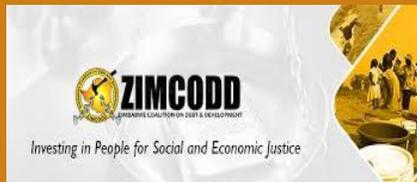


# ZIMCODD

ZIMBABWE COALITION ON DEBT AND DEVELOPMENT

## WEEKLY ECONOMIC REVIEW AND UPDATE



25 January 2021

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

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## Notable Issues This Week

### This Week's Highlight

#### CYCLONES AND THE COVID-19 PANDEMIC: A REVIEW OF ZIMBABWE'S SOCIAL PROTECTION SYSTEM

Zimbabwe has been experiencing an increase in climate induced natural disasters, particularly cyclones which appear to be more frequent and aggressive in recent years. Since the year 2000, Zimbabwe has been hit by a number of cyclones which varied in intensity and their trail of destruction. The Department of Civil Protection noted that Cyclone Eline affected 2.7 million people directly or in directly in the Southern and Eastern part of Zimbabwe with a total estimated cost of US\$ 3,160,799.00 in damages. This reality of recurrent climate induced shocks and disasters presents an urgent challenge to review and strengthen Zimbabwe's social protection system in order to enhance the climate resilience of vulnerable communities and ensure predictable, well-funded and timely responses to crises.

### Monetary Policy

#### FOREX AS A SHARED RESOURCE

The recent announcement by the Central Bank that exporters are no longer compelled to sell their unused local currency earning after 60 days is a welcome move to enhance the operations of exporting companies. At the same time, raising of the mandatory liquidation threshold on export earnings to 40% from 30% will likely increase access to foreign currency for non-exporting firms, thus potentially enhancing local production particularly in the manufacturing sector.

### Sectoral Policy

#### AGRIBANK RESTRUCTURING ON COURSE

The majority of small holder and rural farmers in Zimbabwe are locked in multi-generational cycles of poverty due to a number of unresolved policy, structural and operational challenges. In particular Smallholder and rural farmers face significant challenges in accessing capital to finance their operations. Many are unbanked and do not have the required collateral to access loans. Other finance houses, offers loans but with exorbitant interest rates and hefty repayments conditions. As such, the restructuring of the Agribank into the Land and Agricultural Bank of Zimbabwe is a welcome move to see the small holder and rural farmers accessing financing support under favourable terms. The bank is set to provide investment support to A1, A2 and small-scale commercial farmers who have not been supported by commercial banks, this will significantly contribute to job creation, food security and social security in rural areas.

### Policy and Regulatory Frameworks

#### POVERTY DATUM LINE SURGING

The increase in the Food Poverty Line and the Total Consumption Poverty Line challenge policy makers' belief that macro-economic fundamentals are stable given the fabricated exchange rate from the foreign currency auction market. Consequently, a greater portion of the salary for underpaid workers goes towards food, and might not be adequate to cover other necessities. It is government's role to keep adjusting salaries for Civil Servants to cushion them against the ever-rising cost of living attributable to inflation. To increase the disposable income of workers, the government ought to adjust the tax-free threshold to match the poverty datum line.

## Weekly Tracker

FOREX AUCTION RESULTS	
<b>19 January 2021</b>  ZWL82.0833 Per USD1.00	

ANNUAL INFLATION RATE	
OFFICIAL	OFFICIAL
<b>November</b>  401.66%	<b>December</b>  384.59%

2021 Economic Growth Projections	
<b>Zim Govt</b>  7.4%	<b>World Bank</b>  2.9%

TOTAL CONSUMPTION POVERTY LINE 2020	
<b>October</b>  ZWL3 750 Per capita	<b>November</b>  ZWL4 426 Per capita

OFFICIAL DIASPORA REMITTANCE	
<b>Jan – Sept 2019</b>  USD453.6m	<b>Jan – Sept 2020</b>  USD657.7m

COVID 19 POSITIVE CASES	
<b>10.01.2021</b> Positive Cases 21 477	<b>24.01.2021</b> Positive Cases 31 320

