

ZIMCODD

ZIMBABWE COALITION ON DEBT AND DEVELOPMENT

WEEKLY REVIEW

24 AUGUST 2021

ABOUT ZIMCODD:

The Zimbabwe Coalition on Debt and Development (ZIMCODD) is a social and economic justice Coalition established in February 2000 to facilitate citizens' involvement in pro-people public policy. ZIMCODD views indebtedness, the unfair global trade regime and lack of democratic people-centred economic governance as the root causes of socio – economic crises in Zimbabwe and the world at large.

“Celebrating 20 years of People driven Social and Economic Justice in Zimbabwe”

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Weekly Dashboard

Forex Auction Weighted Rate

Week	Week
(11.08.2021)	(17.08.2021)
ZWL85.7467 per USD1	ZWL85.8290 per USD1

Consumer Price Index

June	July
3.88%	2.56%

July Year on Year Inflation

56.37%

Food Poverty Line (FPL) for 1

\$ ZWL 4,379.00

Total Consumption Poverty Line

ZWL \$ 6,126.00

Covid-19 Cases

Week	Week
(15.08.2021)	(23.08.2021)
Positive cases 120 088	Positive cases 123 001
Recovered 97 323	Recovered 107 759
Deaths 4 109	Deaths 4 293

National Recovery Rate

Week	Week
(15.07.21)	(23.08.21)
80%	88%

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1. COVID-19 Resource Tracker Issue NO. 70

Overview

The COVID-19 Resource tracker is a ZIMCodd initiative to keep track of all resources pledged, received and expended by the Government of Zimbabwe in response to the COVID-19 pandemic from March 2020 to date. The aim of the COVID-19 Resources Tracker is to strengthen transparency and accountability by the government on COVID-19 resources while empowering citizens with information to hold the government to account for the allocation and utilisation of COVID-19 resources. The tracker is updated on a weekly basis.

Overall:

Total Pledges = US\$866,457,157
Honoured Pledges = \$643,724,503
Amount Spent = \$580,555,028

For the week ending 10 August 2021:

Total Pledges = US\$ 6, 539, 000
Honoured Pledges = US\$-
Amount Spent = US\$-

The full tracker is found on: <http://zimcodd.org/wp-content/uploads/2021/08/Tracker-Issue-No-70.pdf>

2. Debt Watch: Zimbabwe debt now at 71.2% of GDP

Public and Publicly Guaranteed External debt including RBZ external guarantees as at 31 December 2020 amounted to US\$10.5 billion which is about 71.2% of GDP. Of that amount, arrears alone make up over US\$6.5 billion (77%) of total external debt. Zimbabwe has received SDR 677 436 012 (USD 961 million). It is critical for the government to ensure transparency and accountability in the utilisation of these funds as the public will be responsible for the repayment.

3. Intensified Fight Against COVID-19 commended

- **Fully operational oxygen plant commissioned**
- **1.5 million COVID-19 doses procured**
- **Treasury allocates an additional US\$40m for vaccines**

In the week under review, President Mnangagwa commissioned an oxygen plant in Mutare, Manicaland province. The plant was developed by Verify Engineering, a State-Owned entity under the purview of the Ministry of Higher and Tertiary Education, Innovation, Science and Technology Development. It has an Air Separation Unit (ASU) that produces gaseous oxygen, liquid oxygen, and nitrogen at an installed capacity of 20 tons (gaseous oxygen), 16.5 tons (liquid oxygen), and 2.5 tons (nitrogen) per day. This plant

capacity can meet the national demand within a week hence significantly reducing the current huge oxygen deficit.

The plant will play a major role in the fight against the global pandemic, COVID-19, providing medicinal oxygen for COVID-19 patients and nitrogen used as a coolant in the storage of medicines and vaccines. The World Health Organization (WHO) lists medical oxygen among 30 essential medicines to fight the pandemic. COVID-19 patients experiencing severe symptoms depend on oxygen powered by ventilators. Further, the plant will save the country millions of dollars in reduced oxygen imports. Barring public corruption, the saved foreign currency will then be used for the provision of other critical social services and safety nets for vulnerable people. Apart from use in the healthcare sector, the oxygen plant will also be crucial in other sectors of the economy such as the agriculture sector, particularly in aquaculture. Oxygen is used in boosting fish yields, thereby improving the viability of fish farming.

