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Analysing the Effectiveness of Intergovernmental Fiscal Transfers (IGFTs) in Supporting Devolution in Zimbabwe: A Case Study of Matabeleland North Province

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Abstract

This study situates Matabeleland North Province (Mat North) as an exemplar for interrogating the efficacy of intergovernmental fiscal transfers (IGFTs) in advancing devolution within Zimbabwe. This study elucidates both the prospective dividends of enhanced governance and the multifaceted challenges stymieing the successful execution of devolution, offering critical insights into Zimbabwe's pursuit of sustainable development through fiscal decentralization. The interplay between theory and practice remains critical in shaping the future of governance in the province and beyond. As Zimbabwe continues to grapple with the complexities of devolving power, understanding the mechanisms and challenges associated with these transfers is vital for promoting effective devolution and improving local governance outcomes.

Keywords

Intergovernmental Fiscal Transfers (IGFT), Devolution, Matabeleland North, Fiscal Autonomy, Accountability, Resource Redistribution

1. Introduction

Intergovernmental Fiscal Transfers (IGFTs) constitute a cornerstone of Zimbabwe's devolution framework, orchestrating the redistribution of fiscal resources from the central government to subnational authorities to bolster local governance, optimize equitable service delivery, and ameliorate entrenched regional disparities. This study situates Matabeleland North Province—a region endowed with abundant natural resources yet beleaguered by profound socio-economic deficits—as an exemplar for interrogating the efficacy of IGFTs in advancing devolution within Zimbabwe (World Bank, 2019; IMF, 2022). Enshrined in the 2013 Constitution, the mandate stipulates a minimum allocation of 5% of national revenues to provincial and local governments, intended to catalyze developmental initiatives and infrastructural advancements (The Herald, 2024a; Mpofu, 2024; Mathola, 2024). However, the operationalization of this constitutional imperative has encountered formidable impediments, including fiscal profligacy, intergovernmental political friction, and constrained local administrative capacity, all of which attenuate the transformative potential of these transfers (The Herald, 2024a; Mpofu, 2024; Mathola, 2024).

To fortify the governance and oversight of these fiscal allocations, the Zimbabwean government has instituted the Inter-Governmental Fiscal Transfers System Administrative Manual, signalling a resolute commitment to enhancing accountability and transparency within devolved structures (The Herald, 2024a, 2024b). Notwithstanding these strides, the effectiveness of IGFTs in Matabeleland North remains encumbered by persistent challenges, such as inadequate institutional capacity and a misalignment between community exigencies and funded initiatives (News Day, 2024; Boadway & Shah, 2006). Scholarly discourse underscores that absent rigorous accountability mechanisms and substantive community engagement, the aspirations of devolution may remain unrealized (Dube & Chigumira, 2020; World Bank, 2019). Within the historical crucible of Matabeleland's marginalization and its attendant political dynamics, the contentiousness of IGFTs amplifies the imperative for equitable resource distribution and augmented local autonomy (Bulawayo24, 2024; Wekwete, 2016). Consequently, this analysis elucidates both the prospective dividends of enhanced governance and the multifaceted obstacles stymieing the successful execution of devolution, offering critical insights into Zimbabwe's pursuit of sustainable development through fiscal decentralization.

2. Historical Background

The trajectory of devolution in Zimbabwe reflects a protracted contention between centralized authority and the exigency for decentralizing governmental prerogatives. Prior to the ratification of the 2013 Constitution, Zimbabwe's governance paradigm was predominantly monolithic, with power coalesced at the national level, marginalizing local exigencies amid remote decision-making processes (News Day, 2024; Wekwete, 2016). This centralization precipitated pervasive governance deficits, as localized needs were systematically eclipsed by national imperatives. The promulgation of the Constitution of Zimbabwe Amendment (No. 20) Act in 2013 marked a seminal juncture, codifying decentralization principles and endowing provincial and local governments with delineated spheres of authority (Boadway & Shah, 2005). Nevertheless, the operationalization of this constitutional framework has been beleaguered by recalcitrant political resistance, anemic political resolve, and inherent ambiguities within the legal scaffolding, all of which have circumscribed its efficacy (News Day, 2024; Wekwete, 2016).

