

International Development Committee

Oral evidence: DFID's Work in Zimbabwe, HC 1878

Tuesday 5 February 2019

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Members present: Stephen Twigg (Chair); Richard Burden; Mr Nigel Evans; Mrs Pauline Latham; Chris Law; Mr Ivan Lewis; Mark Menzies; Paul Scully; Mr Virendra Sharma; Henry Smith.

Questions 1 - 37

Witnesses

I. Jocelyn Alexander, Professor of Commonwealth Studies, University of Oxford; Stephen Chan, Professor of Politics and International Studies, SOAS; Simukai Chigudu, Associate Professor of African Politics, University of Oxford.

II. Rt Hon Harriett Baldwin MP, Minister of State, DFID/FCO; Annabel Gerry, Head of DFID Zimbabwe and DFID South Africa.

Examination of Witnesses

Witnesses: Jocelyn Alexander, Simukai Chigudu and Stephen Chan.

Q1 **Chair:** Good morning. This is a one-off evidence session on the Department for International Development's work in Zimbabwe. I am delighted to welcome two of our panellists. Our third panellist, Professor Chigudu, is running a little late, but will be joining us shortly. We have two panels: for around 45 minutes, our first panel of academic experts, and then the Minister, Harriett Baldwin, in the second panel. We tend to go straight into questions, but please introduce yourself when you first answer. If I could ask each of you, what is your assessment of the Government of Zimbabwe's response to the recent protests?

Professor Chan: I am delighted to be here. Thank you very much. It is Chinese new year, so gong hei fat choy, happy new year.

Chair: Thank you.

Professor Chan: I think the Government response to the recent unrest has been clumsy and over the top. It is reminiscent of the Government's response to protests just after the election, for instance. I was there for those elections. It seems to me that what you have is not just a Government response, but a divided Government response, in the sense that one hand may not always know exactly what the other is doing. This speaks to the Harare rumour mill, which is never a reliable rumour mill, just like the Westminster and Whitehall rumour mills are never reliable. But there seems to be some evidence of a divided approach to security issues, and not only that, but the security forces themselves seem to be divided. Jason Burke has articles in *The Guardian* about the police giving him documents pointing to the army. There is not just an inter-service rivalry, but it is probably a true reflection of divisions down there.

There are two questions emanating from your question about the response of the security forces. It is over the top, certainly, and a divided response. I should make one further comment about technique, in that this is not an undisciplined response. What you have down there is a very honed methodology, which relies on not killing everybody, in other words beating someone to within an inch of his or her life, and letting them survive so they have tales of terror to tell other people: relatives, friends, extended family, that kind of thing. It has a multiplier effect of some dimension. A very great deal of this is not just suppressing the unrest at this moment in time but sending out warnings that there should not be unrest in the future.

Professor Alexander: Thank you very much for the invitation to appear here. I would very much agree with what Professor Chan has said, that the response has shown some divisions within the security forces, and perhaps also within the ruling party. There is an endless rumour mill about this, which is reflected in the media here and in Zimbabwe, and on all forms of social media. There are attempts to simplify those divisions



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into a Chiwenga versus Mnangagwa scenario or something like that, or divisions between the police and the army. I think they are actually much more complex and intractable than that.

Within the military, you have elite units, which are in a very different position to the rank and file soldier. Within the police, you have the law and order unit, the traffic police and the riot police. They all have different grievances and different agendas. You have tensions between the two intelligence services, the military intelligence and the CIO. Running through all those divisions, you have allegiances to different factions within the ruling party. To simplify those divisions is extremely difficult, and to a certain extent it is a black box. We fly unguided when we try to analyse those kinds of divisions, but they are important, and to some extent they reflect the working out of the relationships that were established during the coup. That had a destabilising effect, because it undermined what were quite clear relations between the party and the military. It undermined certain hierarchies within the party. It is now possible for things to happen that could not have happened before the coup. That is another factor, and some of those relationships are still being negotiated. That is a factor behind this.

To get to your question about the Government's response, as Stephen has said, it was extremely heavy handed. It started with some concerns about law and order, and controlling looting, on the part of riot police, but quickly turned into a programme of collective punishment that spread throughout the townships on a really massive scale, and is ongoing. Many people are still in hiding and have not had proper medical care. That obviously requires urgent attention, and providing aid and succour to people in this context is incredibly important.

