



THE Weekend Reader

"Your Weekly Read on Debt, Development & Social & Economic Justice"

EYES ON THE BALL: KEEPING TRACK OF COVID-19 FUNDS

This week the reader and our weekly key advocacy message is centred on the need for continued fiscal transparency in the management of public finances especially COVID-19 funds as the pandemic's effects continues to be felt.

The sustained monitoring of the COVID-19 funds is important given the mismanagement and embezzlement legacy following what has become known as the COVIDgate. The scandal also known as Draxgate involved the former Minister of Health Moyo and top executives from the government-owned National Pharmaceutical Company (NatPharm) handpicking companies not on the procurement register to supply drugs worth millions of dollars during the COVID-19 national emergency.

More recently, the Principal Director of Epidemiology and Disease Control, Dr Portia Manangazira was arrested on corruption charges related to the abuse of COVID-19 resources. It is alleged that Dr Manangazira illegally facilitated the recruitment and training of 28 family members as Community Health Workers and authorized the procurement of goods worth US\$280 529 without following due process.

Besides the vulnerability to corruption and abuse of the COVID-19 resources, the case for our incessant monitoring of these resources, including the drive behind our COVID-19 resource tracker is to ensure accountability on the resources that have been set aside for the response as well as to understand fully what government has done towards promises made to citizens towards the response.

In May 2020, as a response to the Coronavirus pandemic, the Minister of Finance established a Coronavirus Crowdfunding Scheme to strengthen resources for national use. He further stated that he ring-fenced the 2% Intermediated Money Transfer Tax (IMTT) for social protection and capital development projects, and proceeds from the tax were to be channeled towards COVID-19 related mitigatory expenditure.

Furthermore, ZWL\$600 million was set aside as financial support over three months (ZWL\$200 million a month) for small businesses and vulnerable people affected by the lockdown which translated to the selected one million social

support beneficiaries receiving ZWL\$200 per month which was later revised to ZWL\$300 per month.

More donations were handed over to the GoZ in form of money or resources from various sources such as Jack Ma, the Chinese businessman and philanthropist, the Government of China, local corporates, as well as development agencies, partners and Zimbabweans living in the diaspora.

Considering the above, and almost a year after the COVID-19 economic interventions were announced by the GoZ, citizens implore the GoZ to uphold principles of transparency and accountability through providing relevant information related to the allocation and use of resources as the nation responded to the coronavirus pandemic and has transitioned into a somewhat post-COVID-19 scenario.

To uphold good governance, transparency and accountability in the management of public finances, the Minister of Finance and Economic Development should, as a matter of urgency, present before Parliament how COVID-19 resources have been used since May 2020 to date. This information should be accessible to civil society and the public for independent scrutiny and auditing as a general practice of accountability and transparency.

Such fiscal transparency will bolster financial and economic stability, foster a well-informed debate about the design and results of fiscal policy, and ensure public-sector accountability. In doing so, fiscal transparency will also help to strengthen the credibility of a country's fiscal plans and boosts financial market and citizens confidence.

Highlighting risks to fiscal positions and the fiscal outlook also supports a timely and smooth fiscal policy response to changing economic conditions, thereby reducing the incidence and severity of crises. It is therefore in the best interest of the Zimbabwean government to adhere to the dictates and principles of fiscal transparency that are internationally recognized so as to improve the country's potential to attract investment and grow the economy.