



HIGH-LEVEL SUMMARY TECHNICAL ASSISTANCE REPORT

ZIMBABWE

Data Quality Assessment for Public Sector Debt
Statistics (February 6–12, 2025)

June 2025

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2025 International Monetary Fund HLS/25/22

High-Level Summary Technical Assistance Report

Statistics Department

Zimbabwe – Data Quality Assessment for Public Sector Debt Statistics

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The *High-Level Summary Technical Assistance Report* series provides high-level summaries of the assistance provided to IMF capacity development recipients, describing the high-level objectives, findings, and recommendations.

ABSTRACT: In February 2025, an assessment was undertaken of the data quality of the public sector debt statistics (PSDS) of the Republic of Zimbabwe against the IMF's Data Quality Assessment Framework (DQAF) for PSDS. The assessment was undertaken as part of a project to strengthen the quality of public sector debt statistics in selected African countries, funded by the Government of Japan. The assessment reviewed the PSDS compilation and dissemination practices against each element of the DQAF and presented a series of recommendations to improve the quality and transparency of the PSDS of the Republic of Zimbabwe.

JEL Classification Numbers H63, H81, H83 (consult <https://www.aeaweb.org/econlit/jelCodes.php>)

Keywords: Data Quality Assessment Framework (DQAF), Debt Reporting, Debt Transparency, JSA, Public Debt, Public Sector Debt Statistics (PSDS), Zimbabwe

Background

- 1. Zimbabwe has received significant capacity development (CD) from the IMF Statistics Department in the recent past to support the Zimbabwe Ministry of Finance, Economic Development and Investment Promotion (MoFEDIP) in improving the quality of PSDS compilation.** Technical assistance (TA) provided to the Public Debt Management Office of Zimbabwe (ZPDMO) has been facilitated through the Data for Decision (D4D) Trust Fund (2019, 2021, and 2023). TA recommendations have focused on broadening the coverage of PSDS and on improving the coverage, accuracy, and consistency, of source data. Although initially the COVID-19 pandemic impacted negatively the pace of progress in implementing the STA TA recommendations, this has shifted recently and there has been a renewed commitment to providing more timely and more comprehensive public debt reports.
- 2. Against this background, the main objective of the mission was to use the IMF's standardized Data Quality Assessment Framework (DQAF) to identify areas of improvement in PSDS compilation and dissemination processes and recommend priority actions to help Zimbabwe enhance public debt data transparency.** Discussions with various stakeholders as well as review of data received and published indicate that Zimbabwe's public debt statistics are broadly reliable and continue to improve. In particular, the Zimbabwe Coalition on Debt and Development (ZIMCODD) noted with appreciation ZPDMO's remarkable progress in improving debt transparency in recent years: "public debt reports are timely, comprehensive, and facilitate further simplification for layman's understanding of what the size of public debt means to the common man." Compilation methods broadly follow international statistical standards, but sustained commitment is needed to enhance debt data transparency and accountability.

Summary of Findings

- 3. Legal Environment:** The responsibility for collecting, processing, and disseminating public debt statistics in Zimbabwe is clearly specified and well established in the law. The Public Debt Management Act [Chapter 22:21] of September 2015 (PDM Act) assigns the responsibility of public debt management to ZPDMO. The Act also bestows the responsibility of compiling, verifying, and reporting public debt arrears (including domestic arrears to service providers), and monitoring and reporting implicit and explicit public sector contingent liabilities. ZPDMO functions are audited annually by the Auditor-General and the Report submitted to Parliament.
- 4. Institutional Environment:** Working arrangements of ZPDMO align with its assigned responsibilities which are well executed by its front-office, middle-office, and the back-office, all with a combined staff complement of around thirty. The core responsibility of data collection, processing and validation is done by the latter. There is evidence of strong and frictionless oversight provided by the top management of ZPDMO. Data sharing and coordination among data-producing agencies is adequate. The flow of information needed to compile Zimbabwe's PSDS is efficient and well-coordinated. Timetables for public debt reporting by MDAs (line ministries, departments, and agencies), and state-owned enterprises (SOEs) are well established in the law. For domestically issued debt securities, data is received monthly from RBZ. Coordination between the ZPDMO, RBZ and the Accountant General Directorate (AGD) is excellent and ensures sharing of data on Government debt guarantees, domestic payment arrears, and accounts payables as required under the law. The External and Domestic Debt Management Committee (EDDC) is the overarching body responsible for approving government guarantees for endorsement by Parliament. Staff, facilities, and financing are commensurate with ZPDMO's assigned responsibilities. However, the current Debt Management and Financial Analysis