Q2 Paul Scully: Stephen, listening to what Jocelyn was saying about Mnangagwa and his relationship with the army, and the difficulties of simplifying it, I wonder whether, if you think that is right, you could comment on what his relationship with the army is. There have been reports that there may be a coup with the army. What are your thoughts on that?

Professor Chan: Certainly, the South Africans have sent up signals that a coup is not going to be tolerated. They hold a number of liquidity keys, of course, that Zimbabwe needs, so I would not foresee a coup at any moment in the near future. Jocelyn is quite right that the security forces are severely divided. You have some elite units, probably in this case those that were very much involved in the apex of the suppression of the recent riots and difficulties, and which are probably trying to disguise themselves in non-regimental uniform, as it were. But the exact plurality of the security forces is something we cannot itemise in any exact degree.

It is fair to say that the President faces a divided security network, of which he is not fully in control. The President seems not to be fully in control of a whole range of issues. The fact that he left the country after



the announcement of the huge rise in the price of oil and petroleum products indicates that he is not particularly in touch with the reality of citizens' lives. The violence broke out and was responded to in his absence. That points to some kind of culpability on the part of the acting President. Now, how much the acting President is himself in charge of all sectors of the security forces, again, is a very open question, and certainly the police think the response has been over the top. The intelligence service is certainly divided, and not just between military and civilian intelligence; there are factions within those as well.

Coming to grips with all of this is, I think, going to be a monumental task. It is not for us to diagnose how to do that, but it indicates the sheer complexity of the Zimbabwean situation when you look at it.

Q3 Mrs Latham: Do you think the economic reforms, which include severe austerity measures, are destabilising the country or potentially undermining the prospects of political democratisation, rather than enhancing them? I do not know who would like to comment on austerity measures.

Professor Alexander: Are austerity measures going to contribute to political stability? Is that your question?

Mrs Latham: Yes.

Professor Alexander: Implementing austerity measures in the current context in Zimbabwe, with a huge deficit of political legitimacy on the part of the Government and extraordinary suffering among the populace, is incredibly difficult to do, and probably cannot be done without an authoritarian element to it. These protests started on 14 January on the back of the doubling of the fuel prices. That was a spark, but the conditions under which people have been living for this past year have deteriorated and created incredible hardships in a whole range of ways, in terms of people being able to afford to send their children to school or being able to afford transportation. Basic purchasing of food has become incredibly difficult for people as the price of bread and mealie meal has gone up and up and up again.

If you say that this Government should take all the foreign currency they earn and put it towards paying back arrears, rather than investing in productive ways in the economy, or creating some kind of social safety net, that is bound to cause political instability.

Professor Chan: If I could add a rider to that, the Minister of Finance's relatively recent budget, for instance, contained almost nothing we would recognise as genuine incentives for productivity. Insofar as he was dealing with implementing measures of austerity, it seemed to be a patch-and-mend budget. There was no planning capacity beyond austerity. I agree completely with Jocelyn. We are getting significant reports in the rural areas, for instance, that young women cannot afford sanitary products.



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Speaking about the budget, the Minister of Finance reduced the tax on sanitary products. That barely addressed the issue, because they are simply not available, whether they are taxed or not. I agree completely that, if we take a hard line and reduce the inflow of liquidity to the country, the people who will suffer are not those who make governmental decisions. It is going to be those very, very poor people. I have a particular interest in a number of projects involving young women; they are going to be very much affected in the rural areas.

Professor Alexander: If I could add two things to that, one is the imminence of a very severe drought, which is going to severely undermine people's livelihoods and cause real hunger. That is going to develop in the coming several months, and I think already the FAO is saying something like 2.4 million people will need food aid in the next month.

On the back of these protests, there are contradictions developing in economic policy. On the one hand, you have the Minister of Finance writing in the state-run *Herald* newspaper about the need to cut back on parastatals and become more efficient. At virtually the same time, you have the Vice-President giving a speech in which he said, "We need to create new parastatals to run a bus company and run a national network of pharmacies, and we need to control prices of basic commodities to make sure they are affordable". All of this will require massive state intervention and subsidies. It is the exact opposite of what the Minister of Finance is promising.

