

Maputo, 22nd April 2020

Re: Open letter regarding upcoming Mozambique COVID-19 loan agreement

Dear Mr. Velloso,

We are writing today on behalf of The Fórum de Monitoria do Orçamento (FMO) and Oxfam. We would like to commend the IMF for its swift action to support countries to tackle the COVID-19 crisis around the world, including providing a portion of debt relief to several low-income countries including Mozambique. Mozambique has already been facing an existing debt emergency, leaving little to no budgetary room for reacting to the pandemic. We know more action on debt relief and restructuring will be needed from the IMF as well as from other creditors, and we hope we can count on your support on this matter.

We understand the IMF Board of Directors is scheduled to approve emergency financial assistance to Mozambique under the Rapid Credit Facility (RCF) on Friday, April 24 2020. Mozambique is in desperate need of financial support to enable the country to secure social protection and enhance the capacity of the health sector to address the pandemic, and so we welcome this progress. At the same time, it is **paramount that transparency and accountability are firmly embedded in the governance of this loan agreement.** It will be crucial to ensure that Parliament has full sight and approval of this loan, and that there is fiscal transparency to ensure the funds are reaching where they are most needed. Independent civil society will have to have a strong function here and must be allowed – and even more so, actively encouraged – to play this role. We urge the IMF to make a strong assertion within this loan program, and its public statements to this effect. Now more than ever, we must ensure that precious resources are used effectively and transparently.

We look forward to further engagement.



Sincerely,




Professor Adriano Nuvunga

(FMO Coordinator)

adrianonuvunga@cddmoz.org

+258 84 333 000 9



Rotafina Donco, PhD

Country Director, Oxfam in Mozambique

Rotafina.donco@oxfam.org

Contact in Washington DC, USA: Nadia Daar, Head of Washington DC Office,
Oxfam International Nadia.daar@oxfam.org

CC:

Ari Aisen, Mozambique Resident Representative, IMF

Abebe Aemro Selassie, African Department Director, IMF

Nicolas Mombrial, Head of Civil Society Team

Andrew Kanyegirire, Senior Communication Officer