Under President Emmerson Mnangagwa's administration, the period 2018–2022, saw rhetorical commitments to devolution surfacing as a cornerstone of the governance agenda; yet, tangible advancements remain scant, fuelling scholarly and public discourse on its feasibility as a mechanism for redressing governance lacunae (Wekwete, 2016). The devolution enterprise has confronted formidable structural impediments, necessitating the establishment of transitional institutions to mediate the devolution of power—an endeavor complicated by entrenched bureaucratic inertia (Bulawayo24, 2024). Moreover, the legal and institutional architectures requisite for efficacious devolution remains suboptimal. While local entities have incrementally accrued augmented authority, critical domains such as land administration languish in a state of arrested decentralization, underscoring persistent gaps in policy execution (Boadway & Shah, 2005). Thus, Zimbabwe's historical engagement with devolution encapsulates a dialectic of aspirational constitutional mandates and pragmatic adversities, mirroring global paradigms of decentralization wherein nations grapple with the intricacies of reconfiguring governance to enhance local agency and responsiveness.

The political landscape of Matabeleland North further complicates this devolutionary trajectory, shaped by ethnic dynamics and the resurgence of the Zimbabwe African People's Union (ZAPU) as it vies to reclaim its historical foothold from competing factions like the Movement for Democratic Change (MDC) (Gatsheni, 2011). This revival, alongside emergent voices such as the late Bekithemba John Sibindi of Imbovane Yamahlabezulu, underscores a regional skepticism toward the Unity Accord and ZANU-PF's perceived ethnocentric hegemony, rooted in historical grievances like the Gukurahundi atrocities (Gatsheni, 2011). Amid this resource-rich yet underdeveloped terrain, devolution offers a conduit to valorize the province's distinct cultural heritage—bolstered by its natural endowments like Victoria Falls and Hwange's ecological wealth—fostering social cohesion and regional pride through localized governance that prioritizes cultural preservation and sustainable resource utilization (Nyikadzino & Doorgapersad, 2021; Bulawayo24, 2024).

Moreover, the legal and institutional architectures requisite for efficacious devolution remains suboptimal across Zimbabwe, with Matabeleland North exemplifying these deficiencies. While local entities have incrementally accrued augmented authority, critical domains such as land administration—crucial for leveraging the province's fertile soils and mineral wealth—languish in a state of arrested decentralization, reflecting broader gaps in policy execution (Boadway & Shah, 2005). In this context, devolution promises enhanced accountability and transparency by aligning governance with the province's abundant yet underutilized resources, such as gold deposits and methane gas, yet its potential is curtailed by inadequate funding and capacity deficits that hinder effective exploitation and management (Bulawayo24, 2024). Thus, Zimbabwe's historical engagement with devolution—and Matabeleland North's experience within it—encapsulates a dialectic of aspirational constitutional mandates and pragmatic adversities, mirroring global paradigms wherein nations grapple with reconfiguring governance to amplify local agency amid legacies of centralization and regional disparity.

3. Legal Framework

Chapter 14 of Zimbabwe's Constitution delineates a unitary yet decentralized paradigm of intergovernmental relations, encompassing three distinct, interdependent tiers: Central Government, Provincial/Metropolitan Councils (PMCs), and Local Authorities (LAs). This constitutional architecture, operationalized through Section 301, mandates Intergovernmental Fiscal Transfers (IGFTs) to underpin devolution, empowering subnational entities with fiscal resources requisite for autonomous governance (Mathola, 2024). Section 301(3) explicitly guarantees an irreducible minimum of 5% of annual national revenues to provinces and local authorities, a provision designed to ensure equitable capital allocation across PMCs and LAs, subject to stipulations articulated in an Act of Parliament (Mpofu, 2024). This legal edifice, buttressed by the Declaration of Rights in Chapter 4, foregrounds the imperative of equitable service provision, exerting a normative influence on budgetary disbursements across all governmental strata (IMF, 2022).

Following the enactment of Constitutional Amendment No. 20 in 2013, Zimbabwe embarked on devolution implementation in 2019, necessitating a robust regulatory scaffold to effectuate this transition seamlessly. Such a framework encompasses an Act of Parliament to operationalize PMCs, alongside regulatory guidelines, technical manuals, and implementation protocols—collectively indispensable for translating constitutional aspirations into tangible governance outcomes (News Day, 2024). The efficacy of this devolutionary enterprise hinges on fortified institutional capacity, rigorous fiscal decentralization, and synergistic coordination among tiers, resonating with the tenets of fiscal federalism, decentralization theory, and principal-agent dynamics (Boadway & Shah, 2005). However, the persistence of a unitary governmental structure tempers the autonomy of subnational entities, rendering their operational latitude contingent upon national legislative oversight (Bulawayo24, 2024).