COVID 19 RESOURCE RECOVERIES	
<b>10.01.2021</b>  Recovered 12 582	<b>24.01.2021</b>  Recovered 22 250

COVID 19 RESOURCE DEATHS	
<b>10.01.2021</b>  Deaths 507	<b>24.01.2021</b>  Deaths 1 005

COVID 19 RESOURCE TRACKER 22.01.21
<b>29.12.2020</b> <b>PLEGGED RESOURCES:</b> US\$576,951.000 <b>HONOURED RESOURCES:</b> US\$579,951.000 <b>RESOURCES SPENT:</b> ZWL509,646.000

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## Cyclones and the COVID-19 Pandemic: A Review of Zimbabwe's Social Protection System

Recurrent climate induced shocks and crises have become a permanent fixture of Zimbabwe's lived reality, with long-lasting effects which disproportionately affects already poor and marginalised communities. Natural disasters, particularly cyclones appear to be more frequent and aggressive in recent years. Since the year 2000, Zimbabwe has been hit by a number of cyclones which varied in intensity and their trail of destruction. Chief among the destructive cyclones are:

- Cyclone Eline of February 2000;
- Cyclone Japhet in 2003;
- Cyclone Cela in 2013;
- Cyclone Dineo in 2017;
- Cyclone Idai in 2019; and
- Cyclone Chalane in 2021.

A weakening cyclone Eloise is expected to bring significant flood in Zimbabwe especially in South Eastern of Zimbabwe. Soils in these areas are already saturated and any rainfall exceeding 50mm in 24 hours would lead to flooding.

In recent past, Cyclone Eline and Cyclone Idai came with an unprecedented scale and magnitude leaving a trail of destruction on roads, housing, education and health infrastructure. The Department of Civil Protection noted that Cyclone Eline affected 2.7 million people directly or in directly in the Southern and Eastern part of Zimbabwe. The scale or magnitude of the impact of Cyclone Eline has been estimated at a total cost of US\$ 3,160,799.00 leaving many homeless or at the mercy of poverty<sup>1</sup>. Cyclone Idai affected approximately 250 000 people and destroyed infrastructure worth US \$ 612 million<sup>2</sup>. The damage and loss of human life show how cyclones are exacerbating suffering in Zimbabwe.

There is urgent need to invest in disaster preparedness and social protection systems to lessen the impact of cyclones particularly on the poor and marginalised. Climate change and social protection are integral components of GoZ's Vision 2030 aimed at achieving middle income economy status by 2030.

The Department of Civil Protection and the Department of Social Welfare two Institutions responsible for disaster response and social protection are not financially capacitated. For instance, the Department of Civil Protection requested ZWL10 million in its 2019 budgetary bid but was only allocated ZWL2.3 million. The low budgetary allocation weaken the organisational capacity to prepare for cyclones and other disasters. In subsequent years, the Department is still under funded as evidenced by its inability to fend for people who were housed at evacuation centres when cyclone Chalane struck.

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<sup>1</sup> [https://www.preventionweb.net/files/1318\\_ZimbabweHFAprogressreport\[1\].pdf](https://www.preventionweb.net/files/1318_ZimbabweHFAprogressreport[1].pdf)

<sup>2</sup> UNICEF Zimbabwe Report: I. 2019. *Zimbabwe Humanitarian Situation Report*. [Online]. Available at: <https://reliefweb.int/sites/reliefweb.int/files/resources/UNICEF%20Zimbabwe%20Humanitarian%20Situation%20Report%20%28Cyclone%20Idai%29%20-%2024%20March%202019.pdf>.

Zimbabwe has an objectively weak disaster preparedness system. Failure to provide Personal Protective Equipment for frontline workers and the inadequacy of the health system indicates that the country has no capacity to handle the COVID-19 pandemic<sup>3</sup>. Cyclone Eloise is coming at a time when the country is facing a devastating COVID 19 variant. This will only stretch the shrinking government resources. Further, the major challenge of cyclone Eloise is that it creates a fecund ground for the proliferation of the COVID 19 virus. As such, urgent intervention is needed before the humanitarian crisis has reached astronomic levels. Key measures for authorities to strengthen civil protection from the health and climate change perspectives include e.g;

