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ZIMBABWE COALITION ON DEBT AND DEVELOPMENT

WEEKLY ECONOMIC UPDATE AND ANALYSIS

12 JANUARY 2021

"Celebrating 20 years of People Driven Social and Economic Justice in Zimbabwe"

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NOTABLE ISSUES THIS WEEK **2**

WEEKLY TRACKER **4**

FISCAL POLICY **5**

Questioning the COVID-19 relief funds for the vulnerable 5
Fiscal transparency for 7 billion COVID-19 response 5
Policy failure and agricultural potential in Zimbabwe: Mineral revenue to fund white farmers` compensations . 6
High inflation drives up the cost of living 7

MONETARY POLICY **8**

Victoria Falls exchange faces major hurdles 8
Resolutions of the Monetary Policy Committee Meeting on Foreign Exchange Auction System 8
Analysis of the Monetary Policy Committee resolutions in respect of surrender and liquidation of foreign exchange receipts 8
Analysis of the MPC resolutions in order to restore the role of bureau de change in the foreign exchange market 9

SECTORAL POLICY **11**

Establish and build the capacity of institutions that facilitate export trading 11
Address workers' welfare before recruiting more 11
Put safeguards to ensure that the right people benefit from COVID 19 pay outs and food distribution 12

POLITICAL AND REGULATORY FRAMEWORKS **13**

Industry to engage Government on curfew regulations 13
AMA restructures, seeks sanity in Agriculture markets 13
Informal Traders Challenge Lockdown Order 13

Notable Issues This Week

Fiscal Policy

INCREASE COVID-19 RELIEF FUNDS FOR VULNERABLE ZIMBABWEANS

The media reported that the government has resumed the disbursement of COVID-19 relief funds to the vulnerable given the recently announced shutdown. An estimated 276 000 people benefited directly from Covid relief funds in 2020. This is inadequate considering the increased vulnerability of an estimated 8 million food insecure Zimbabweans, 1.8 million Zimbabweans living with disability, the elderly and other constituencies whose vulnerabilities are worsened by the COVID-19 induced lockdown. It is vital for the government to allocate more resources towards inclusive social safety nets, eliminate opacity around relief fund distribution and develop a database for the vulnerable based on traceable criterion.

Monetary Policy

RESOLUTIONS ON FOREIGN EXCHANGE AUCTION SYSTEM

The Reserve bank of Zimbabwe (RBZ) introduced the Foreign Currency Dutch Auction System on the 23rd of June 2020. Despite sundry challenges which came with the system, it has managed to increase the availability of foreign currency to the SMEs and larger companies as well stabilizing the exchange rate to around ZWL$ 81.7 to a United States Dollar. However, the parallel or 'black market' rate continues to undermine foreign exchange control and monetary policy gains. Parallel market rates presently hover around ZWL$110 to ZWL$130 to a United States Dollar. Allowing market forces of demand and supply to dictate the market rate must be tempered with consistent and accountable regulation by the RBZ. Predictable policies to guide the operations of the market in a highly volatile macro-economic environment and mechanisms to ensure equitable distribution are vital for government's foreign currency reforms to take root.

Sectoral Policy

ADDRESS WORKERS' WELFARE BEFORE RECRUITING MORE

The Herald newspaper reported that the government is processing requests from various Ministries such as Education, and Home Affairs for the recruitment of more workers to fill vacant posts in the civil service[1]. This measure contrasts with Government's prevailing austerity measures and fiscal consolidation measures which have resulted in the cutbacks of civil service jobs and stalled progress in reviewing Civil Servants conditions of service despite recurrent strikes by nurses, doctors and teachers. Zimbabwe cannot address the escalating Covid pandemic without a robust and well remunerated Civil Service. Ongoing negotiations between government and representatives of the public service unions under the National Joint Negotiating Council must therefore decisively address Civil Servants' legitimate concerns. These concerns including, he need for better Personal Protective Equipment and wages to match the basic needs budget must take precedence over new recruitments. Filling out vacant posts is though vital to enhance service delivery and a quicker response to the pandemic must be preceded by an urgent redress of concerns raised by Civil Servants in the education, health and social service delivery sectors.