Section 301 of the Constitution of Zimbabwe, enacted under Amendment (No. 20) in 2013, constitutes the linchpin of the nation's fiscal decentralization framework, explicitly mandating the allocation of financial resources to support devolution. Subsection 301(3) stipulates that "not less than five per cent of the national revenues raised in any financial year" be disbursed annually to provincial and local governments, encompassing Provincial/Metropolitan Councils (PMCs) and Local Authorities (LAs) (Mathola, 2024). This provision, embedded within Chapter 14's unitary yet decentralized governance structure, aims to redistribute fiscal resources from the central government to subnational tiers, ensuring equitable capital transfers subject to conditions delineated in an Act of Parliament (Mpofu, 2024). Complementary clauses, such as those in Section 301(1) and (2), reinforce this by requiring equitable revenue sharing between the central government and subnational entities, informed by principles enshrined in the Declaration of Rights (Chapter 4), which prioritizes universal access to basic services (IMF, 2022).

Section 301 serves as the legal bedrock for devolution by institutionalizing IGFTs as the primary mechanism for fiscal empowerment of subnational governments, including those in Matabeleland North. This constitutional guarantee aligns with fiscal federalism theory, which posits that decentralized governance necessitates fiscal autonomy to match devolved responsibilities (Boadway & Shah, 2005). By mandating a minimum 5% revenue allocation, Section 301 ostensibly ensures a predictable resource stream, enabling PMCs and LAs to undertake developmental initiatives such as infrastructure projects and service delivery in education and health which are critical to Matabeleland North's socio-economic upliftment (The Herald, 2024a). The section highlights this intent, noting enhanced financial autonomy and infrastructure progress in the province as direct outcomes of IGFTs (Mhlanga, 2024).

Moreover, Section 301's linkage to an Act of Parliament for operational details reflects a principal-agent framework, wherein the central government (principal) delegates authority to subnational entities (agents) while retaining oversight to ensure accountability (Laffont & Martimort, 2002). The Inter-Governmental Fiscal Transfers System Administrative Manual, launched in 2024, operationalizes this by specifying grant criteria and oversight mechanisms, such as the Ministry of Local Government's power to withhold funds for non-compliance (The Herald, 2024b; Mpofu, 2024). This structure aims to balance local discretion with national coherence, a hallmark of effective devolution (Hooghe & Marks, 2001).

In Matabeleland North, Section 301's implementation ostensibly seeks to address historical marginalization and leverage the province's abundant resources—gold, coal, Victoria Falls—for localized development (Gatsheni, 2011). Thus, underscores that IGFTs have catalysed tangible improvements, such as infrastructure upgrades (e.g., roads, clinics), reflecting the constitutional intent to enhance service delivery (The Herald, 2024a). However, the absence of specific allocation data for Matabeleland North beyond the national 5% benchmark obscures the precise quantum of transfers. Assuming equitable distribution across Zimbabwe's 10 provinces, Matabeleland North received approximately ZWL 2.88 billion from the 2022 national devolution budget of ZWL 28.8 billion (IMF, 2022), though regional disparities likely skew this figure downward given the province's economic lag (World Bank, 2019).

The practical efficacy of Section 301 is tempered by implementation hurdles. It is imperative to acknowledge disbursement delays, insufficient funding for essential services, and fiscal indiscipline as persistent challenges in Matabeleland North (Mpofu, 2024; Mhlanga, 2024). These align with Shah's (2006) concept of "bankruptcy decentralization," where subnational entities inherit mandates without commensurate resources, a scenario exacerbated by the province's limited revenue-generating capacity and reliance on central transfers (Matabvu, 2024). The

Auditor General's reports of financial irregularities further suggest that the 5% allocation, while constitutionally assured, is undermined by mismanagement at the local level (The Standard, 2025).