- The government of Zimbabwe must put in place a clear legal, regulatory and institutional framework that robustly speaks to disaster preparedness especially Climate Change;
- The government should direct all efforts towards fighting the pandemic and facilitating safe places for victims of cyclones, which calls for budget reallocation, with more funds being channeled towards the health sector and the Civil Protection department;
- There is a need for a comprehensive social vulnerability analysis which is currently the missing conduit in the current act;
- Urgent rescue operation for those who have been affected in the Eastern Highlands particularly Chipinge and Chimanimani District;
- Provide safe and clean water to foster hygiene since it is a prerequisite in fighting the COVID-19 pandemic;
- Offer attracting incentives to frontline workers and double the overtime payment as there are being overwhelmed by both the pandemic and the cyclone;
- Increase social safety nets amount to tally with the poverty datum line which is ZWL\$ 4 670;
- The government should give more final resources to the Department of Civil Protection and Department of Social Warfare so as to respond effectively without compromising the ongoing fight against the pandemic;

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<sup>3</sup> Chingono, N. (2020). Zimbabwe doctors and nurses down tools over lack of protective coronavirus gear. CNN 25 March.

## Covid Resource Tracker

The second wave of COVID-19 since December 2020 has resulted in a spike in infection and death cases. In response the Government of Zimbabwe put in place lockdown measures to curtail the spread of COVID-19 and to avert potential negative effects of the pandemic on the economy and its citizens. As such, from the 5th of January 2021, Zimbabwe entered into a 30-day level 4 lockdown, to curb the spread of the pandemic. Zimbabwe continues to mobilise resources internally and externally to respond to the devastating socioeconomic impacts of COVID-19. The 2021 national budget has set aside ZWL7 billion to recruit more health personnel, procure PPEs, testing kits and sundries required to fight COVID-19. The government has also budgeted ZWL3.5 billion to cushion 500 000 vulnerable households whose beneficiaries comprise the informal sector, returning residents and children living in the streets. The COVID-19 resources tracker is a ZIMCODD initiative to keep track of all resources pledged, received and utilised 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 from the government on COVID-19 resources while empowering citizens with information to hold the government to account on allocation and utilisation of COVID-19 resources. The tracker is updated on a weekly basis to show pledges honoured, resources received and resources expended.

### **Overall**

Total Pledges = **US\$639,021,159**

Honoured Pledges = **\$349,361,492**

Amount Spent = **\$247,061,438**

### **For the week ending 22 January 2021:**

Total Pledges = **US\$576,951**

Honoured Pledges = **US\$576,951**

Amount Spent = **US\$1,509,646**

Note: Honoured pledges and amount spent here are inclusive of donations made before this week.

### **Major Concerns**

- Given that COVID-19 is still the biggest health crisis facing the country with threatening social and economic impacts, citizens are concerned that very little has been done on neither disseminating information on the new strain of COVID-19 nor on testing for the new strain which emanated from South Africa. Zimbabweans bemoan the reactive nature of the government in its COVID-19 response mechanisms.
- Despite Zimbabwe's resource mobilisation efforts to tackle the challenges brought about in the education sector as a result of the pandemic, little has been done to ensure that learners in public schools continue with their education during the nationwide lockdown. It remains worrisome to note that the majority of the learners have not attended school for approximately 10 months, since the initial lockdown was implemented.
- With the rising COVID-19 infection and death rates since the onset of the second wave of the pandemic, citizens bemoan the infrastructural decay and lack of basic supplies at public health institutions. Limited COVID-19 testing in public health institutions across Zimbabwe remains worrying and citizens have been left at the mercy of private health institutions who are charging prohibitive fees for both rapid and PCR tests.

- The national lockdowns have led to a disruption of economic activities and livelihoods resulting in increased poverty and vulnerability. While the government is commended for allocating zwl3.5billion to cushion the vulnerable, the distribution of Covid19 relief funds, the stringent conditions and lack of accountability remain a cause for concern.