Also, for effective management of COVID-19 infections, the government should procure, distribute and administer enough vaccines to attain herd immunity. According to WHO, herd immunity is the indirect protection from an infectious disease that happens when a population is immune either through vaccination or immunity developed through the previous infection. Cognizant of this and after a false start, the government has now intensified its vaccination program, targeting to vaccinate 60% of the adult population by December 2021. During the week under review, the nation procured a total of 1.5 million doses which were delivered in 3 batches of 500,000 jabs each. To date, Zimbabwe has acquired a cumulative total (including donations) of over 7,285 million doses. The Treasury has reportedly disbursed another US\$40 million for vaccine purchases after the initial budget of US\$100 million was exhausted after buying shots and syringes from China, paying shipment costs, and other related sundries.¹ As of 21 August, a total of 2,301,641 people were vaccinated against COVID-19, and of this total, about 1,450,981 were fully vaccinated. Interestingly, vaccine hesitancy and scepticism among the citizens is now dwindling as shown by rising daily jab uptake driven by the fear of lethal delta variant of the virus which is currently raging havoc.

ZIMCODD commends governments' efforts in the fight against this global pandemic which has thrown millions of Zimbabweans into abject poverty. The rapid administration and broad coverage of the national vaccination process is essential for the full re-opening of the economy. The existing Level 4 lockdown restrictions are not only hurting the formal sector but also the informal traders. According to the IMF, Zimbabwe's informal sector constitutes about 60% of the economy and employs the majority of women and youth. The lockdown restrictions are also constraining the distribution of food into the open markets especially staple maize.

4. Widening gap between the auction rate and the parallel market worrisome

The RBZ Governor recently attributed public's preference for the US\$ currency for the widening gap between the auction rate and the parallel market. However, waning confidence in the Zim-dollar is the legacy of poor currency reforms and an inequitable foreign exchange market currently in operation. The Government itself charges for critical services such as toll fees, passport fees and import duty in US\$ – a clear indication of contradictory policy.

Civil Servants who comprise the largest number of formally employed Zimbabweans are paid by Government in Zim-dollars whilst basic goods and essential services such as rentals, fuel and school fees are broadly required in US\$. Zimdollar prices for these basic goods and services are pegged to the exorbitant parallel market rate or the extortionate official rate at the expense of formally employed workers.

¹ <https://www.herald.co.zw/vaccination-in-full-swing-as-zim-gets-more-doses/>

The RBZ must address the confidence issue for the public to fully embrace the Zim-dollar. Likewise, the legacy of poor currency reforms continues to afflict the economy as the reforms have failed to stabilize the value of the Zim-dollar. Stability is a key characteristic of any viable currency. The foreign currency auction market system which was introduced in order to tighten currency stability and manage capital flows has proven inadequate particularly as it marginalises economic actors in the informal economy. The Auction system consistently fails to meet the forex requirements of the informal sector where an estimated 70% of Zimbabweans earn their livelihoods in a virtually dollarized economy. The RBZ Governor must realize that all corporates, institutions and individuals that are not served by the auction market meet their forex needs in the parallel market. The exclusion of the informal economy in monetary policy considerations inadvertently positions the parallel market as a ready forex spot market whilst the auction market piles unpaid forex bids running into millions of US\$. To reverse these challenges, it is imperative for government to better regulate the market-oriented forex system with a view to balance equity and growth concerns. Key to this is the inclusion of the informal sector in allocative decisions.

5. Government urged to improve information dissemination to citizens

Lack of awareness about national budget provisions is at the center of the continued marginalisation of citizens from the various funds and opportunities meant for the benefit of marginalised groups. This was revealed in a 2-day engagement with the Ministry of Finance on amplifying youth and women voices hosted by Women and Law in Southern Africa in conjunction with ZIMCODD. The presentations by Ministry officials showed numerous resources at the disposal of women and youth in the 2021 National Budget. Many attendees were not aware of or not knowing how to access the resources. For instance, it was revealed that this budget includes funds totalling ZW\$810,700,000 for community development, ZW\$840,400,000 for small and medium enterprises, and ZW\$1,889,700,000 for youth development and economic empowerment. Further, there are also initiatives for women and young people such as the Command livestock scheme. Had the initial budget process been truly inclusive, these funds and initiatives would have been fully and fairly utilized.

In October 2018, finance minister Hon. Prof. Mthuli Ncube launched the Transitional Stabilization Plan (TSP) (Oct 2018-Dec 2020) with the sole purpose of stabilizing and preparing the economy to achieve an Upper Middle-Income status by the year 2030. This short-term economic blueprint was succeeded by 2 five-year National Development Strategies (NDS 1 & 2). The first part, NDS1, covers the period 2021-2025 and the second, NDS 2, will cover 2026-2030. NDS1 is already underway, prioritizing 14 key areas including among others housing delivery, governance, social protection, health and well-being, environmental protection and economic growth and stability.