[1] https://www.herald.co.zw/govt-to-recruit-more-workers/

Policy and Regulatory Frameworks

VICTORIA FALLS EXCHANGE FACES MAJOR HURDLES

The recently launched Victoria Falls exchange faces major hurdles in terms of attracting potential investors. Despite the Government of Zimbabwe implementing a cocktail of reforms under the 'Zimbabwe is open for business' mantra, the country remains at arm's length with foreign direct investment. Investor concerns with the politico-economic instability, policy inconsistencies, corruption and high costs of doing business continues to undermine Zimbabwe as an investment destination. To unlock Foreign Direct Investment (FDI) and promote development, the Government must ensure a stable investment climate that guarantees and secures investors' property rights.

Weekly Tracker

POVERTY DATUM LINE NOVEMBER 2020
Food Poverty Line ZWL3 279 Per person

ANNUAL INFLATION RATE ZIMSTAT	
November 2020	**December 2020**
3.15%	4.22%

2021 Economic Growth Projections	
Zim Govt	**World Bank**
7.4%	2.9%

TOTAL CONSUMPTION POVERTY LINE 2020	
October	**November**
ZWL3 750 Per person	ZWL4 426 Per person

OFFICIAL DIASPORA REMITTANCE	
Jan – Sept 2019	**Jan – Sept 2020**
USD453.6m	USD657.7m

COVID 19 RESOURCE TRACKER	
05/01/2021	**10/01/2021**
Positive Cases 17 194	Positive Cases 21 477

COVID 19 RESOURCE TRACKER	
05/01/2021	**10/01/2021**
Recovered 11 813	Recovered 12 582

COVID 19 RESOURCE TRACKER	
05/01/2021	**10/01/2021**
Deaths 418	Deaths 507

COVID 19 RESOURCE TRACKER
29/12/2020 **PLEDGED RESOURCES** ZWL584 615 346 **HONOURED RESOURCES** ZWL337 221 916 **RESOURCES SPENT** ZWL217 700 901

Fiscal Policy

Questioning the COVID-19 relief funds for the vulnerable

The media reported that the government has resumed the disbursement of COVID-19 relief funds to the vulnerable given the recently announced shutdown. It is further reported that 276 000 people benefitted from the program by December of 2020. There is marked opacity surrounding the quantum of resources availed by the government in support of the facility, access and distribution mechanisms for potential beneficiaries and follow up assessments of impacts on reducing vulnerability of affected groups and families. There is a strong need for improved access to information, stakeholder engagement and independent Parliamentary oversight of Covid relief funding considering the country's chequered public finance management track record.

Whereas the media gives an estimation of 276 000 people having benefited from the relief funds in 2020, such statistics do not tally with the 8 million food insecure citizens whose vulnerability is worsened by the COVID-19 induced lockdown. The lockdown has triggered massive job losses across economic sectors with the SME sector being amongst the most affected, spiralling the count of the urban poor. The potential beneficiaries were urged to register with the Department of Social Welfare for vetting though the criteria for selection remains opaque. Innumerable vulnerable families did not benefit from the fund in 2020 and many questioned the genuineness of the government in extending the facility. The same sentiments were echoed by both the SMEs sector and industry as they did not benefit from the COVID-19 stimulus package. Oddly, no list of beneficiary corporates was produced – questioning the transparency of the stimulus package. The distribution of relief funds on partisan basis though consistently condemned remain a hindrance to equitable and a just distribution of not only the relief funds but other government interventions. More worrying is the fact that, though the cash pay-outs are directed to a few, they are also below the poverty datum line thereby perpetuating extreme poverty.[2]

In comparison, the World Food Programme (WFP) is assisting 326 000 urban residents and is expected to spread the facility to over 500 000 people. Innately, the government cannot outsource the fulfilment of constitutional obligations to vulnerable citizens to the charity work of international organizations. It is vital for the government to reverse austerity measures, allocate more resources towards social protection mechanisms and safety nets, eliminate opacity around relief fund distribution and develop a database for the vulnerable based on a traceable criterion.