### **Recommendations to the Government**

- A fundamental pillar in containing the spread of COVID-19 is for people to have accurate information about the virus, it is therefore imperative for the government to be proactive and keep citizens informed and aware of new developments regarding the pandemic, especially with the COVID-19 vaccine that is being rolled out amidst reports of a new COVID-19 strain.
- The government must prioritise funding for development and institutionalisation of an effective home-learning system for all learners, starting with the most vulnerable.
- The need for an urgent and comprehensive response to address the infrastructural inadequacies in the public health service delivery system remains central in flattening the curve. The government should prioritise refurbishment of public health institutions, procurement of necessary testing and treatment facilities so as to provide equal access to healthcare by all.
- All COVID-19 relief funds should be accompanied by clear access and distribution framework. The International Food Policy Research Institute (IFPRI) guidelines for enhancing efficiency of social safety nets should be adopted.
- Of importance in restoring public confidence and trust in the government's COVID-19 relief funds, distribution of the funds should be supported by regular public feedback on how the funds are being rolled out.

## Fiscal Issues

### Poverty datum line surging

The poverty statistics for December 2020 shows an increase in the food poverty line (FPL) as well as the total consumption poverty line (TCPL) compared to November 2020 statistics. According to the Zimbabwe National Statistical Agency (ZimStat), the FPL is a monetary value required to afford one's daily minimal intake of 2 100 calories. The TCPL is the amount of money required to buy non-food items as well as the minimal intake of 2 100 calories per month. Any consumption below the TCPL signifies poverty. ZimStat's publication show that the FPL in December 2020 stood at \$3 493.73 compared to \$3 279.41 recorded in November 2020, representing an increment of 6.5%. For the same period, the TCPL surged from \$4 425.64 to \$4 670.04, translating to a 5.5% increment. Deductively, these statistics imply that the FPL and TCPL for January 2021 are likely to be higher than the December 2020 statistics given incessant inflation. The increase in the FPL and the TCPL is contrary to government's belief that macro-economic fundamentals are stable given the fabricated exchange rate from the foreign currency auction market. Consequently, a greater portion of the salary for underpaid workers goes towards food, and might not be adequate to cover other necessities. It is government's role to keep adjusting salaries for Civil Servants to cushion them against the ever-rising cost of living attributable to inflation. To increase the disposable income of workers, the government ought to adjust the tax-free threshold to match the poverty datum line.

### Zimstat adopts lower bound poverty statistics

Whereas the norm was to publish poverty statistics for a family average of 5, with effect from November 2020, ZimStat adopted the publication of the lower bound of all poverty statistics. Lower bound poverty statistics are adjusted to refer to an individual. For instance, the TCPL of \$ 4 670.04 is the total amount required for an individual to afford 2 100 calories daily and afford other non-food items for a month. Although economists allege that the lower bound poverty statistics contrue to best international standards, the sudden shift to low bound poverty statistics comes at a time the aggregated poverty measure for a family of 5 (\$23 350.20 based on the current TCPL) now exceeds the net salaries earned across the greater economic divide. The aggregate poverty measure for a family of 5 was a yardstick for salary negotiation and the adoption of the low bound poverty statistic makes it a little difficult to discern underpayment. The enduring trend indicates both FPL and the TCPL increasing on a monthly basis thus translating into worsening poverty for the underpaid majority. Accordingly, government must prioritize disseminating information in its most useful form and for the same information to inform responsive decision making and policy formulation. The minimum taxable salaries must match the TCPL for an average family of 5 if policy is to be aligned to the lived realities of those it seeks to assist.

## Monetary Issues

### Treat Forex as shared resource, exporters told

The mandatory foreign currency liquidation is an issue which need to be considered from multiple perspectives. The economy requires foreign currency and the main source is from exporting companies. However non-exporting critical entities requiring foreign currency receive a disproportionately low volume of available forex on the formal channel and thereby pushed to access forex on the open market at high premiums. An equitable mechanism to facilitate improved access to forex for marginalised sectors of the economy is important to safeguard the viability of key sectors and protect millions of livelihoods especially in the unbanked informal economy.

