

## AFRICA RISK CONSULTING

### Zimbabwe Monthly Briefing March 2022

---

#### Zimbabwe Summary 7 March 2022

*The 16 political parties contesting 28 by-elections on 26 March are gearing up their campaigns in a major test of the popularity of the ruling Zanu-PF party. The Zimbabwe Electoral Commission (ZEC) has accredited 352 election observers to monitor the election. ZEC chair Justice Priscilla Chigumba denounces acts of political violence, saying perpetrators should be held legally accountable. The United States extends sanctions on Zimbabwe by a further year, which will continue to hamper Zimbabwe's access to foreign capital. The prices of oil and wheat imports have risen in Zimbabwe since Russia's invasion of Ukraine on 24 February, but this will be offset by higher price of export commodities such as chrome and nickel. The number of daily cases of Covid-19 has dropped from its 10 December peak of 6,181, allowing the government to resume normal working hours in the public service, including more than 90% of the teachers who were on strike demanding higher pay.*

---

#### Political parties gear up for 26 March by-elections ...

**Zimbabwe** is gearing up for 28 by-elections on 26 March. The by-elections are the first real test of the hold of the ruling **Zanu-PF** party on the electorate since the July 2018 general elections. Zanu-PF will face 15 opposition parties in the by-elections, including in the capital, **Harare**, as well as in **Bulawayo** and **Kwekwe**.<sup>1</sup> The large number of parties contesting the by-elections has divided the opposition, but also shows the extent of discontent with the governing party.

Zanu-PF went into the July 2018 election with majorities in both the **National Assembly** and the **Senate**. The main opposition, the **Movement for Democratic Change-Tsvangirai (MDC-T)**, contested the election as part of the **MDC Alliance**, a coalition that included the MDC-T and six smaller parties. The election gave Zanu-PF control of both houses in the ninth Parliament of Zimbabwe, though with reduced majorities in each. The MDC Alliance gained seats in both houses, closely corresponding to Zanu-PF's losses, coming the closest since 2008 to breaking Zanu-PF's 38-year hold on power.

The results of the by-elections will show how much space there is for free democratic elections in Zimbabwe. The **Zimbabwe Electoral Commission (ZEC)** has accredited 352 election observers to monitor the by-elections.<sup>2</sup> The observers are mostly from local non-governmental organisations (NGOs).

Incidents of election-related violence have already occurred, with the police breaking up opposition party rallies and/or machete-wielding thugs attacking political rallies. **Amnesty International** has warned that it will be a "bloody road" to the elections.<sup>3</sup> ZEC chairperson Justice **Priscilla Chigumba** has denounced political violence saying perpetrators will be held criminally accountable.<sup>4</sup> However, compared with previous general election campaigns, incidents of political violence have been more muted, at least as reported by the media.

---

<sup>1</sup> All Africa, 27 Feb 2022

<sup>2</sup> The Herald, 2 Mar 2022

<sup>3</sup> The Zimbabwean, 7 Mar 2022

<sup>4</sup> Newsday, 4 Mar 2022

### ... as US extends sanctions by another year ...

**United States (US)** President **Joseph Biden** (2021-present) announced in a statement on 3 March that his administration will continue with sanctions on Zimbabwe for a further year.<sup>5</sup> The US imposed targeted measures on the Zimbabwe government in 2002 and 2003, including financial and visa sanctions against selected individuals, a ban on transfers of defence items and services, and a suspension of non-humanitarian government-to-government assistance. The US says the sanctions were in response to widespread, government-sponsored violence that threatened regional security.

Biden said President **Emmerson Mnangagwa's** (2017-present) regime is implementing policies that threaten US foreign policy:

*"The actions and policies of certain members of the Zimbabwe government and other persons to undermine Zimbabwe's democratic processes or institutions continue to pose an unusual and extraordinary threat to the foreign policy of the United States."*

The main impact of sanctions is reduced access to international capital markets, placing the Zimbabwe dollar under constant pressure, and accounting for public servants' demands to be paid in US dollars. The constant erosion of the value of the Zimbabwe dollar has contributed to rising inflation, which is currently more than 60% year on year. The **United Kingdom** has also placed sanctions on Zimbabwe's elite, and Zimbabwe is unable to borrow from the **International Monetary Fund** and the **World Bank**.