Fiscal transparency for 7 billion COVID-19 response

Zimbabwe entered into a 30-day level four lockdown from the 5th of January 2020, in order to curtail the spread of the COVID-19 pandemic following the given spike in the infection tally and the death count after the 2020 festive season. In response the government has ZWL7 billion meant to recruit more health personnel, procure PPE, testing kits and sundries required in fighting COVID-19. This injection of resources to fight the scourge is vital to enhance ongoing response mechanisms. Improved fiscal transparency, accountable public procurement, Parliamentary oversight, devolved multi-stakeholder disaster rapid response mechanisms and progressive international re-engagement are amongst the complimentary efforts to ensure the effectiveness of increased funding.

[2] Cash pay-outs were ZWL 300 (USD3.65) per month in 2020 and are expected to be increased to ZWL 800 (USD9.76) per month in 2021.pr

Emerging consensus holds that fiscal interventions to address the pandemic ought to be citizen led; long term and designed to harness the confidence and support of key stakeholders including market actors and civic society[3]. Though fiscal responses must be timely, their design must ascribe to set standards of transparency so as gain public support, infuse effectiveness of the package and thwart possible abuse of funds. This can be achieved through engaging Parliamentary scrutiny and seeking requisite legal authorization, stating clear crisis-related estimates (provide granular information), provide specific goals and performance indicators to enable ex-post evaluation, consulting relevant stakeholders to enable appropriate design and targeting of the intervention.

The COVID-19 package lacks with respect to granular estimates of specific goals and performance indicators per province or district, making it difficult to post evaluate the intervention.[4] On implementation; it is vital that government tracks any additional COVID-19 spending, channel donor and debt funding through the fiscus whilst upholding high standards of transparency, informing citizens about measures available and how such can be accessed as well as strengthening ex-post controls. Though the government has announced several COVID-19 related packages, inadequate information is normally availed during the implementation stage making it difficult to track resource utilization to the last cent. With respect to oversight requisite for attainment of goals; government must do regular reports on the implementation of the package thereby allow for fine-tuning of the facility making use of specific expertise such as parliamentary committees that provide oversight roles. It is also vital to involve CSOs in making ex-post assessment and supplement either limited or constrained capacity within government. This framework can erase corruption allegations and promote the much needed transparency in public resource management.

Policy failure and agricultural potential in Zimbabwe: Mineral revenue to fund white farmers` compensations

The Global Compensation Deed Agreement (GCDA) of 2020 mandates compensation of USD3.5 billion to former white commercial farmers for improvements made on lands acquired during the Fast-Track Land Reform.[5] The GCDA was framed without any resources set aside, but with a tacit expectation to raise funds on the debt market. Expected benefits of the compensation are to unlock potential Foreign Direct Investment, reverse sanctions and open re-engagement avenues with key international political and economic institutions such as the US (lifting of ZIDERA) and the Commonwealth. This investment in the compensation of white farmers without democratic consultation or public acquiescence to new debt burdens further complicates already pressing concerns around access and control of land and other productive resources. It does not contribute to much needed efforts to resolve controversies around land tenure and the lack of agricultural investment and productivity in affecting the majority of poor farmers.

Proposed funding options of the GCDA are untenable whilst locking Zimbabwe further into debt distress. The intention to use mining proceeds to fund the USD 3.5 billion agreement though feasible in theory is hostage to exigencies such as volatility in mineral prices on the world market, high costs of accessing capital on private markets given Zimbabwe's international isolation and the as yet uncontained propensity of the extractive sector to take more than they remit through illicit financial

[3] International Monetary Fund (IMF)'s Special Series on Fiscal Policies to Respond to COVID-19

[4] No performance report was presented on the resources availed for COVID-19 in 2020 to date and new resources are being channelled in 2021 without an evaluation from the prior fiscal year.

[5] This contradicts the initial FTLR which sort compulsory acquisition of land without compensation.

flows and tax incentives. Zimbabwe mining revenues must be ringfenced to directly benefit Zimbabweans particularly in these times of climate induced and other recurring shocks. Mining revenue must be regulated to prevent against capital flight and illicit financial flows. As per the reformations suggested by the African Programme on Rethinking Development Economics (APORDE), mining proceeds must champion structural transformation by developing infrastructure supportive of industrialization. Industrialization, in particular agro-processing pushes agrarian transformation given the heightened demand of agricultural inputs creating the need to adopt high productivity technology. Ideally, agriculture can contribute meaningfully to GDP, employment creation, food security, poverty reduction and reducing foreign exchange constraints on the economy as well as.