The recent announcement by the central bank that exporters are no longer compelled to sell their local currency unused earning after 60 days is a welcome move in the auspices of smoothening operations of the exporting companies. At the same time, the raising of the mandatory liquidation threshold on export earnings to 40 from 30 percent has its own advantages and disadvantages. One of the biggest advantages is that, it will enable other non-exporting firms to get access to the foreign currency generated from the resources in Zimbabwe. Looking at it from another angle, it may be a disincentive to importers and hence may discourage exports.

The debate which has been going on about mandatory liquidation of foreign currency points to one thing. It demonstrates that, the market fundamentals determining the foreign currency rates are being short-circuited. In a normal case, exporters, where supposed to liquidate their foreign currency and also be able to get it any time, and at a correct price on the foreign currency auction system. But the prevailing conditions and situations are pointing to the fact that, the market system is not in balance. Taking a look at other countries, like Botswana and South Africa, the issue of foreign currency liquidation is not a major issue because the market has the correct price, which is not the same with the Zimbabwean situation. This is evidenced by the premium between the black-market rates ranging from ZWL\$110-130 to a US Dollar.

It is therefore strongly recommended that, the RBZ should as much as possible open up the foreign currency system, so that the market forces can determine the correct price of the forex. By so doing, it will deter the black market and increase the foreign currency to be traded in the formal channel. This will ease the availability of foreign currency for the provision of basic commodities and services by non-exporting Zimbabwean businesses.

### Dollar maintains momentum

The Zimbabwean Dollar has remained steady against the US dollar although firming by a very marginal 0.01% to \$ 82.08 from \$82.09 to the US Dollar after the central banks auction on Tuesday 19 January 2021. Since the beginning of August 2022, the Zimbabwean dollar has been trading slightly above ZWL\$80 to a US Dollar as shown in Figure 1. At the same time, the black-market rate has remained untamed, trading from ZWL\$90 to ZWL\$130 to the US Dollar depending to the mode of payment.

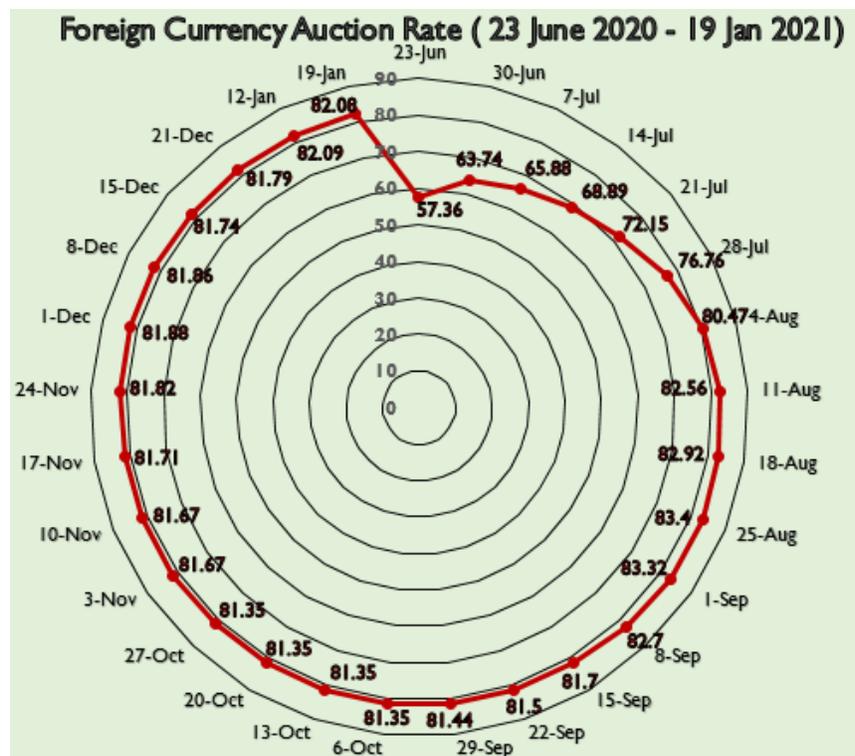


Figure 1: RBZ Foreign Exchange Results - Source: [www.rbz.co.zw](http://www.rbz.co.zw)

Despite the registered stability in the foreign currency, the multi-tier prices of basic goods have remained beyond the reach of many, increasing vulnerability and poverty to the majority of the people, including the civil servants and pensioners. The majority of the people are still receiving their salaries in the local ZWL\$, whose value is constantly eroded by untamed inflationary pressures. The economy is yet to enjoy the spill-over benefits of the stability in the foreign currency auction.

