Your Excellencies,

It is good to see you all again! We gather today for the people of Zimbabwe. We gather for the future of Zimbabwe. We gather because we believe in a better future for Zimbabwe’s youth. We gather because we are partners of hope for a nation that desperately needs hope. We gather to bring hope to the present, to change the realities of the people of Zimbabwe.

We gather to facilitate a revived and vibrant Zimbabwe that can boost greater economic integration and prosperity for the entire Southern African Development Region.

A revived Zimbabwe is good for Africa.

A revived Zimbabwe is good for the world.

I wish to thank you, Your Excellency, President Mnangagwa for your determination to resolve well-known historical issues that led to the imposition of economic sanctions on Zimbabwe. Yes, it is the right thing to do, as two decades of sanctions have compromised the quality of life of the people of Zimbabwe.

Economic sanctions are driving Zimbabwe further into unsustainable debt. The debt itself is not as debilitating as the arrears on the debt since the country cannot access international concessional financing or other revenue or less expensive financing to pay down its debt obligations. Of the $5.7 billion of bilateral debt, 69% of this is accounted for by arrears. Similarly, of the $2.6 billion of multilateral debt, 91% is accounted for by arrears.

Arrears is now the new debt of Zimbabwe.

The past is hurting the present and the future of Zimbabwe.

As President of the African Development Bank, I am very concerned about debt, and even more concerned about debt accumulation from arrears that don’t have an end in sight.

Zimbabwe cannot run up the hill of economic recovery carrying a backpack of debt on its back. It is time for a comprehensive debt arrears clearance and debt resolution for Zimbabwe.

But getting there is not a walk in the park.
We must address history, to make history.

I am honored to have been asked by you, Mr. President, to be the Champion for Zimbabwe’s arrears clearance and debt resolution. Together with H.E. President Chissano, the facilitator of the high-level dialogues, we have been working closely with you, the government of Zimbabwe, development partners, private sector, and civil society to find a solution path to the normalization of economic and financial engagement of Zimbabwe with the international community.

The best way to solve any problem is to dialogue.

To listen to all voices, to respect all voices, and to do so transparently and with commitment to narrow differences and divergences and reach consensus on concrete actions to be implemented. Actions that are developed from the ground up and owned by the government.

Actions that will serve the people of Zimbabwe. Actions that are measurable by all parties, so progress can be verified and comprehensively assessed. Actions that will allow the healing of the past and the reopening of a new and brighter future for Zimbabwe.

The people of Zimbabwe have suffered enough.

It is time for actions to solve the problems of the past to clear the way for the future.

After the first dialogue platform on ‘Arrears clearance and debt resolution process for Zimbabwe’, on the 1st of December 2022, we assembled here in Harare on the 23rd of February 2023 for the second high-level dialogue. We were joined by H.E. President Mnangagwa, a clear show of his strong support for the process.

Since then, two other high-level dialogues have been held on Zimbabwe’s plans to clear its arrears and resolve debt obligations to creditors. Over the past 18 months, we have institutionalized a platform for regular, constructive, and open dialogue that is key for trust and confidence-building among all stakeholders.

The issues are not just economic or financial. They also involve governance, rule of law, human rights, freedom of speech, political level playing field, electoral reforms that will assure free and fair elections; as well as fairness, equity and justice for the commercial farmers and other businesses who were dispossessed of their lands, for which there is a clear need for restitution and compensation.

This will also include improving the overall business environment to attract greater private investments in line with what you say Mr. President: “Zimbabwe is open for business.”
The three sector working groups (economic, governance; land tenure reforms, compensation under the Global Compensation Deed and the Bilateral Investment Promotion and Protection Agreements) have comprehensively discussed these issues over the past four high-level dialogues.

There is very strong and measurable commitment by the Government to economic and fiscal policy reforms. The IMF Article IV mission in December 2022 was successful and was approved by the Board of the IMF.

The government has taken the decision to eliminate multiple exchange rates, introduce an enhanced foreign exchange auction market, transfer outstanding debt of the Reserve Bank of Zimbabwe to the Treasury for greater transparency and avoiding off-budget financing; and end the quasi-fiscal activities of the Reserve Bank of Zimbabwe.

It has also taken decisions to end subsidies and reform state-owned enterprises. Also, the establishment of the liquidity management committee is a proactive measure that will promote effective coordination between fiscal and monetary policies.

The decision to embark on an IMF Staff Monitored Program (SMP) is excellent and is reassuring to creditors, development partners, and multilateral and bilateral financial institutions, and will ensure that the reforms committed to are implemented.