System (DMFAS) is outdated (last revised in 2021) and needs to be upgraded to the latest version (DMFAS 7) which will handle a broader range of debt instruments (including account payables) and interface with other systems for efficient data exchange. The ZPDMO has elaborate internal procedures for data production and publication that guarantee quality while recognizing tradeoffs—unverified claims by the Auditor-General are excluded from reported public domestic debt arrears to service providers. The relevance and practical utility of PSDS in meeting users' needs are monitored but could be expanded to the wider user community.

5. Assurances of Integrity: This dimension assesses the features that support firm adherence to objectivity in the collection, compilation, and dissemination of public debt data so as to maintain users' confidence. PSDS are produced on an impartial basis. ZPDMO recognizes the importance of ensuring professional independence for personnel compiling statistics. Of the seven officers of the back-office, three are certified accountants, and three are in the process of certification. Public debt statistics are carefully reviewed and validated before they are cleared for publication and dissemination, to protect the professional independence and, importantly, to protect ZPDMO's good reputation. Conceptual and methodological considerations are largely driven by the tools embedded in the DMFAS software that allow application of international statistical standards (*Public Sector Debt Statistics: Guide for Compilers and Users (PSDSG 2013)*). ZPDMO is free to explain technical aspects of the public debt statistics and to respond publicly to misinterpretations of its products including data issues flagged by the Auditor General in its Report to Parliament. Ad hoc queries are handled expeditiously through the Secretary to the Treasury. Choices of sources of data as well as decisions about dissemination, are informed mainly by the need to comply with the law. ZPDMO staff are, in practice, free from political, or other influence, in choosing the most appropriate sources and methods for compiling public debt statistics. The terms and conditions under which public debt statistics are collected, processed, and disseminated are disclosed and clearly referenced in all ZPDMO's debt publications. Guidelines for staff behavior are in place to ensure irreproachable conduct within and beyond the ZPDMO, and to fulfill obligations to maintain the public credibility of the debt data produced and disseminated. All staff must swear every year to abide with the Official Secrets Act and take the Integrity Pledge.

6. Methodological Soundness: Reported PSDS cover all loans and debt securities of the budgetary central government (BCG), partial information on BCG accounts payable, and debts of the Reserve Bank of Zimbabwe (RBZ) which the Government is servicing and settling. In line with the international statistical standards, supplemental information is provided on all outstanding government guarantees, and PSDS are reported by creditor, currency, residency, and maturity. Although the PSDS are broadly in accordance with the international statistical standards not all the methodological concepts and principles are fully applied. The main deviations are that face value rather than the preferred nominal value is used to record stocks of debt securities; the residency principle for identifying external debt is not always strictly applied – with assumptions used where the necessary information is not readily available; and some terminology (e.g., debt assumptions) does not fully accord with its use in the statistical standards. More material is the need to expand the sector and instrument coverage of the PSDS beyond the BCG and Central Bank. Debts of local governments and public corporations require inclusion as do debts stemming from Special Drawing Right (SDR) allocations, other accounts payable, pensions, and currency and deposits. Based on information shared with the mission it is suggested to initially include the debts of local governments, and from SDR allocations, where there would appear to be comprehensive and timely quarterly data available. As the PSDS are further expanded then care should be taken to consolidate the data to avoid double counting of liabilities.

7. Accuracy and Reliability: Source data on external loans and domestically issued debt securities are subject to extensive validation and as a result the reported data were found to be accurate and

reliable. The data quality is further assured through the auditing of the statements of public debt data by the Office of the Auditor General (OAG). This mechanism for identifying issues and discrepancies signals a strong approach to quality assurance. However, there is a lack of system integration which presents future risks for the data quality. In particular, it would be beneficial to have automated flows of data between the DMFAS and the Integrated Financial Management Information Systems (IFMIS), as well as between DMFAS and the RBZ's Central Securities Depository (CSD). The first system interface would facilitate the payments related to debt servicing, and the second the process of issuing and managing debt securities. In both cases the major benefits of automation would be to increase efficiency and reduce process risks. Such system integration will not happen overnight but to achieve this consideration should be given to procuring the latest version of DMFAS (DMFAS 7), which not only has the web services needed to interface systems but also includes improvements for statistical reporting, such as by facilitating the reporting of other accounts payable and contingent liabilities.