### ... and Zimbabwe feels impact of Russian invasion of Ukraine

The effects of recent geopolitical events are being felt in Zimbabwe. Prices of some imported commodities such as oil and wheat have soared following **Russia's** invasion of **Ukraine**, as the two countries are major exporters of food and energy products.<sup>6</sup> Zimbabweans are likely to see higher inflation in coming months. The price of oil has shot up to a 12-year high and is up 50% since the start of the year. The price of aluminium has risen by 40% to an all-time high, while the price of nickel is up 45% to a 14-year high. Zimbabwe aims to expand its winter wheat hectareage to reduce its import reliance with wheat prices up by 57%. However, rising import prices are likely to be offset by higher prices of commodities that Zimbabwe exports, such as chrome and nickel.<sup>7</sup>

Zimbabwe notably abstained from condemning Russia for its invasion of Ukraine in the 2 March **United Nations General Assembly** vote, noting its opposition in principle to the imposition of sanctions.<sup>8</sup> Several Russian companies have interests in Zimbabwe's mining sector, including a platinum mine through **Great Dyke Investments (GDI)** and **Alrosa** diamond mine. Other **African** countries that abstained from voting to condemn Russia's actions include **Algeria, Angola, Mozambique, Namibia, Senegal, South Africa, Tanzania** and **Uganda**.<sup>9</sup> Fellow members of the **African Union (AU)** and the **Southern African Development Community (SADC)** who voted in favour of the UN resolution to condemn Russia, such as **Botswana** and **Zambia**, have noted Zimbabwe's fence-sitting position.<sup>10</sup>

### Lockdown measures ease following drop in Covid case numbers ...

Health minister **Constantino Chiwenga** has responded to a drop in the **Covid-19** caseload to

<sup>5</sup> New Zimbabwe, 4 Mar 2022

<sup>6</sup> Reuters, 28 Feb 2022

<sup>7</sup> Source, ARC Zimbabwe analyst

<sup>8</sup> Voice of America, 2 Mar 2022

<sup>9</sup> Voice of America, 2 Mar 2022

<sup>10</sup> Daily Maverick, 3 Mar 2022

ease some restrictions implemented in March 2020 to curb the spread of the virus.<sup>11</sup> Covid-19 cases plunged from a peak of 6,181 on 10 December to 190 on 6 March. As of 6 March, the health ministry has recorded a total of 239,209 Covid-19 cases in Zimbabwe's population of 14.86 million, with 5,399 Covid-19-related deaths.

While Level Two lockdown measures, including public masking and social distancing, are extended indefinitely, curfew hours are reduced, and bars and restaurants are able to remain open until 10pm, but only for vaccinated customers.<sup>12</sup> Curfew now begins at midnight and ends at 5.30am. The curfew was previously from 9pm to 6am.

Fully vaccinated returning residents and visitors no longer need to undergo quarantine when they enter Zimbabwe, but like all others entering the country, must have a valid negative PCR test performed no more than 48 hours before entry. Quarantine for returning residents and visitors is lifted for those who are fully vaccinated against Covid-19. The wearing of face masks in public places, especially public transport and closed space gatherings, remains mandatory and must be enforced.

The government continues to mandate Covid-19 vaccinations for public sector employees. Zimbabwe's largest workers' union, the **Zimbabwe Congress of Trade Unions**, took the state and several firms to court in September for insisting that employees be inoculated against Covid-19 before reporting for work, saying there is no law under the country's statutes providing for compulsory vaccination.<sup>13</sup> As of 6 March, more than 4.3 million people have received their first doses of Covid-19 vaccines while more than 3.3 million have received their second dose and over 1.2 million have taken a third dose.<sup>14</sup> Cabinet noted with concern on 4 March the decline in the number of vaccines administered during the reporting week, prompting a vaccination blitz. Information minister **Monica Mutsvangwa** said preparations were underway for a national vaccination campaign:

*"The blitz will include the 12- to 15-year age group, in line with the recent Cabinet directive."*<sup>15</sup>

### **... while most teachers have returned to work**

As part of easing of lockdown measures, Zimbabwe's schools were due to reopen for all classes on 7 February (see *ARC Briefing Zimbabwe Jan 2022*). However, teachers' unions declared their members were incapacitated by Covid-19 and could only return to work after their salaries were increased to an equivalent of \$540 per month. Teachers went on strike on 7 February and the government responded by offering higher pay, which was initially rejected by the teachers' unions.<sup>16</sup> The government suspended 135,000 teachers for three months, but the **High Court** ruled on 17 February that this was illegal.<sup>17</sup> On 25 February most (91.5%) teachers reported for duty.<sup>18</sup>

School attendance has been severely disrupted by Covid-19 restrictions. The cohort graduating from high school in 2020, 2021 and 2022 will be less equipped than earlier cohorts to benefit from tertiary education, requiring trade and industry to spend more time and money training this cohort.