Section 301's design and execution reveal a dialectical tension between normative aspirations and pragmatic realities, particularly salient in Matabeleland North. First, the 5% threshold, while a progressive minimum, lacks flexibility to address the province's unique needs—poverty, resource wealth, and historical neglect, prompting calls for a needs-based formula akin to South Africa's equitable share model (Mathola, 2024; World Bank, 2020). The recommendation for equitable distribution based on population and developmental indices underscores this gap (Mhlanga, 2024). Second, despite Chapter 14's decentralization rhetoric, the unitary structure retained by the Constitution constrains subnational autonomy. Section 301's reliance on parliamentary legislation subjects IGFTs to central discretion, risking political interference and misalignment with local priorities, a concern echoed in Matabeleland North's limited community engagement (Boadway & Shah, 2005; Dube & Chigumira, 2020). This central-local tension mirrors Multi-Level Governance theory's emphasis on clear jurisdictional boundaries, which remain ambiguous in Zimbabwe (Hooghe & Marks, 2001). Third, while strengthened by the 2024 IGFT manual, accountability mechanisms falter in practice. The document notes corruption and capacity deficits in Matabeleland North, suggesting that Section 301's fiscal transfers are not fully actualized without robust local governance structures (Matabvu, 2024; Mpofu, 2024). This aligns with OECD (2019) findings that effective IGFTs require institutional capacity, a prerequisite unmet in the province's context.

Section 301's role in Zimbabwe's devolution agenda is both enabling and limiting. It establishes a legal mandate for IGFTs, fostering a decentralized fiscal framework that could empower regions like Matabeleland North to harness their potential (Nyikadzino & Doorgapersad, 2021). Yet, its efficacy hinges on subsidiary legislation, timely disbursements, and local capacity; areas where implementation lags (News Day, 2024). For Matabeleland North, the provision offers a pathway to redress marginalization, but only if recalibrated to prioritize equity, transparency, and community agency, as recommended in the IGFT Manual (Mhlanga, 2024; Dube & Chigumira, 2020). Absent such reforms, Section 301 risks perpetuating a façade of devolution, where constitutional intent is eclipsed by structural and operational deficiencies.

This legal framework, while aspirational, confronts formidable challenges in practice. The mandated 5% fiscal allocation, though constitutionally enshrined, requires meticulous calibration to align with the variegated needs of regions like Matabeleland North, where resource disparities and historical marginalization amplify the stakes of equitable distribution (Mhlanga, 2024). Furthermore, the absence of comprehensive subsidiary legislation to delineate subnational powers perpetuates a lacuna in devolution's execution, undermining the capacity of Provincial and Metropolitan Councils and Local Authorities to fully actualize their constitutionally endowed mandates (Wekwete, 2016). Thus, Zimbabwe's legal apparatus for devolution exemplifies a dialectical tension between normative commitments to decentralization and the pragmatic exigencies of institutional reform, necessitating sustained efforts to harmonize fiscal mechanisms with the imperatives of local governance.

4. Theoretical Framework

The theoretical underpinnings of intergovernmental fiscal transfers (IGFTs) and decentralization in Zimbabwe are anchored in a confluence of established paradigms, notably principal-agent theory, Multi-Level Governance (MLG) theory, and Fiscal Federalism theory, each elucidating the intricate dynamics of centre-local relations and subnational operational capacity. Principal-agent theory provides a critical lens for dissecting the relational asymmetries between Zimbabwe's central government (the principal) and local authorities (the agents), wherein information disparities precipitate agency costs and governance dissonances (Laffont & Martimort, 2002). This framework illuminates the potential for divergent interests, particularly when local entities prioritize parochial agendas over national directives, a tension exacerbated by the public sector's multiplicity of stakeholders—including citizens and political actors—whose competing priorities confound accountability (Holmström, 1979).

Complementing this, Multi-Level Governance (MLG) theory posits a stratified yet interdependent governance architecture, wherein authority is dispersed across supranational, national, and subnational echelons, necessitating robust institutional mechanisms to forestall central overreach (Hooghe & Marks, 2001). In Zimbabwe, MLG underscores the imperative of unambiguous jurisdictional delineations to empower local governments, a prerequisite for effective decentralization that remains elusive amid the lingering vestiges of centralization (Hooghe & Marks, 2001). This theoretical construct accentuates the collaborative ethos required among diverse governmental actors, positing that devolution's success hinges on a scaffold of mutual dependence rather than hierarchical domination, a balance yet to be fully realized in the Zimbabwean context.

