

Corporate Capture Driving Corruption in Zimbabwe:



CIASA Corruption Watch Issue

Citizens in Action Southern Africa (CIASA) is concerned about the growing scourge of corporate capture which has become a serious vice affecting delivery of services for citizens in Zimbabwe. This corporate corruption is driving high the cost of services rendered to citizens which results in loss of tax payers' monies for otherwise shoddy services. This has also resulted in increase in national income leakages through illicit financial flows mainly through capital flight and trade mis-invoicing.

In Zimbabwe, it appears that all major government projects be they in natural resource exploitation, agriculture, commodities procurement, transport or even Covid-19 related purchases; it is characterized by corporate driven corruption. Examples include the US\$28 million Drax International which plagued the ministry of health and child care in Covid-19 related procurement in the middle of 2020 and also the US\$54 million bus procurement scandal which sucked in a top advisor to President Mnangagwa, Kuda

Tagwirei which were extensively covered by various media outlets. The Auditor General's 2019 report also shows massive corruption in State Owned companies, ministries and local authorities which adversely affects service delivery. According to the report, tens of millions are being lost in local authorities while other entities have not submitted their accounts for audit raising fears of deep seated corruption in those entities.

All these and more cases have been captured extensively reported in investigative stories in the local and international press as well as reports of reputable organisations. Of interest have been the Citizen Maverick report on state capture and cartels released by a South African media house, the Daily Maverick in February 2021. This report showed how cartels linked to top politicians and business people have captured the Zimbabwean economy and engage in widespread corruption, smuggling and price fixing much to the detriment of the economy and ordinary citizens' welfare.

Another publication is a report by The Sentry titled "Shadows and Shell Games: Uncovering an Offshore Business Empire in Zimbabwe." This report traced how close associate and confidant to President Mnangagwa, Kuda Tagwirei, has used his proximity to the highest office in the land to corruptly gain immense riches. At the centre of his operations are a string of corporate entities which have fleeced the nation of resources which would have been put to improve social services such as health, water and sanitation, and education.

In addition to these cases, the government of Zimbabwe recently indicated that it had entered into an agreement with a British Company; Coven Energy to have a joint venture between this company and the state-owned National Oil and Infrastructure Company. The objective of the venture is to build a US\$1.3 billion pipeline from Beira, Mozambique to Zimbabwe in order to improve fuel supplies. While this is a noble development, the deal already has all the trappings of another corporate capture fiasco. Investigations have shown that the purported British company partner was only formed a year ago and its address at 1 Bolander Grove, Lillie's Square, London is in fact an apartment up for rental.

For the government to have entered such a high value deal

with a shadowy company with no track record of performance is inexcusable. This is more so in light of recent corrupt deals and a past where such big tenders have been given to dodgy companies that never delivered after receiving payments. As CAISA we therefore call on the Zimbabwe Anti-Corruption Commission (ZACC) to undertake comprehensive investigations on the matter. In addition, the National Prosecuting Authority (NPA) should take up cases recommended to it by ZACC and the cases should be diligently prosecuted. As CAISA we condemn the 'catch and release' approach to corruption where top officials like Obadiah Moyo (US\$28 million Drax case) and Prisca Mupfumira (US\$90,000 NSSA loan scandal).

We also call on parliament to exercise its oversight role and call for the opening of contracts which government is entering into as it has a bearing on social services and the debt situation of the country. Furthermore, we urge citizens, social movements and civil society to take action and hold duty bearers to account. Ultimately citizens are the biggest losers and thus must organise and build grassroots movements to demand transparency in government conduct. As a recommendation, Zimbabwe should also consider having external auditors outside the audit reports produced by AG.

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