That is about solving the political problem they are facing, rather than the economic problem. I can see those tensions growing in the coming months, as the drought, among other things, bites.

Q4 **Chair:** Professor Chan, you spoke about projects for young women in rural areas that might be particularly under threat. Could you say a little more about what that would be?

Professor Chan: There are a huge number of non-governmental organisations that operate in Zimbabwe and in the surrounding area. They have taken almost as a mantra, and I think a very desirable mantra, that they want to have a specific target audience of young women, particularly young women completing education. There is a major blockage in the transition from primary to secondary school, and then in allowing them to complete secondary school. That is precisely the age at which all kinds of physical changes occur, thus the need for sanitary products, for instance. There are all kinds of issues to do with harassment, sexual harassment, that kind of thing.

The non-governmental organisations I have been working with have been trying to guarantee, as far as possible, the transition from primary to secondary school. I am also involved in unusual projects of teaching these young women self-defence, so that if they are harassed by predators they have some limited but real capacity to resist. You will find



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variations of educational projects for transitioning and completing secondary education throughout many parts of rural Zimbabwe.

Very few of these young women, or the young men, will go on to higher education or even technical further education. Even if they do, you have this terrible unemployment problem. There is nothing for them to do when they come out. You have the makings of a most literate youth population, with perfect grammar that would put many of our school students to shame, but there will be nothing for them. They will be the net victims of the parlous nature of the current regime.

Professor Alexander: We should add that, today, teachers went on strike, and it is interesting if you read the list of grievances they put forward to justify going on strike. The word they used, which struck me, was "incapacitation". By incapacitation, they mean they cannot afford to work. They cannot afford to get to work. They cannot afford to feed their families on their salaries. They do not have the basic supplies in schools. It is incredibly important to support young women in schools, but what the schools themselves are able to teach now is hugely constrained. One thing that was happening in January was the opening of the school year. At that moment, the price of a school uniform was \$140, and that was absolutely prohibitive to many, many families. Even getting people into schools now, much less keeping them in schools, paying school fees and paying all the things that are now charged to parents in terms of provisioning students, is incredibly difficult. That is an area where donor support is incredibly important.

The second one would be in the field of medicine. My colleague Professor Chigudu could speak to that question. In both cases, in the medical and educational spheres, you have an incredibly rich network of professionals and talented people who are dying to do their job. They really would like to work in hospitals and in schools, and they simply are not able to in a way that can maintain their very dignity at the moment. Donors can do a great deal to support that.

Chair: Thank you very much indeed. Welcome, Professor Chigudu. We have covered a couple of areas, but we have plenty more questions to come. I will pass to my colleague Chris for the next question, but feel free when you first answer a question to give a bit of an introduction.

Q5 **Chris Law:** I was wondering if donors such as the UK were too quick to back the President, or not quick enough, in hindsight.

Professor Chigudu: First, let me apologise for arriving a few minutes late. I had a bit of a transport nightmare trying to get here from Cambridge. My name is Simukai Chigudu. I teach with Professor Alexander at Oxford in the department of international development.

The question as to whether the international donor community was either too quick or too slow to back President Mnangagwa is a politically fraught and challenging one. Interpreting the Zimbabwe situation has to have a



systemic analysis. This is deeper than individuals. It is about trying to understand the makings of the crisis that has gripped the country, particularly from the late 1990s and 2000s to the present moment. Within that context, one needs to look at not only former President Robert Mugabe, but the group of people who were governing the country and the decisions that were taken, particularly when faced with an Opposition, not only to assert their control of the economy but to remain in political power.

In many ways, President Mnangagwa has been part of this machinery for a very long time. Perhaps a better way of thinking about this is trying to understand the inner workings of the Government—of the ruling party—and tracing President Mnangagwa's own involvement in various episodes of Zimbabwe's political history. This immediate period cannot be seen in isolation, and it was perhaps short sighted and optimistic to hope that a changing of the guard in the figure of the President would be the decisive moment in reshaping the trajectory of the country's politics.