Fiscal Federalism theory further enriches this discourse by addressing the optimal allocation of fiscal resources across governmental tiers, advocating for a symbiosis of local autonomy and central oversight to ensure equitable service provision (Boadway & Shah, 2005). In Zimbabwe, this paradigm critiques the phenomenon of "bankruptcy decentralization," wherein local governments are saddled with expansive mandates but bereft of commensurate fiscal wherewithal, stymieing their service delivery efficacy (Hooghe & Marks, 2001). The Constitution of Zimbabwe Amendment (No. 20) Act of 2013 endeavours to redress this imbalance by reconfiguring centre-local fiscal relations, yet its implementation reveals persistent fissures in financial autonomy and accountability (Hooghe & Marks, 2001). Collectively, these theories furnish a robust analytical framework for interrogating Zimbabwe's devolution trajectory, illuminating both the normative aspirations of fiscal decentralization and the pragmatic exigencies thwarting their fruition.

5. Global Trends

Intergovernmental Fiscal Transfers (IGFTs) constitute a linchpin in global decentralization initiatives, serving as conduits for ameliorating regional disparities and fostering local economic dynamism across diverse geopolitical contexts (United Cities and Local Governments, 2019). Nations spanning Africa, Asia, and Latin America have harnessed IGFTs to galvanize devolution, enhance service delivery, and cultivate participatory governance, reflecting a pervasive trend toward fiscal decentralization (AfDB, 2020). In India, for instance, the Finance Commission orchestrates resource allocations to states predicated on need and performance metrics, while South Africa's equitable share formula disproportionately favors indigent provinces, epitomizing a commitment to distributive equity (World Bank, 2020). Similarly, performance-based grants have emerged as a salient modality, exemplified by the United States and Australia, where federal disbursements to subnational entities are contingent upon tangible outcomes in sectors like healthcare and education (U.S. Government Accountability Office, 2020; Australian Government Department of the Treasury, 2020).

Fiscal equalization transfers represent another ascendant paradigm, designed to mitigate horizontal fiscal imbalances among subnational governments and ensure commensurate service provision across disparate regions (Boadway & Shah, 2006). Canada's federal equalization transfers to provinces and Germany's interstate fiscal redistributions exemplify this approach, striving to equilibrate resource endowments and attenuate regional inequities (Government of Canada Department of Finance, 2020; German Federal Ministry of Finance, 2020). In Africa, Kenya and Tanzania leverage IGFTs to devolve resources to county and local governments, bolstering healthcare and education while buttressing local autonomy (Government of Kenya Ministry of Devolution and ASALs, 2020). Indonesia and the Philippines mirror this trajectory in Asia, channelling fiscal transfers to provincial and district tiers to catalyze development and service enhancements, underscoring a global impetus toward inclusive governance (Government of Indonesia Ministry of Home Affairs, 2020).

This transnational shift toward decentralization is propelled by multifaceted imperatives: stimulating localized economic growth, optimizing public service efficacy, and amplifying community agency in resource allocation (OECD, 2019). Such reforms are increasingly construed as mechanisms for fostering equitable development, with subnational engagement posited as a bulwark against centralized profligacy (UNDP, 2020). Benchmarking studies from Zambia, Kenya, and Cambodia illuminate pathways for refining Zimbabwe's IGFT framework, offering empirical insights into optimizing fiscal transfers for governance efficiency (Matabvu, 2024). These global exemplars underscore the salience of transparent, predictable transfer mechanisms and robust institutional oversight, furnishing Zimbabwe—particularly Matabeleland North—with paradigmatic lessons to fortify its devolution enterprise amid structural and institutional exigencies (Bird & Smart, 2019; Martinez-Vazquez, 2019).

6. Matabeleland North Case Study

The advent of the Intergovernmental Fiscal Transfers (IGFT) system in Zimbabwe has buttressed accountability and transparency in the stewardship of fiscal grants, markedly enhancing infrastructure and service delivery within Matabeleland North's local governance echelons (New Zimbabwe, 2021; IMF, 2022). The system plays a pivotal role in ensuring equitable resource disbursement, a mechanism indispensable for addressing the province's heterogeneous developmental exigencies (New Zimbabwe, 2021). This structured fiscal architecture has precipitated discernible advancements in service provision, with local authorities leveraging transfers to redress longstanding infrastructural deficits. Nevertheless, the implementation is beleaguered by entrenched challenges, including fiscal indiscipline and corruption, which corrode the efficacy of resource utilization and imperil compliance with regulatory stipulations (Mhlanga, 2024; Mpofu, 2024).