The Central bank must consider reforming the foreign currency auction system to facilitate the participation of a wider cross-section of key actors in the economy including various critical sections of the informal sector, small-to-medium scale business, artisanal mining and others in need of productive

capital in forex. This will enable increased supply of foreign currency and land rates at the true price in the foreign currency market. Increased confidence emanating from an equitable and reliable foreign currency allocation system is the right thing for local businesses and a crucial step towards extinguishing the black market. An unextinguishable foreign currency black-market driven by multiple factors including regulatory failure, weak economic fundamentals and policy inconsistencies, perpetually undermines monetary policy progress in Zimbabwe.

## Sectoral Policy

### Lafarge completes crucial test runs. US\$ 2.2 million plant bolster expansion drive

Lafarge cement is the second largest cement manufacturing company in Zimbabwe after PPC cement. The company is currently expanding its operations through a multi-million-dollar dry mortars plant. Plans are also afoot to assemble another key plant. As part of its plans, it is expanding into manufacturing of tiles adhesives, agricultural lime and other allied products which is in sync with the country's strategy of import substitution and growing the local economy. This will enable increased access of affordable products to the construction industry as the country is on the growth trajectory, with the construction industry aimed to contribute significantly to the GDP of the economy as envisaged in the recent National Development Strategy (NDS1). Additionally, this move will see creating of much needed decent jobs as the country is grappling with high unemployed rate especially among the youths.

Therefore, it is recommended that the government should regulate the flooding of cheaper imports from the neighbouring countries like Zambia, South Africa and Mozambique. This will enable companies to expand and create jobs. The Central Bank should also give preference to such companies to access the foreign currency to acquire necessary raw material and enhance production. Additionally, the government should develop smart incentives for employment creation targeting qualified youths

### Murowa-Chivi exploration inconclusive

Zimbabwe's economic growth trajectory is hinged on the growth prospects of the mining sector as heralded by the \$US12 Billion Mining Industry by 2023 Vision. The rapid expansion of existing claims and exploration for new mineral deposits propels this vision forward. Murowa Diamond Company is one of the few corporate interests who were given the rights together with the Zimbabwe Consolidated Diamond Company, Anjin of China and Alrosa of Russia to extract gems in Zimbabwe according to Government Policy. Inconclusive reports indicate that exploration for diamonds in Sese communal lands in Chivi by Murowa Diamond Company shows strong promise for viable commercial exploitation of gems in the area.

The 2021 National Budget sets aside US\$100 million to fund the Sovereign Wealth Fund an instrument to help the country to build reserves and invest for the future. According to the Minister of Finance and Economic Development the fund will be resourced from 25% of royalties from mineral exports and special dividends on sales of mineral products. Addressing illicit financial flows and stemming corruption in the extractive sector is therefore pivotal to the operationalisation of the Sovereign Wealth Fund as it draws primarily from mining revenue. Accordingly, the strengthening of Parliamentary oversight and stronger regulatory measures to ensure Corporate compliance with International standards and norms are pivotal.

As part of broader Climate mitigation measures government should also make sure that there is strict adherence to environmental conservation provisions especially in this exploration phase, to avoid environmental degradation. The government should also make sure that once the exploration phase is concluded, the recruitment of workers should also be skewed towards qualified youths who have been the major recipients of the economic adversities.

### Human Rights abuse define Marange diamonds

The Chiadzwa and Marange diamond mining fields have been referred to as the most securitized, politicized and militarized mining area of Zimbabwe. A recent report by the Centre for Natural Resource Governance (CNRG) and WoMin Africa Alliance titled Guns Power and Politics, Extractives and Violence against Women in Zimbabwe has revealed some glaring facts on rife of violence and human rights abuses by the state apparatus in Marange diamond fields. Since the discovery of diamond in Marange in 2005, the area has become so much protected which has made a lot of forced displacements of the villagers, with their land fenced off, for diamond mining. The villagers have also suffered from the loss of their livestock which has died from drinking polluted water from the mining activities.