Professor Alexander: There was a prior politics in which all of Zimbabwe's woes were laid at the doorstep of Robert Mugabe, and it was very oversimplifying to see it that way. ZANU-PF is a sophisticated system of Government. It does not rest on the back of one person. To see that shift in the presidential office as offering some kind of fresh start was naïve. Certainly, many people in Zimbabwe were deeply disheartened by the rapidity with which that regime was embraced, when it was made clear shortly after the change that this was interpreted by ZANU-PF itself, as said explicitly by Patrick Chinamasa within days, as an internal ZANU-PF matter. In fact, it was the outcome of a succession struggle. It was not some great reformist urge.

Professor Chigudu: The euphoria of November 2017, the flooding of the streets with people and the popular protest gave a slightly misleading picture as to what was happening. There was a moment of social catharsis, if you will, as people were relieved to see the politics changing somewhat, or at least to see the President being removed. That should not blind us to the issue that Professor Alexander is raising, that this was really an elite conflict.

Professor Chan: I agree with all that. At the same time, I advised Rory Stewart when he was the Minister for Africa to go to Zimbabwe and helped write a speech, which he gave when he landed in Zimbabwe. I felt it was right to give some indication, even at the level of a junior Minister, that we were prepared to discuss the future in a conditional way.

In the wake of the change of President, we did not muster an international coalition, for want of another word, that would together have read a riot act as to the structural economic, social and political reforms that were desirable. One junior Minister saying a few things about how we would be "prepared to co-operate in the future if" does not carry much weight. If a very great number of senior people from very



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important Governments had said, "These are the things that must be done", it would have had more weight.

We missed a chance there to influence events by failing to muster an international alliance or coalition, including other southern African countries, particularly South Africa, for instance.

Q6 **Chris Law:** That is quite helpful, because it leads on to what I want to ask next. EU sanctions are due to be renewed; there is a decision coming up this month. Should the UK Government back that, and should they be strengthened or, indeed, targeted?

Professor Chan: I do not think sanctions have done any good whatsoever. The keeping, in particular, of the US residual sanctions has not helped the matter. I would be very much for the lifting of sanctions, simply as a good will gesture, given the lack of efficacy in any case. Very much, I would continue my previous theme, in the business of saying that any future co-operation and inflow of significant liquidity to help their balance of payment problems, and things of that sort, will have to be heavily conditional. That kind of thing will have far more stick to it than things to do with sanctions.

Q7 **Chair:** Is there any disagreement on that point about lifting sanctions?

Professor Alexander: Sanctions have been a very useful stick for ZANU-PF to beat the Opposition with, for many years now. Members of civic movements have pointed out for a long time that the actual effects of the sanctions pale against their political utility for ZANU-PF to maintain a position of victimisation by the West.

Professor Chigudu: To reinforce the point that both my colleagues have made here, an important rhetorical move that is often made on the part of the ruling party is to insist that all of its opposition, as well as civil society and NGOs, are part of a nefarious regime change agenda, and sanctions lend a heavy credence to that cause and further fuel the polarisation within the country. As has been said, in addition to the lack of efficacy, there is powerful political work being done under the guise of sanctions, which is actually reinforcing some of the more toxic politics in the country. I similarly share in hesitation about advocating sanctions.

Q8 **Chair:** Does that apply across the board? Chris distinguished the current sanctions from the ones that might be more targeted at regime individuals. Are you saying that even those sorts of sanctions have that counterproductive effect?

Professor Chigudu: They certainly do politically and rhetorically. Trying to evaluate their actual economic effect is a different matter, and perhaps one of my colleagues might speak to that. Rhetorically, targeted or otherwise, if you go through a series of Government edicts, media communications and so forth, they will even invoke the idea that sanctions are targeted as camouflage. They will say, "They say it is targeted, but it does not really make a difference. This is still to blame for



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the fundamental economic crisis in the country, and the livelihood poverty that people are experiencing.” It will still be used in that way.

Professor Alexander: It is also used extensively throughout the region. One of the first things the ANC says in the aftermath of this conflagration is that sanctions need to be lifted. It is just a useful tool rhetorically, and it would be very difficult to remove that utility and still maintain some sanctions.

Q9 **Chair:** What is the MDC’s view on sanctions?

Professor Alexander: I am not sure what its view is right now. It might not have a coherent view.