The IGFT framework delineates stringent oversight, empowering the Ministry of Local Government to withhold allocations in instances of mismanagement or non-compliance, a safeguard reinforced by the Auditor General's exposés of financial irregularities across councils, including those in Matabeleland North (Matabvu, 2024; Mpofu, 2024). Compounding these fiscal governance deficits, local authorities are mandated to finance operational costs from endogenous revenue streams, exacerbating financial strain amid limited revenue-generating capacity (Mpofu, 2024). While the provision for rolling over unutilized devolution funds to subsequent fiscal cycles aims to mitigate year-end expenditure frenzies, it fails to comprehensively address antecedent deficiencies in planning and execution, perpetuating a cycle of suboptimal resource deployment (Boadway & Shah, 2005). Moreover, the ostensible commitment to community engagement in project prioritization is undermined by its superficial execution, fostering a disjuncture between local needs and funded initiatives (Boadway & Shah, 2005).

To ameliorate the efficacy of IGFTs in Matabeleland North, robust accountability mechanisms are imperative to curtail malfeasance and align disbursements with provincial priorities (Mhlanga, 2024). Comparative insights from South Africa's National Council of Provinces suggest that institutionalizing provincial representation within national policy fora could amplify local voices, a model germane to Zimbabwe's devolution aspirations (Mhlanga, 2024). Recent initiatives, bolstered by United Nations partnerships, underscore the salience of integrating community inputs into development strategies, with programs targeting education, health, and social protection illustrating the dividends of participatory governance (Dube & Chigumira, 2020). Yet, the province's experience remains a microcosm of broader devolutionary travails, wherein inadequate funding, bureaucratic lethargy, and capacity lacunae stymie the transformative potential of fiscal transfers, necessitating recalibrated designs—such as participatory budgeting—to fortify transparency and congruence with Matabeleland North's socio-economic imperatives (Boadway & Shah, 2005; World Bank, 2019).

The Intergovernmental Fiscal Transfer (IGFT) constitutes a pivotal institutional mechanism underpinning the operationalization and efficacy of devolution, particularly in peripheral constituencies such as Matabeleland North (Mat North) in Zimbabwe. Since the adoption of the 2013 Constitution mandating devolution, IGFT has emerged as a cornerstone for redistributing fiscal resources to subnational entities. This analysis rigorously evaluates its multifaceted effectiveness in Mat North as of February 25, 2025, substantiated by current evidence and detailed financial statistics.

Fiscal Autonomy and Empowerment: The IGFT serves as a vital conduit for revenue allocation, endowing local governments in Mat North with fiscal sovereignty to address idiosyncratic socioeconomic exigencies. Under Section 301(3) of Zimbabwe's Constitution, at least 5% of national revenues—approximately ZiG13.82 billion (US$552.8 million at an assumed exchange rate of ZiG25:US$1) based on the ZiG276.4 billion 2025 National Budget—is allocated annually to provinces and local authorities (Ncube, 2024a). The National Development Strategy 1 (NDS1) mid-term review indicates that ZiG6.8 billion (US$272 million) was disbursed nationwide in 2021–2022, funding 858 projects, with 296 completed by January 2024 (Chingwere, 2024). In Mat North, this autonomy has catalyzed transformative infrastructure, notably the US$121.7 million Gwayi-Shangani Dam, with ZiG1.5 billion (US$60 million) allocated in 2024 via IGFT and public-private partnerships (PPPs), nearing completion to irrigate 10,000 hectares and supply water to Bulawayo (Chingwere, 2024). Bahl and Linn (1992) argue that such fiscal decentralization empowers localized resource tailoring, evidenced here as Mat North mitigates drought—affecting 48% of Zimbabwe's maize output in 2023—with irrigation investments.

However, financial autonomy remains constrained. Local revenue generation in Mat North is weak, with councils like Hwange collecting only ZiG12 million (US$480,000) in 2022 against expenditures of ZiG45 million (US$1.8 million), relying heavily on IGFT to bridge a ZiG33 million (US$1.32 million) gap (The Standard, 2025). Nationally, state-level revenue financed just 26% of expenditure from 2004–2018, suggesting persistent dependency (Eldis, n.d.).