The report also alluded that women are abused and ordered to strip naked at checkpoints between Mutare and Chiadzwa, with young children of 10 years old also being the recipients of abuse. These abuses have been going on for years, with soldiers conducting unlawful and arbitrary searches and detain the villagers to extort money. Worrisomely, these soldiers also search houses despite them having no search warrants and force local women and children to cook for them and slaughter livestock.

Such gross human rights abuses require urgent Government intervention and therefore, it is strongly recommended that, the Government should urgent Commission an Independent Investigation with Parliamentary Oversight into alleged human rights abuses in the extractive sector .

### ZACC probes dismissal of four Harare water Engineers

There has been a noted deterioration in service provision in Harare, especially, clean and portable water, public health services and housing – all of which are pivotal conditions for surviving the deadly Covid-19 pandemic. Consequently, there has been a lot of pointing of fingers between the City Council and the Central Government, with neither party talking responsibility for poor service delivery. A forensic audit to investigate alleged rampant corruption cases, which have crippled service provision by the Harare City Council has been ordered by the President. Its findings are likely to be received within divisive eco-chambers of hyper-partisan and polarising politics and thus inflame already simmering political tensions. There is need for a broad-based local governance reform process guided by the Constitutional commitment to devolve power and authority to local Provincial Councils. In the meanwhile, government should disburse the devolution grants to Local Authorities to implement autonomous COVID-19 pandemic response processes.

### Agribank restructuring on course

Agriculture is the backbone of Zimbabwe's economy as majority of the population remain derive their livelihood from agriculture and other related rural economic activities. It provides employment and

income for about 60-70 percent of the population, supplies 60 percent of the raw materials required by the industrial sector. As the main source of livelihood for the majority of the population, the performance of agriculture is a key determinant of rural livelihood resilience and poverty levels. As such, the government continues to intensify efforts to increase productivity in agriculture. Agriculture is a top priority under the National development Strategy (NDS1).

The majority of small holder and rural farmers in Zimbabwe are locked in multi-generational cycles of poverty due to a number of unresolved policy, structural and operational challenges. In particular Smallholder and rural farmers face significant challenges in accessing capital to finance their operations. Many are unbanked and do not have the required collateral to access loans. Other finance houses, offers loans but with exorbitant interest rates and hefty repayments conditions. As such, the restructuring of the Agribank into the Land and Agricultural Bank of Zimbabwe is a welcome move to see the small holder and rural farmers accessing financing support under favourable terms. The bank is set to provide investment support to A1, A2 and small-scale commercial farmers who have not been supported by commercial banks, this will significantly contribute to job creation, food security and social security in rural areas.

It is therefore highly recommended that,

- The bank should prioritize women and youths who constitute the majority of the small holder and rural farmers to get financing support at reasonable interest rates. The eligibility criteria should also take into consideration the lack of collateral security with these vulnerable groups;
- The government should decisively deal with corruption. In the past, so many political elites have accessed loans from Agribank, and some haven't repaid despite them having the capacity to do so; and
- Access of these loans should be on merit basis. The government should not consider the clients on political affiliations which has seen the underperformance of Agribank, despite having a great potential in the market.

## Combine infrastructure rehabilitation with conflict management and transformation for irrigation schemes

The Herald Newspaper reported that government is in the process of developing a law to manage irrigation schemes<sup>4</sup>. Under the proposed new law, the “use it or lose it” principle will apply. The article further reported that the government is setting aside ZW\$57 million to rehabilitate irrigation infrastructure across the country. This means that those farmers who are not utilising their irrigable land will risk losing it. While the quality of irrigation infrastructure is a major driver of productivity, profitability and food security, we observe that there are other critical factors that are of paramount importance such

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<sup>4</sup> <https://www.herald.co.zw/underutilised-irrigations-to-go-says-minister/>

as strengthening governance frameworks for each scheme group and enabling group cohesion. We note that most irrigation schemes are not functional because of conflict among members and conflict with strategic service providers. Intra member conflict with an irrigation scheme may lead to failure by members to pay up their contributions and to pay up their service bills. When that happens, the schemes accumulate debts from service providers. When the services such as water and or electricity are disconnected at crucial periods such as podding, the farmers will make losses that they may fail to recover from. Under such circumstances, most farmers may be unable to utilise their land in the next cycle of production. When farmers are not united at irrigation scheme level, it becomes difficult for them to follow one crop calendar which will enable them to do collective marketing and cut transaction costs for participating in output and input markets.