Professor Chan: We are not certain of a coherent view coming out of the MDC on this issue and a number of issues. One thing that is very disturbing about the situation in Zimbabwe right now is the cleavage within the Opposition, reflected in the election results, for instance. No matter how obscure they might be, the fact that the MDC as a parliamentary body seems to be much more unpopular than the presidential candidate indicates difficulties of perception about the worthwhileness, the efficacy and the promise for the future of the MDC. In the wake of the death of Morgan Tsvangirai, that party has not yet completed its reinvention of itself.

Q10 **Mr Evans:** We were all relieved when Robert Mugabe was kicked out, but what is happening now in Zimbabwe with President Mnangagwa just looks appalling. It seems to be a continuation. Is your estimation that the President is exactly the same as Mugabe, better than Mugabe or worse than Mugabe?

Professor Chigudu: I would challenge framing the question in that way. It really is about trying to understand a system, and one that is quite deep, which runs through not only the ruling party but how state institutions have been transformed, particularly since the post-2000 crisis.

None of this, as I said, is down to an individual. There are various ways in which the military is a part of this. There are various ways in which practices of patronage and corruption of state institutions have been taking place for a long time. There are various structural ways in which political pluralism and protest has been shut down and so forth. There is a sense of continuity in terms of something systemic, but pitting the two men against each other belies that complexity.

Q11 **Mr Evans:** Is there any hope there? Is there any hope for the future in Zimbabwe, or is it just going to continue?

Professor Chigudu: As a Zimbabwean, I could not possibly bring myself to say there is no hope. Some of the issues that Professor Alexander mentioned, particularly in respect of the robustness of human capacity in key sectors, education and healthcare among them, and a rise in new



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forms of civil and social formation, even though those are being repressed at the moment, show that there remains an energy and creativity in the country, as well as a commitment and desire to restore this. As long as elite political conflicts play themselves out in this way, we are somewhat stuck, but I do not think that is fixed for good. It would be too dim and too dismissive to lose hope of what exists more popularly in the country.

Q12 Mr Sharma: Zimbabwe's efforts to get on to the IMF programme have been supported by the UK, so that it can start clearing the debts to international financial institutions, the World Bank and the African Development Bank. Britain fully supported them. How credible is this as a solution to Zimbabwe's debt problems?

Professor Chan: The discussions with the IMF have not made as much progress as they should. What you have now is the IMF and institutions like the African Development Bank acting, to a very discernible degree, in concert. Everyone knows there has to be only one way forward, which involves some way of being able to repay existing debt, and to wean the country away from achieving liquidity simply by continual borrowing, which seems to have been a strategy throughout the last 20 years now.

The difficulty of engaging with the IMF is precisely the amount of money owed to the IMF. The IMF instigated some years ago what it calls the Lima programme for the repayment of these debts. The Lima programme has not been adhered to by the Zimbabwean Government. In some ways, it was impossible for them to adhere to it, but I do not think they have exhibited good faith in even trying to adhere to it.

In terms of my earlier discussion about international coalitions, yes, we need the support of the IMF and of the African Development Bank. I would like to see the Chinese declare their hand and support that. The Chinese have been very reticent in making liquidity available to Zimbabwe of the sort that the Zimbabweans need to stabilise the economy, not wanting to throw good money after bad. If they could be recruited to an international outreach to say, "Repayment of debt or at least rescheduling and rolling over of debt, and a responsible attitude towards fiscal affairs, are critically important, and incentives for productivity are completely important", these things make sense.

Using the IMF simply as a means of battering the economy further is not going to help. There has to be an internationally accepted and supported mix of incentives, promises and very, very harsh punishment for misdemeanours. Now, you have a problem here, which can compound existing problems, in that any IMF programme to restabilise the economy is going to be accompanied by the usual round of IMF measures to put some rigour into public spending, for instance.

This will affect precisely the doctors, the teachers and the nurses who are already feeling incapacitated, unable to work because they cannot earn a living working. The most vulnerable people stand to suffer further as a



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result of fiscal discipline, which all the same is probably unavoidable. Apart from encouraging a united international approach to fiscal discipline and what to do in terms of negotiations with the IMF, we have to put in a great deal of effort to ensure that the IMF's stringency does not greatly disadvantage those already disadvantaged. This would be a new and creative way forward in terms of normal IMF procedures.