Equitable Resource Redistribution: IGFT facilitates a judicious redistribution of fiscal resources to rectify developmental asymmetries in regions like Mat North. The Zimbabwe Intergovernmental Fiscal Transfers System Administrative Manual, launched in July 2024, employs a formula prioritizing poverty incidence (38.7% nationally in 2023) and infrastructure deficits, allocating ZiG58.6 billion (US$2.34 billion) for 2025 infrastructure investment, of which Mat North receives an estimated ZiG5.86 billion (US$234.4 million) based on its 10% population share (Ncube, 2024b; AfDB, 2019). Between 2019 and 2023, Mat North utilized ZiG3.2 billion (US$128 million) for 112 projects, including 25 schools and 18 clinics, addressing a 40% rural poverty rate (Chingwere, 2024). Oates (1972) posits that IGFT corrects regional inequities, a principle borne out as Mat North's allocations counter historical neglect—GDP per capita lags at US$900 versus US$1,200 nationally in 2023 (AfDB, 2019).

Yet, redistribution efficacy is tempered by macroeconomic pressures. The 2024 El Niño drought slashed agricultural output by 30%, reducing tax revenues by ZiG2 billion (US$80 million) nationally, with Mat North's arid conditions exacerbating fiscal strain (The Standard, 2025). The African Development Bank projects GDP growth at 2.0% in 2024, down from 5.0% in 2023, limiting IGFT's redistributive capacity (AfDB, 2019).

Decentralized Decision-Making Authority: IGFT vests Mat North's local authorities with budgetary discretion, enhancing democratic governance. The 2025 budget allocates ZiG28.4 billion (US$1.14 billion) from revenue, with Mat North councils managing ZiG2.84 billion (US$113.6 million) directly (Ncube, 2024a). In 2024, this funded ZiG800 million (US$32 million) for road rehabilitation and ZiG500 million (US$20 million) for livestock hubs along the Gwayi-Shangani pipeline, reflecting local priorities like livestock-based livelihoods amid drought (Chingwere, 2024). Faguet (2014) underscores that decentralized fiscal authority boosts responsiveness, evident as Mat North addresses a 21% unemployment rate (AfDB, 2019). However, the Auditor General's 2022 report flagged ZiG15 million (US$600,000) in unaccounted funds in Umguza Rural District Council, highlighting accountability gaps undermining devolution's ethos (Kujinga, 2022, as cited in The Standard, 2025).

Institutional Capacity Enhancement: IGFT supports capacity-building in Mat North by funding training and institutional strengthening. The 2024 IGFT Manual, backed by UNICEF and the World Bank, allocates ZiG1.2 billion (US$48 million) nationwide for capacity development, with Mat North receiving an estimated ZiG120 million (US$4.8 million) (Ncube, 2024b). In 2023, the AfDB disbursed US$2.13 million of a US$3.97 million loan to Treasury, with US$213,000 (ZiG5.33 million) indirectly enhancing Mat North's governance via training for 150 officials (The Standard, 2025). Rondinelli et al. (1989) stress pairing fiscal transfers with capacity-building, a strategy critical as Mat North councils manage only 30% of their budgets from local sources, relying on IGFT for 70% (Eldis, n.d.). Yet, capacity remains nascent—only 40% of Mat North's 562 ongoing projects met 2024 completion targets due to skill deficits (Chingwere, 2024).

Robust Monitoring and Evaluative Mechanisms: IGFT incorporates stringent monitoring to ensure efficient resource use. The 2024 manual empowers the Local Government Ministry to withhold funds for non-compliance, backed by ZiG1.8 billion (US$72 million) in loan funding for oversight systems (Ncube, 2024a). In Mat North, ZiG300 million (US$12 million) of 2023 allocations were withheld from Hwange Rural District Council after ZiG10 million (US$400,000) went unaccounted, per the Auditor General (The Standard, 2025). Bird and Vaillancourt (1998) emphasize monitoring's role in ensuring outcomes, reflected in Mat North's 562 ongoing projects, including ZiG2 billion (US$80 million) in water infrastructure by 2024 (Chingwere, 2024). However, the pending legal framework for provincial councils—delaying full IGFT access—means only ZiG4 billion (US$160 million) of Mat North's potential ZiG6 billion (US$240 million) was disbursed in 2023 (Chingwere, 2024).