Beyond repairing irrigation infrastructure, the government should also make it mandatory for each irrigation scheme to have a constitution to guide the operational dynamics of the group and safeguard collective resources. Further, the Department of irrigation should also provide soft skills to irrigation schemes on conflict management and transformation and gender equality.

## Political and Regulatory Frameworks

### Chin`ono, Mahere, Sikhala arrests

The arrest of Chin`ono, Mahere and Sikhala points to the shrinking of democratic space and erosion of civic liberties accorded in the country's supreme law. A law which was struck down by the Constitutional Court in 2014 was applied to arrest these prominent dissenting voices. In this regard, the arrest and detention only serve to soil the nation's image as a constitutional democracy without resolving the reasons for dispute in the national interest. The arrests also casts into doubt the role and accountability of public institutions in the face of entrenched polarisation and marked distrust of those in authority. Freedom of expression is a very vital ingredient in any functional democratic society. It is important particularly in this time of pandemic for the nation to engage in an open, inclusive and solution seeking national conversation to identify shared concerns and map the way to pursue the collective interest.

### ZACC should walk the talk on corruption on land barons

The Environmental Management Agency (EMA) has advised house owners and businesses that built on wetlands to either vacate those properties or wait for demolitions once the law on wetlands is gazetted<sup>5</sup>. EMA is mandated through the Environmental Management Act (Chapter 20:27) section 113 to prosecute anyone found carrying out any activity that is likely to cause degradation of a wetland without authority from the agency. EMA is taking this action after there were several reports of houses built on wetlands or river banks that were flooded. However, one wonders how 11 000 and 30 000 illegal structures were built on land illegally acquired in Chitungwiza and Harare while the responsible local authorities just watched. If the stands were sold to unsuspecting households by land barons, how did the land barons acquire the land in the first place? One wonders why EMA has not actively engaged the people who built their

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<sup>5</sup> [www.newsday.co.zw/2021/01/demolitions-for-wetlands-settlers/](http://www.newsday.co.zw/2021/01/demolitions-for-wetlands-settlers/)

structures on wetlands to stop such operations instead of warning people with demolitions when they are already dwelling in such structures. Will demolishing the structures now restore the functionality of wetlands in purifying water and augmenting the underground water storage? One also wonders why the land barons are not being held accountable many years after selling such land.

There is a need for the Zimbabwe Anti-Corruption Commission (ZACC) to expedite the prosecution of land barons who are parcelling out land on wetlands.

### MDC implosion undermines national democracy <sup>6</sup>

The MDC as the main opposition party has the role to play in enhancing democratic rule and development in the county. However, unflagging fighting between the opposition party leaders envisages leadership inertia and incapacities to anchor democratic governance and socio-economic development in the country. Leaders for political parties should bear in mind that the goal of politics is the eradication of precarious economic struggles that bedevil the citizens. Political party leaders should understand that impasse between them affects the electorates they represent more than it affects their power grab agendas. Opposition leaders in a multi-party democracy have the role to ensure that it prevents the development of autocratic governance by the ruling party which can erode democratic freedoms and rights of the people. The negative effects of the political standstill in the opposition is that the public which they seek to represent continues to be hamstrung by poverty, human rights abuses, and limited access to basic social and economic amenities. It corrodes the power of the opposition, to beggars for reforms and political change from the ruling party rather than bargaining partners fighting for equal resource allocation and development in the country. Therefore, MDC has to unite and shift their attention from their personal vendettas and power struggle. Without unity and focus of the opposition, the role of the opposition can be reduced to a kitten's mew without the voice and power to change the lives of the masses.

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<sup>6</sup> Dumbutshena, T. 2021. MDC implosion sets back the struggle. The Independent, 15 January 2021.