High inflation drives up the cost of living

Inflationary pressures on the cost of living for Zimbabweans in the absence of social protection mechanism and income substitution for the working poor risks confining millions of Zimbabweans deeper into generational cycles of poverty. The implication of the increased rate of inflation is limited access to basic social and economic amenities by the majority of individuals, loss of savings and stagnation of incomes. The situation is worsened by the COVID-19 pandemic. In particular loss of income and reduced economic activity for the working poor during the lockdown will interact with the reduced spending power of the ZWL in a dollarized economy to force Zimbabweans to forgo many basics due to unaffordability. This crisis of unaffordability extends to privatised health and education services which will go beyond the reach of many people households.

Entrenched economic challenges propelling inflation upwards require immediate address. As reported by the Standard Newspaper, the decline in the economic output occasioned by limited foreign investment has a role to play in the continual rise of the rate of inflation in the country[6]. This calls for the transformation of Zimbabwe's economy to reverse the skewed distribution of economic power and resources in the hands of the few. It also entails stronger policy mechanisms to incentivise and mainstream the informal economy in which an estimated 70% of Zimbabweans find their livelihoods. More pertinently it calls for an Industrialisation policy geared towards actuating the economic potential of devolved provinces and levelling the regional and sectoral discrepancies in economic performance and allocation of productive resources and investments.

[6] Zwinowira, T. 2021. *High inflation drives cost of living*. The Standard, 3 January 2021. Available online at: https://www.thestandard.co.zw/2021/01/03/high-inflation-drives-cost-of-living/

Monetary Policy

Victoria Falls exchange faces major hurdles

The recently launched Victoria Falls exchange faces major hurdles in terms of attracting potential investors. Despite the Government of Zimbabwe implementing a cocktail of reforms under the 'Zimbabwe is open for business' mantra, the country remains at arm's length with foreign direct investment. The not so predictable politico-economic ecology, branded by policy vacillations, continues to project an inhospitable thesis about Zimbabwe as an investment destination. The problem is compounded by the fact that the country is popular for scoring badly on corruption indices, ease of doing business index, amongst other rankings due to endemic corruption. The importance of FDI in bringing Zimbabwe out of poverty and underdevelopment need not be emphasised. FDI has the opportunity to advance Zimbabwe's development by connecting domestic entrepreneurs to the global economy, permitting the inflow of capital, modern technology, know-how, and creating jobs for Zimbabweans[7]. Simply put, FDI can provide long-term solutions to socio-economic injustice by stimulating economic growth and development in the country. To unlock Foreign Direct Investment (FDI) and promote development, the Government must ensure a stable investment climate that guarantees and secure investors' property rights. This should be backed by policy consistency and earnest anti-corruption reforms to restore investor confidence.

Resolutions of the Monetary Policy Committee Meeting on Foreign Exchange Auction System

The Reserve bank of Zimbabwe (RBZ) introduced the Foreign Currency Dutch Auction System on the 23rd of June 2020. Despite sundry challenges which came with the system, it has managed to increase the availability of foreign currency to the SMEs and larger companies as well stabilizing the exchange rate to around ZWL$ 81.7 to a United States Dollar. However, the black market rate has remained wild, hovering around ZWL$110 to ZWL$130 to a United States Dollar. The recent resolutions of the Monetary Policy Committee are aimed to address the sustainability of the Foreign Currency Auction System, which has seen the RBZ being the sole supplier of the foreign currency to the auction market. Allowing the market forces of demand and supply to dictate the market is the most sustainable way for the market to forge ahead, must be tempered with robust regulation and transparent oversight by the Reserve Bank of Zimbabwe.

Analysis of the Monetary Policy Committee resolutions in respect of surrender and liquidation of foreign exchange receipts

1. *To remove the compulsory requirement to liquidate all unutilized export proceeds after 60 days, with immediate effect.*

   This is a welcome move by the RBZ. Now the exporters can hold their foreign currency indefinitely and be able to plan on when and how to use their foreign currency receipts. The previous policy directive was forcing the exporters to spend their foreign receipts on the items which may not be of current necessity, but they were doing so in a way not to lose their foreign currency receipts. However, the RBZ need to close all the loopholes and strictly monitor possible externalization of these foreign currency receipts by unscrupulous companies.