<sup>11</sup> Government Gazette, 2 Feb 2022

<sup>12</sup> Government Gazette, 2 Feb 2022

<sup>13</sup> The Guardian, 7 Sep 2021

<sup>14</sup> The Herald, 4 Mar 2022

<sup>15</sup> The Herald, 4 Mar 2022

<sup>16</sup> New Zimbabwe, 9 Feb 2022

<sup>17</sup> Voice of America, 17 Feb 2022

<sup>18</sup> The Herald, 28 Feb 2022

## Planner

26 Mar 2022 **(Zimbabwe)** By-elections

9-12 May 2022 **Cape Town (South Africa)** – Investing in African Mining Indada;

July 2023 **(Zimbabwe)** General elections

## Chronology

5 Mar 2022 **Harare (Zimbabwe)** *New Zimbabwe*. The **Zimbabwe Electoral Commission (ZEC)** has denied responsibility for anomalies in the voters' roll, accusing political parties of causing the problem by issuing their supporters affidavits with similar addresses during the voter registration exercise;

4 Mar 2022 **Harare (Zimbabwe)** *New Zimbabwe*. The **United States** extends sanctions imposed on **Zimbabwe** by one year and accuses the country's leaders of economic mismanagement and undermining democratic processes or institutions;

2 Mar 2022 **Harare (Zimbabwe)** *The Herald*. The **Zimbabwe Electoral Commission (ZEC)** says it has accredited 352 local and foreign observers for the 26 March by-elections;

2 Mar 2022 **New York (United States)** *Voice of America*. **Zimbabwe** is one of 35 countries abstaining in a vote at the **United Nations General Assembly** to condemn **Russia's** invasion of **Ukraine**;

2 Mar 2022 **Harare (Zimbabwe)** *The Herald*. Construction of units 7 and 8 at the **Hwange Thermal Power Station** is 82% complete, with the completed units expected to add an additional 600MW generating capacity to the national grid.;

2 Mar 2022 **Harare (Zimbabwe)** *The Herald*. The civil service is reverting to normal working hours, from 7:45am to 4:45pm, following agreements between employees and their employer on improved conditions of service;

1 Mar 2022 **Harare (Zimbabwe)** *New Zimbabwe*. **Douglas Mwonozora**-led opposition **MDC-T** legal advisor **Tapera Sengweni** has filed a constitutional court application to stop the 26 March by-elections, arguing that President **Emmerson Mnangagwa** and the **Zimbabwe Electoral Commission (ZEC)** failed to proclaim the polls within the stipulated time;

1 Mar 2022 **Harare (Zimbabwe)** *Mining Weekly*. Platinum group metals mining company **Zimplats** has been granted a licence to generate 185 MW of its own solar power, with the \$37-million first-phase solar plant having a capacity of 35 MW and commissioning scheduled during the 2024 financial year;

26 Feb 2022 **Harare (Zimbabwe)** *The Herald*. The government reports that attendance at schools by both teachers and learners was at 91.7% and 85% respectively on 25 February;

17 Feb 2022 **Harare (Zimbabwe)** *Voice of America*. **Zimbabwe's High Court** has ruled the suspension of striking teachers by primary and secondary education minister **Evelyn Ndlovu** was illegal;

15 Feb 2022 **Harare (Zimbabwe)** *Eye Witness News*. The government suspends 135,000 teachers for three months after the teachers went on strike to demand higher wages.

### About Africa Risk Consulting:

**Africa Risk Consulting (ARC)** is a pan-African consulting company that provides timely, relevant information and advice that enables its clients to take informed investment decisions and to safeguard their reputations.

**ARC's** core consulting services include integrity due diligence and corporate investigations, political advisory and country assessments, opportunity monitoring and reputation risk management. Most relevant to private equity firms is ARC's integrity due diligence and corporate investigations capability. Specifically, ARC offers pre-deal integrity checks to highlight red flags before negotiations start; full detailed multi-jurisdictional reputation due diligence; and supplier and senior hire vetting and repeat due diligence for compliance programmes. ARC is unique in that it offers a 10-day delivery for a routine integrity due diligence. ARC also offers a suite of corporate investigations services from immediate investigation, evidence gathering, e-discovery, forensic accounting and whistleblower support on one end to crisis media management and regular monitoring on the other.

[www.africariskconsulting.com](http://www.africariskconsulting.com)

### About ARC Briefing:

**ARC Briefing** is ARC's essential business information service.

Companies at any stage in their Africa expansion, whether building or communicating an Africa strategy, investing directly, expanding current operations, financing other investors, doing the legal leg-work or researching the Africa growth trend, need ARC Briefing.

**ARC Briefing** is an information service keeping you:

- Up to date with Country Chronologies of business-critical events
- In the know via Country Briefings on political, economic, business and operating trends. Written in-country, ARC experts analyse and comment
- Ahead with Country Planner which details future elections, budgets, regulatory changes etc.

[www.africariskconsulting.com](http://www.africariskconsulting.com)

### Getting in touch

Please contact us by email [info@africariskconsulting.com](mailto:info@africariskconsulting.com) or call + 44 (0) 20 7078 4080

Follow us on Twitter: [@ARCBriefing](https://twitter.com/ARCBriefing)