget framework papers, and debt reports submitted to parliament. Last, to bring out the challenges MPs face as they conduct oversight on debt management, and how they overcome them. To achieve the objectives, a multipronged and triangulation approach was employed and it included secondary document review, international best practices and benchmarking, and primary data collection using standardized questionnaire.

The major findings and with regards to the first objective is that the key areas of training through which parliamentarians were able to gain meaningful skills for oversight following trainings by AFRODAD include: (i) value for money tracking; (ii) debt tracking; (iii) budget analysis; (iv) audit analysis; (v) illicit financial flows tracking and (v) gender and debt management oversight. In the case of the second objective, the major finding is that parliamentarians' understanding of budget and debt issues have been deepened following the trainings from AFRODAD and this is evidenced by increased and effective parliament debates on debt management, increased committee oversight actions and involvement of parliament in government borrowings associated with COVID-19.

The first part of the third objective wanted an inventory of challenges MPs face as they conduct oversight on debt management. The major challenges that were articulated are: (i) weak legislation, (ii) inadequate resources to conduct research and prepare debates, (iii) unwillingness by the executive to fully disclose the debt status, (iv) lack of skills by parliamentarians on debt issues, (v) the whipping system that hinders thorough debates on debt issues, (vi) non adherence to the value for money aspect, and (vii) lack of a gender lens in oversight on debt management. The major finding with regards to proposed solutions to overcome the various indicated challenges includes the following: (i) strengthening legislation, (ii) availing of adequate debt information, (iii) resourcing parliament's with adequate finances, (iv) continuous capacity building of parliamentarians, (v) capacity building to parliament staff, (vi) promote intra-SADC parliamentarian learning exchange programs, (vii) strengthen women MPs' understanding of public finance management issues, (viii) establish SADC caucus on oversight on debt management and (ix) ensure site visits of projects being done using loan funds

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