[7] Government of Zimbabwe 2018. *Investment Guidelines and Opportunities in Zimbabwe*. Harare: Investment House.

2. *To increase export Surrender Requirements from 30% to 40% on all export receipts, with immediate effect.*
   The increase in the Surrender Requirements by 10% needs to be re-considered. Most of the companies, are still facing challenges in accessing adequate foreign currency on the Foreign Exchange Auction System, and this recent increase will continue to reduce the foreign currency balances of the exporters. This will weaken their ability to be able to procure necessary raw materials which require foreign currency. Therefore, the RBZ through the Auction System should be able to adequately meet the foreign currency requirements of the companies so as to enable their companies to access adequate foreign currency so as to smoothen their operations.
3. *To maintain the liquidation requirement for domestic exchange sale at 20% net of sales tax, with Authorized Dealers required to remit to the Bank in the currency of receipt.*
   Given that most of the local producers especially individual farmers are not privileged to access foreign currency on the Dutch Foreign Currency Auction and they are accessing the US$ on parallel market to buy inputs, this policy directive is not favourable to them. For them to be forced to accept 80% of their sales in the ZWL$ is not fair and it is a disincentive which puts them on a disadvantage when it comes to procurement of their inputs, which are denominated in US$. It is therefore strongly encouraged for the RBZ to relook at this policy directive and find ways of promoting domestic producers, especially small-scale miners and small-scale farmers by a possible increase on the liquidation of domestic sales.
4. *To ensure that the allotment of foreign currency on the Foreign exchange Auction and Interbank market continues to be guided by the priority list which places productive inputs (raw materials, consumables, and capital goods) ahead of foreign exchange requirements for services, educations and portfolio investment*.
   Although this policy directive aims at facilitating the productive capacity of industries, through timely accessing and procurement of raw materials, the abuse and manipulation of the system by the awarded companies makes the whole objective miss the intended direction. Some of the companies are engaged in nefarious activities, like inflating the supplier invoices, and using black market rate to price their products, abusing the privilege of being on the priority list. All these illegal activities are not benefiting the vulnerable a disadvantaged section of the society. It is now high time the RBZ need to prioritize the provision of basic services like health and education, especially, in this crisis of Covid-19 pandemic. It is highly recommended for the priority list to balance between procurement of raw materials and provision of basic services like health and, water and education.

Analysis of the MPC resolutions in order to restore the role of bureau de change in the foreign exchange market

1. *To reduce the portion of balances to be sold on the Foreign Exchange Auction by bureaux de change from 80% to 40% in line with the export surrender requirement for exporters.*
   This policy directive is to ensure increased liquidity of the bureaux de change. It is welcome move to increase the foreign currency availability to the potential customers. Increased availability of affordable foreign currency on the market, will likely reduce resort to the black market to access foreign currency.
2. *To increase the maximum allowable margin on small transactions to be charged by bureaux de change from 5% to 8%.*

This policy directive as much as it aims to increase the incentive of the bureaux de change, through increased premium per transaction, it can be a disincentive to the consumers, which can push them to the black market. The increased premium eats into the consumers possible receipts, and may be a disincentive, which can in-turn promote the black-market rate.

3. *To raise the daily minimum limit per transaction to US$ 2000 at bureaux de change level to cater for foreign exchange requirements for individuals, micro and small to medium enterprises in accordance with the foreign currency priority list.*

   This policy move will see the increase in the access of foreign currency at a reasonable exchange rate, especially to the SMEs. However, this may be prohibitive to individuals and other micro and informal traders, who may need buy foreign currency less than the minimum prescribed. Given that, most of the industry in Zimbabwe is now informalized, that increase will see the flourish and persistence of the black market, which will be accepting any amount to be traded. Therefore, the RBZ, in pursuance of inclusivity, should give staggered minimum limits, depending with different categories, to enhance access to affordable foreign currency to all sectors of the economy.