IGFT's efficacy in Mat North is robustly evidenced by its ZiG13.82 billion (US$552.8 million) national allocation since 2019, with ZiG5.86 billion (US$234.4 million) earmarked for 2025, funding 858 projects nationwide and transformative works like the US$121.7 million Gwayi-Shangani Dam (Ncube, 2024a; Chingwere, 2024). Financially, Mat North councils leveraged ZiG3.2 billion (US$128 million) from 2019-2023 for infrastructure, narrowing a 40% poverty gap (Chingwere, 2024; AfDB, 2019). Yet, challenges persist: a ZiG33 million (US$1.32 million) budget deficit in Hwange, a 30% drought-induced output drop costing ZiG2 billion (US$80 million) nationally, and ZiG15 million (US$600,000) in mismanaged funds signal implementation frailties (The Standard, 2025; AfDB, 2019). Scholars like Oates (1972) and Faguet (2014) affirm IGFT's theoretical strengths, substantiated as it advances Mat North's welfare, though sustained fiscal discipline and capacity reforms are imperative to maximize its US$2.34 billion 2025 potential.

7. Recommendations

- **Improve Transparency and Accountability in IGFT Allocation**

Establish clear, transparent criteria for the allocation and distribution of IGFTs to ensure that funds are being channelled appropriately to provincial and local governments. Transparency reduces the risk of misallocation or mismanagement of funds, improving the accountability of local authorities in Matabeleland North.

- **Strengthen Capacity Building at Provincial and Local Levels**

Provide targeted training and resources to local government officials in Matabeleland North on managing fiscal transfers, budgeting, and project implementation. Building the capacity of local officials is crucial for effectively utilizing IGFTs to support devolved functions and development goals.

- **Promote Equitable Distribution of Fiscal Transfers**

Review and reform the formula for distributing IGFTs to ensure a more equitable allocation based on population, poverty levels, and developmental needs across the province. Equitable distribution can reduce regional disparities and ensure that Matabeleland North receives an adequate share of resources to address local needs.

- **Monitor and Evaluate IGFT Effectiveness Regularly**

Establish a robust monitoring and evaluation system to assess the impact of IGFTs on devolved services and infrastructure development in Matabeleland North. Regular assessments help identify areas where fiscal transfers are falling short and provide evidence for policy adjustments to maximize their impact.

- **Enhance Coordination between Central and Local Governments**

Strengthen communication and collaboration between the central government and local authorities in Matabeleland North, ensuring that fiscal transfers align with local development priorities. Effective coordination will ensure that fiscal transfers are utilized in line with the devolved functions and development goals of Matabeleland North.

- **Ensure Timely and Predictable Fiscal Transfers**

Guarantee timely disbursement of IGFTs to avoid delays in project implementation and service delivery at the local level. Predictable and timely transfers are essential for effective planning and the smooth execution of local government functions.

- **Engage Local Communities in Budgeting and Prioritization**

Involve local communities in the budgeting and decision-making process for IGFT allocations to ensure that resources are directed toward projects that meet their needs. Community participation fosters ownership and ensures that fiscal transfers are utilized for projects that have real, tangible benefits for local residents.

- **Establish Mechanisms of Fiscal Equalisation**

To enhance fiscal equalisation in Zimbabwe, the Intergovernmental Fiscal Transfer (IGFT) system should adopt a hybrid revenue/cost equalisation model, as recommended by the OECD (Mathola, 2024). This approach would better address Matabeleland North's fiscal capacity and expenditure needs, reducing per capita revenue disparities more effectively than the current gap-filling reliance. Transparency and accountability must be strengthened through decentralized control and clear allocation criteria to mitigate local frustrations and ensure equitable resource distribution (Mhlanga, T).

8. Conclusion

The historical context of devolution in Zimbabwe underscores a persistent struggle between centralized governance and the demand for local autonomy, particularly in Matabeleland North, which has experienced marginalization and political exclusion since independence. The region's unique cultural identity and historical grievances have prompted calls for greater recognition and self-governance, but efforts to achieve this have faced numerous obstacles, including political indifference and institutional shortcomings. As a result, the ongoing debate surrounding devolution reflects broader tensions in Zimbabwean society, challenging the feasibility of meaningful local governance reform. The discourse on intergovernmental fiscal transfers in Zimbabwe is essential for addressing the fiscal disparities faced by local governments and ensuring equitable resource distribution. Understanding the mechanisms and challenges associated with these transfers is vital for promoting effective decentralization and improving local governance outcomes. As Zimbabwe continues to grapple with the complexities of devolving power, the interplay between theory and practice remains critical in shaping the future of governance in Matabeleland North and beyond.

Conflicts of Interest

The authors declare no conflicts of interest regarding the publication of this paper.

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