The government must ensure full ownership of these blueprints by citizens of all age groups and gender if the expected dividends are to be realized. Policy ownership begins with the constant dissemination of relevant information to educate all stakeholders. Further, the flow of information should not only be top-down but also bottom-up. However, less effort so far has been made by authorities to inform the citizens of the available opportunities for them in the NDS1.

6. Economic growth must be equitable

Government projects a Gross Domestic Product (GDP) growth rate of about 7.8%. GDP or simply national output measures the total market value of all goods and services produced within a country's boundaries. While GDP is truly on a recovery path this year, the social environment continues to dilapidate significantly as prices of basic commodities are trending northwards. A chunk of the national cake (wealth) is in the hands of the few connected elites who are solely concerned by profitability at the expense of social responsibility. Growth should be inclusive -economic growth that is distributed fairly across society and creates opportunities for all. There should be no trade-off between growth and equality (equality include *inter alia* income, gender, race, tax policy, education, health, innovation and

province/region). This only comes when there is clear dissemination of information and exchange of ideas between the citizenry and their government. In the end, it will help in crafting and implementation of policies that positively affect all stakeholders including the marginalized such as rural people.

7. As the Inequality Gap Widens, Will the Right to Education Remain Unfilled?

As the pandemic continues to persist, schools have remained closed with learning to greater or lesser extent taking place online, remotely or in most cases not at all. This massive disruption to children's education has highlighted the need for governments to devote serious attention and resources to ameliorate, mitigate and correct the long-standing inequalities in the education system that has been highlighted and exacerbated during the pandemic. Governments should reverse policies that generate those inequalities, which include persistent under-investment in public education.

As one drives down the streets of Harare more and more child vendors and child beggars are on the rise. Recently, the country has been up in arms regarding the case of a pregnant 14-year-old who died during labour. The government's response? Silence. Zimbabwe once boasted of a world class education system and one of the highest literacy rates in Africa. Decades of slow but steady progress in educating more children around the country abruptly ended in 2020. The harsh economic climate which has been exacerbated by the COVID-19 pandemic has led to prolonged school closures which have affected all children across the country.

Learning has been interrupted and more responsibility for educational activities has been placed on the home environment than ever before. State schools provide significantly less regular access to on-line classes than private schools. This has significantly widened gender, socio-economic and ethnic inequalities. Inequalities, for young people, can be assessed by comparing differences in the home learning environment, comprising investments of time and resources provided by schools, parents and the students themselves. Addressing widening inequalities is essential to avoid undesirable long-term consequences, including negative labour market and health outcomes leading to lower economic productivity, increased health care costs and reduced social mobility.²

Governments' goal should not merely be the return to school of all students whose education has been disrupted by the pandemic. They should also ensure that those who were unable to learn at the same pace as their peers during the pandemic catch-up on what they missed. Over and above that, governments should extend education to the children persistently excluded from schooling even before the crisis such as those living with disabilities. In the same vein, the teachers need to be motivated with enticing remunerations. The picture below circulating on social media about the pension of one teacher after serving for 26 years with ZWL 89, 947.37 which is equivalent to US\$ 1058 using the ruling exchange rate and US\$ 642 using the parallel is a cause for concern. If the government is serious about addressing inequalities in the educational sector it has to improve the remuneration and conditions of service for teachers.

² <https://www.iser.essex.ac.uk/research/projects/mind-the-gap-educational-inequalities-during-covid-19>

Dear Madam

PAYMENTS OF TERMINAL BENEFITS

Please be advised that following the termination of your service on 5.12.19 from Education you are entitled in terms of Pension Regulations 1992 as amended to the following benefits:

Refund of Pension contributions paid			12,799.42
Add interest	4% of 26 complete years served	104%	13,311.40
			<u>26,110.82</u>
add gratuity			63,836.55
Total benefits due			<u>89,947.37</u>
<i>less tax</i>		23363.64	
<i>gvt debt</i>		9341.01	
			<u>32,704.65</u>
Net amount payable to you			<u>57,242.72</u>

The above amount will be paid into your NMB account in July 2021

F. Songore
For: General Manager, Pensions Management

PSC - PENSIONS AGENCY
REFUNDS SECTION
MUKWATI BUILDING
30 JUN 2021
PO BOX 1777 HARARE ZIMBABWE

8. Institutionalised inequalities undermine national responses to public health crises

The recent remarks by the Minister of Finance and Economic Development, Mthuli Ncube that the government has set aside approximately “US\$ 270 million for the construction of a VVIP hospital at Manyame Airbase in Harare and the structure is almost complete”³ attest to health institutionalized inequality that is meant to discriminate the masses against robust health services. The Zimbabwean Health Sector is in ramshackle, with poor and hoary equipment. Zimbabwe only has 134 functioning ambulances⁴ for a 15, 062,998 population as of 22 August 2021⁵. This means that each ambulance will need to serve approximately 112,411 people, making it difficult for Zimbabweans to access emergency health care on time.