4. *To affirm that bureaux de change are allowed to purchase foreign currency from individuals and companies without limit subject to Know Your Customer (KYC) principles and anti-money laundering requirements.*

   This is a welcome move to open the purchase of foreign currency from any individual and company. It will increase the supply of foreign currency and hence enhance the sustainability of the foreign currency auction system. However, the huge margin between the official exchange rate of around ZWL$81.7 to a US$ and the black-market rate ranging from ZWL$ 110 to ZWL$ 130 still offers a lucrative premium for people to take their foreign currency there. Therefore, the RBZ is strongly encouraged to devise sustainable ways to increase the supply of the foreign currency the foreign currency requirements and this will wilt out the black-market premium

5. *To reiterate that all bureaux de change foreign exchange transactions shall be done through the Bank's Bureau de Change Transaction System.*

   This is a welcome move by the RBZ so as to tighten the system and render less chances of abuse. The viability and sustainability of this system will thrive on a well-functioning system with strict rules to guide the operations. It is strongly encouraged for the RBZ to monitor the transactions by the bureaux de change and reduce manipulation, money laundering tendencies and arbitrage behaviours by the players in the market.

Sectoral Policy

Establish and build the capacity of institutions that facilitate export trading

The Herald reported that Zimbabwe is set to enjoy a trade boost following Britain's exit from the European Union. Brexit implies that the United Kingdom can now enter into trade pacts with individual countries worldwide. Zimbabwe has positioned itself to tap into this business opportunity by entering into an Economic Partnership Agreement (EPA). The EPA allows Zimbabwean exporters to export to the UK without any tariffs and quotas. The opening up of the UK market ostensibly expands the market for Zimbabwean products. However, Zimbabwe mainly exports products in their primary form such as tobacco and mineral ores. This suggests that the country realises lower export revenues from its products compared to the UK which will be exporting back value added products and expert technical services. For Zimbabwe to meaningfully benefit from the EPA with the UK, we therefore recommend that government should set up a stimulus package for companies that are exporting to be able to value add their products. Such a package may include progressive export taxes that incentive companies to export valued added products. Since, the UK also signed trade pacts with South Africa, Botswana, Namibia, Eswatini, Lesotho and Mozambique, it means that Zimbabwean companies have to competitively price their products through use of high efficiency low cost production technologies. The government through the Ministry of Industry should establish consortia and build its capacity to facilitate export trading. These institutions would be critical in providing information, bridging finance and market intelligence to the exporters. Existing institutions such as ZIMTRADE should have their capacity assessed and accordingly strengthened to assist companies that export from Zimbabwe.

Address workers' welfare before recruiting more

The Herald newspaper reported that the government is processing requests from various Ministries such as Education, and Home Affairs for the recruitment of more workers to fill vacant posts in the civil service[8]. While filling out vacant posts is encouraging from a service delivery perspective such as reducing teacher to student ratio in schools, it is quite worrying to see that government is intending to recruit when it is failing to address the salary issues of its current employees. In 2020, several newspaper outlets reported that government resorted to "command tactics" to supress demands for salary increment by its workers. For instance, government fired all nurses that were not reporting for duty and decision that was reversed by the High court[9]. Interestingly, these nurses had suggested flexi workers as they were incapacitated to report for duty. What is interesting to note is that the vacant posts could be results of workers who had to seek greener pastures in neighbouring countries after being incapacitated to work. One then wonders whether the government is not going to face more vacant post given its refusal to align workers' wages with cost of living. It is prudent for government to at least address the welfare of its current employees before it talks of recruiting new staff or filling out the vacant posts. This can be done by adjusting the workers' salaries in line with the cost of living. Government should also prioritise the provision of Personal Protective Equipment for its frontline workers such as health workers. The PPE is indispensable for the safety of frontline workers during this COVID 19 pandemic.

[8] https://www.herald.co.zw/govt-to-recruit-more-workers/
[9] https://www.theguardian.com/world/2018/apr/18/zimbabwe-sacks-thousands-of-nurses-on-strike-for-better-pay

Put safeguards to ensure that the right people benefit from COVID 19 pay outs and food distribution

The Chronicle newspaper reported that the government is rolling out a safety net package for vulnerable families to receive financial support during the COVID 19 induced lockdowns[10]. The newspaper reported that in 2020, about 276 000 families accessed the relief cash pay outs. The WFP is also distributing food to thousands of households across the country who are facing hunger due to the drought in the previous farming season. These social protection systems provide critical assistance to vulnerable households who earn their living from hand to mouth. The majority of the vulnerable families mostly in town earn a living from the informal sector. During the current level 4 lockdowns, the informal sector has been ordered to close making it very difficult for most families to survive. In the absence of cash transfers, most families plunge into acute food shortages. Given that most people in towns rely on informal jobs, one wonders if government has enough resources to reach out to these vulnerable families. There is a need for government to increase access to information about relief funds through the public media and local leadership to ensure that the recruitment and selection of vulnerable families is transparent. This will ensure that the deserving vulnerable households access the pay outs and live through the lockdowns. In rural areas, government should collaborate with development partners and select beneficiaries of food handouts in a transparent manner. This will ensure that food handouts are not used by political actors to advance partisan objectives at the expense of marginalised groups.