The most difficult and more sensitive reforms are the governance reforms.

I wish to commend the Sector Working groups and the high-level dialogues for identifying six critical areas for which reforms should be implemented: judicial sector reforms; public sector transparency and accountability; combating corruption; human rights promotion; electoral reforms; and national unity, peace, and reconciliation.

I am encouraged that development partners worked closely with the government in identifying and selecting globally acceptable indicators to measure progress on governance reforms.

This again goes to show how the transparent and inclusive structured high-level dialogues are helping to build mutual trust, confidence, co-creation, and mutual accountability for progress.

On land reforms and compensation, agreements were reached in the sector working group and the high-level dialogue on the government’s decision to pay $3.5 billion to former commercial farmers under the Global Compensation Deed, and to fast-track the implementation of the Bilateral Investment Promotion and Protection Agreements (BIPPAs).

As I mentioned during the second high-level dialogue and in my discussions with H.E. President Mnangagwa, development partners and other creditors, it is important that we find a mechanism to try to fast-track and front-load the payment of these compensations.
Hope delayed makes the heart go weary.

Further delays in paying the compensations could erode trust and confidence. So, timing counts; responsiveness counts; and financial sustainability counts.

We need a greater sense of urgency on this issue.

That is why the African Development Bank is currently working with the Government of Zimbabwe to develop innovative financial instruments and structures that can be used to front-load the mobilization of the $3.5 billion for compensations. I encourage development partners to work together on this proposed structure which can help leverage capital markets to fund the compensations without additional debt for Zimbabwe.

The government has also taken the decision to make land titles available to enhance the security of commercial farmland, and these would be for 99-year leases which are also commercially viable, bankable, and transferable.

Your Excellencies, ladies, and gentlemen,

The Government of Zimbabwe is clearly and genuinely very committed.

It is committed to taking tough decisions to move this process forward.

And development partners and creditors are genuinely very committed and have been engaging very positively and proactively in these dialogues.

We know what needs to be done. The challenge now is to do them, and do them quickly, and ensure that there are measurable indicators to assess the direction and pace of progress. We must move more rapidly now into speedy implementation on the ground.

Let’s turn matrices into materiality.

Let’s turn resolve into results.

But actions will have effects; and we must protect the people. We therefore call for and strongly support a funded IMF Staff Monitored Program to help cushion the impacts that these tough reforms will have on the population.

The success of the efforts we have all put into this process will depend on what happens with the upcoming presidential elections. I wish to commend you, Mr. President, for your strong commitment and statements that the elections will be free and fair.
The people of Zimbabwe and the international community will be watching very closely. The full weight of re-engagement with the international community will depend on this. It will also depend not just on the election, but the entire electoral process that guarantees a credible election.

We need to ensure that there is concrete and measurable progress on the Zimbabwe Democracy and Economic Recovery Act (ZIDERA), which is critical for re-engagement with the United States. We must do all to fully fulfill all the conditions under ZIDERA so that verifiable progress made can be used to support advocacy for the lifting of the sanctions imposed by the US Congress under ZIDERA.

From the visit of President Chissano and I to the US last week to meet with leaders in the US Congress, Treasury Department, State Department, and other US agencies, it was very clear that there is support for this high-level dialogue, and hope that it will translate into concrete and measurable progress on the ground to inform a consideration of the lifting of the sanctions under ZIDERA.

Your Excellencies, ladies, and gentlemen,

In two decades since Zimbabwe came under sanctions, this high-level structured dialogue is the most comprehensive and action-driven process to forge a collective pathway forward for Zimbabwe. The President is involved. The ministers are involved. The whole of the government is involved. The development partners are involved. The civil society is involved. The affected farmers are involved. And the creditors are involved.

Yes, the journey may still be long; yes, there may still be some rough patches; but we are walking together and working together—government, development partners, civil society, private sector, and creditors.

Broken bridges of trust are being rebuilt.

Confidence is gradually being restored.

The end is in sight, and it is one we can reach together.

This is an opportunity that must not be allowed to slip away.

What matters now is accountability.

Success on the political and electoral reforms, and a free and fair election, are crucial to clear the pathway towards arrears clearance and debt resolution for Zimbabwe.

It will bring hope to the present for Zimbabwe.

It will mark a new beginning.
A new beginning for a more peaceful, economically vibrant, and prosperous Zimbabwe.

A new beginning for a debt-free Zimbabwe.

A Zimbabwe that works for all Zimbabweans.

Zimbabwe must not fail.

And neither will we!

May God bless and help Zimbabwe.

Thank you very much.