Discriminatory or inequitable policies and practices that are auspicious to a dominant, governing group and unfavourable to marginalised groups manifest themselves in the health sector’s response not only to the COVID pandemic but to recurrent public health challenges such as cholera, TB and malaria. Inequality is the creation of institutional developments and processes, not individual animus. It emanates from the structural conditions that make up major social institutions such as; market, family, and state⁶.

Zimbabwe has approximately 1, 634 primary healthcare facilities⁷ which serves as the first line of emergency management in the rural areas. However, a baseline survey carried out in ZAKA by ZIMCODD Social and Economic Justice Ambassadors shows that primary health care facilities are wanting and failing to provide basic medication. All matters are being referred to Ndanga General Hospital which is about 35 kilometres away from ZAKA making it almost impossible for the poor rural masses to access basic health care. It is under the cognizant of the reality of the plight being experienced by the vulnerable and marginalised rural community that one should question whether the government’s decision was well-considered. This is because, the VVIP hospital is meant to benefit the elites at the expense of the poor

³ <https://www.newsday.co.zw/2021/08/270m-hospital-for-chefs-only/>

⁴ www.sundaymail.co.zw/govt-buys-100-ambulances

⁵ www.worldometers.info/world-population/Zimbabwe-population/

⁶ PETER L. BERGER & THOMAS LUCKMANN, THE SOCIAL CONSTRUCTION OF REALITY: A TREATISE IN THE SOCIOLOGY OF KNOWLEDGE 56–57 (1966)

⁷ Zimbabwe Service Availability and Readiness Assessment Report (ZSARA) 2015).

masses. It is ironic that, the citizens are the ones who are financing the construction of the hospital through their taxes yet they will not benefit from it.

The government's decision can be best understood under the elite- governance- phenomena which disregards the fiduciary duties of the state. As the modern government (developed or developing) is premised on the concept of social contract between citizens and the state in which rights and duties are agreed to by all to further the common interest. Thus, citizens offer their support to a government through taxes and efforts to a country's good; in return, governments attain legitimacy by protecting the people's rights and through public policies and social protection policies that are inclusive. Nonetheless, this has not been the case with Zimbabwe, as exclusionary policies are not limited to health only, but encroaches to other sectors such as education, informal economy, social protection system, mining to mention but a few. The ramifications of such are detrimental as they ensconce inequality among the citizens.

Many rural communities do not have functioning primary health care facilities, some are too far and serving a huge population making it impossible for the clinic to cover the whole area sufficiently. This can be evidenced by Chiadzwa (ward 30), which only has one clinic covering Rombe village, Zikani village, Chibiya village and Chiadzwa village. The same can be said of Tsetse control in Mahenye (Ward 30) as well as Maregere, Chisuma and Makoho (Ward 29) where and the nearest clinic is approximately 17 kms away. Therefore, aforementioned areas could have benefited if their existing clinics had been revamped while those which are far away, could have new ones built for them. This is because, for these communities health has become the privilege of the minority and the rich, while, the poor continue to be isolated as the inequality gap widens. On the other hand, infrastructural dynamics intersect to impede of viable service delivery in the rural areas. In Mkwada, Bocha nurses lefts the clinics following two months of unavailability of electricity leaving caregivers in charge⁸.

To this end, health institutionalized inequality refers to how governance structural conditions facilitate decision-making driven by elitism and bias against the masses. To address this, Zimbabwean policymakers must focus on how governance structures can, therefore, be calibrated to guard against subtle or unconscious bias. Nonetheless, an interrogation of whether is health institutionalised inequality the new norm in Zimbabwe raises several questions that probe for answers and further reflection.

- Has Zimbabwe institutionalized health inequality?
- Are the poor and vulnerable citizens financing for the construction of the new VVIP hospital which they are not going use?
- Why is it so important to construct the VVIP hospital when we have hospitals that simply need a modernization facelift or revamp?
- Is the government fulfilling its fiduciary and social contract responsibility?

⁸ [Nurses abandon clinic - The Standard](#)