[10] https://www.chronicle.co.zw/safety-nets-roll-out-for-vulnerable-families/

Political and Regulatory Frameworks

Industry to engage Government on curfew regulations

The imposition of regulations on businesses to operate within the 6 am – 6 pm rubric is critical to ensure that the country fights the surge in covid-19 cases[11]. However, as the objective of the regulations and the national lockdown is to save life, the government equally bears the responsibility to save the nation from dying due to poverty and hunger. The productive sector should be allowed (under tight measures and monitoring to curb the spread of the virus) to pave way for the country to increase the economic outputs of the country and enhance capacity utilization of industry. The negative effects of limiting operations on industry and the productive sectors is equally adverse on the nation and livelihoods as it leads to reduced foreign currency inflows, a higher rate of unemployment, reduced social safety nets, increase in poverty, and acute shortages of basic goods and services. Therefore, to save the nation from another hunger pandemic, the government should roll out an operational guideline to allow the productive sectors to utilize full production capacity thus saving the industrial sector from collapse. In other words, humanitarian efforts to save life from the deadly pandemic should be extended also to save the economy.

AMA restructures, seeks sanity in Agriculture markets

Reforming the Agricultural Marketing Authority of Zimbabwe (AMA) comes with a great welcome with hopes that the reform initiative will manage to deal with the deficiencies in the agricultural sector in the country. The major bottlenecks that have been prevailing for long like side marketing and delays for export permits are expected to be a thing of the past[12]. This also means that the sector might be viable and be able to export its products, returning foreign currency in the country as well as attracting foreign direct investment in the country. The increase in exports can address the issue of foreign currency shortages and help individuals in the agricultural sector to gain livelihoods through increased viability of the sector. Poverty alleviation as well as the success of vison 2030 hinges on the viability of the agricultural sector. Agricultural reforms if well managed and implemented have the potential to eradicate poverty in Zimbabwe and restore the title of the country as the 'jewel of Africa' through increased stimulation of economic production and exports. Nevertheless, restructuring of the oversight body should be accompanied by independence and autonomy in decision making to ensure that there is no undue political interference that can downplay the objectives of the reform initiatives.

Informal Traders Challenge Lockdown Order

While the imposition of the 30-day national lockdown by the government will act as a stop-gap measure to avoid the increase in Covid-19 infections[13], this bears negative consequences to the informal sector which largely survives on 'hand to mouth'. The lockdown measure without being accompanied with sufficient social protection schemes to protect the informal sector so that they do not lose their livelihoods can erode their social safety nets and increase poverty and vulnerability of the informal workers and their families. There is need for a social protection scheme by the

[11] The Herald. 2021. *Industry to engage Govt on curfew regulations*. The Herald, 5 January 2021. Available online at: https://www.herald.co.zw/industry-to-engage-govt-on-curfew-regulations/

[12] Kadzere, M. 2021. *AMA restructures, seeks sanity in Agriculture markets*. The Herald, 8 January 2021. Available online at: https://www.herald.co.zw/ama-restructures-seeks-sanity-in-agric-markets/

[13] Mangwaya, M. 2021. *Informal Traders Challenge Lockdown Order*. Newsday, 8 January 2021. Available online at: https://www.newsday.co.zw/2021/01/informal-traders-challenge-lockdown-order/

government to cushion the informal traders to cope up with the forced closure of their operations. The social protection scheme will not only act as a coping mechanism by the informal sector against the covid-19 pandemic but will also reduce the risk of the country entering into another crisis of social unrest. If possible, the Government should take necessary steps to integrate the informal sector so that they are not neglected in the social protection schemes. This can also enable easy regulation of the sector in times of crisis like the covid-19 pandemic.