8. Serviceability: The timeliness, frequency, and comprehensiveness of debt reports published by the ZPDMO have been steadily improving over recent years. Since 2018 annual public debt bulletins have been published, but in June 2024 quarterly debt bulletins were introduced. These are published within three months of the end of the quarter. Although the regularity and frequency of debt publications aligns with best statistical practices, the lack of a pre-announced release calendar is not good practice, and one should be developed so that users are informed about when future reports will be published. With respect to the content of the public debt reports, the debt data shows good consistency both with other debt publications and wider macroeconomic statistics. The detailed instrument level debt tables are valuable to analysts and researchers as is the long external and domestic debt time series from 1980. However, it would be beneficial to users to provide shorter time series for other component debt aggregates so that the latest debt positions can be put into the context of the evolving debt. Similarly, the publication of reconciliations between opening and closing debt stocks and the flows that have led to the change in debt stocks would add to the value of the debt reports. Increasingly revisions are to be expected now that quarterly data are being published and so a revision policy should be developed to guide how revisions are highlighted and explained. It is also recommended that annual central government debt data published via Zimbabwe's National Summary Data Page (NSDP) is updated and maintained, as should be the associated metadata.

9. Accessibility: The commentary, tables, and charts in the public debt reports are well considered and provide information of interest to a broad range of user groups. However, the metadata provided in the reports is currently insufficient. Examples of where metadata can be improved include the lack of information on the valuation used when reporting Treasury bills and bonds, little information on the coverage of the debt bulletins in terms of public entities and debt instruments, and no explanation of concepts such as public and publicly guaranteed debt and external or domestic debt. In addition, the data in the public debt reports should be made available to users not only in pdf format but also in a format that supports analysis and re-dissemination (such as Excel, csv, SDMX). To further increase the availability of public debt data to users, Zimbabwe should consider dissemination of PSDS via the Joint IMF-World Bank Quarterly Public Sector Debt statistics database (QPSD) - a database which includes public debt data from over one hundred countries. The collaboration between ZPDMO and the Zimbabwe Coalition on Debt and Development (ZIMCODD) is very much welcomed and should be maintained and strengthened as it provides an excellent way to engage with a wide range of users. However, outside of this partnership, more could be done by the ZPDMO to promote and encourage comments, queries, and requests from users. The purpose being to both provide a service to users and also to receive feedback which can shape future improvements to the public debt reporting of Zimbabwe.

Summary Ratings of the PSDS DQAF*

Dimensions/Elements	Rating	Dimensions/Elements	Rating
0. Prerequisites of quality		3. Accuracy and reliability	
0.1 Legal and institutional environment	O	3.1 Source data	LO
0.2 Resources	O	3.2 Assessment of source data	O
0.3 Relevance	LO	3.3 Statistical techniques	LNO
0.4 Other quality management	O	3.4 Assessment and Validation of Statistical Outputs	O
1. Assurances of integrity		3.5 Revision studies	NO
1.1 Professionalism	O	4. Serviceability	
1.2 Transparency	O	4.1 Periodicity and timeliness	LO
1.3 Ethical standards	O	4.2 Consistency	O
2. Methodological soundness		4.3 Revision policy and practice	LNO
2.1 Concepts and definitions	LO	5. Accessibility	
2.2 Scope	LNO	5.1 Data accessibility	LO
2.3 Classification / sectorization	LNO	5.2 Metadata accessibility	LNO
2.4 Time of debt recording, valuation, and consolidation	LO	5.3 Assistance to users	LO
Key: O = Practice Observed; LO = Practice Largely Observed; LNO = Practice Largely Not Observed; NO = Practice Not Observed			

*DQAF August 2024 Public Sector Debt Statistics
https://dsbb.imf.org/content/pdfs/dqrs_psd.pdf