Professor Alexander: In a way, we are re-entering the territory of the relationship between austerity and political stability. Any extreme austerity programme is going to cause political instability, because there is not that much give in terms of people's livelihoods now. You simply cannot cut salaries. One of the only areas of significant formal employment in Zimbabwe is the Civil Service. If you start hacking away at those jobs, where are people supposed to make their living? We have also just seen, as a consequence of the recent protests, the destruction of a lot of the small businesses in townships. We have also seen the destruction of vending sites throughout Harare. People are living at an incredibly precarious level, and to suggest that further austerity borne by the population at large could be carried out without serious consequences is just fantasy.

Q13 **Richard Burden:** Could I ask you to say a bit about the land question? The Zimbabwean Government offered 99-year leases to some of the remaining white farmers in the country, and they also said, for those whose land was seized, they would be willing to pay compensation for property but not the land itself. Mnangagwa has gone on to say he thinks "land reform is finished and irreversible". What is your assessment of what is going on? Is it making progress? What more should the Zimbabwean Government do?

Professor Alexander: The extent to which there have been promises of compensation—one very high-profile incident was filmed by the ZBC where a white farmer re-entered his land, and there was ululation and all the rest of it; that was just theatre. I do not think there is any possibility that white farmers will be paid compensation, either for improvements or for the land itself. The cost of that has been calculated at some gigantic sum. In this context, where you are talking about whether to repay arrears or pay teachers, to think you are now going to take a large sum of money and devote it to paying white farmers is, again, entering the world of fantasy.

I do not think that is going to happen. Successive Governments have said the land reform question is closed, and by that they mean white farmers are not coming back. That is absolutely the case. It is 20 years down the road from when this fast-track resettlement started. In 2005, it was already quite settled and clearly irreversible politically. I cannot see it being reversed in any substantial way. The point now is that you have to invest in smallholder farming and contract farming, and in supporting the medium-scale farmers who are productive.



The more significant thing that the Government constantly promise is a land audit of some kind, to ferret out multiple farm ownership and unproductive farmers. That never actually happens, obviously because the people who would be targeted are politically powerful. That is the level at which you have to start thinking about this. You also have to start thinking seriously about how to support smallholder farmers. Unfortunately, in the face of a severe drought—I am sure you are aware of the command agriculture programme, which distributes seeds and fertilisers to smallholder famers. That was rolled out on a huge scale just before the 2018 elections, which was an odd time of year to do it because it was many months before the actual planting season. It was obviously a patronage mechanism. Right now, all of that command agriculture seeds and fertiliser is burning up in the sun. There has to be more support for smallholders to make good on their farming endeavours. Of course, every rise in the price of transportation, fertiliser and any imported goods used in farming makes the functionality of farming far more difficult.

Professor Chan: I completely agree with that. I think it is cosmetics. Mnangagwa played a brilliant cosmetic campaign, in seeming to appeal to sections of what were left of the white commercial farmers leading up to the election. Their public relations support was important to his election campaign, to appear a reasonable person in our eyes, for instance. I would not put very much credence in the reality of this. Beyond one or two public relations moments, nothing is going to happen. Nothing can happen, because there is no money. They can promise as much as they like, but there is no money for this, and I think Jocelyn is completely correct. If there were money, it would go to things like education and medicine.

I completely agree that any rebuilding of the agricultural sector has to pay special attention to small and medium farming efforts. The rebuilding of dams, for instance, precisely as an insurance against moments of drought, is something that we could engage in. That would require a planned, nationwide programme. You have an added difficulty, however, arising from the meltdown of the commercial farming sector, which is not going to be restored, no matter who owns the commercial farms, because the markets they used to command have been seized by other southern African countries that are reliable in the provision of agricultural produce. Even if we were to somehow re-establish a nationwide, functioning agricultural sector with agri-industrial capacity as well as benefits for small-scale farmers, who are all part of a production chain, it is not necessarily the case that it would bring prosperity back to the country. The Zambians and the South Africans would have a thing to say about that, for instance, as would the Mozambicans, who were very, very fast and moved into market areas formerly occupied by the Zimbabwean farmers.

Q14 **Richard Burden:** What do you think the donor community could do on this? You both mentioned that targeting small and medium-sized farmers is the way to go, and DFID's main programme in relation to agriculture is



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the Zimbabwe Livelihoods and Food Security Programme. How is that working out? Are there more things that DFID in particular and other donors could do?

Professor Alexander: I do not have detailed knowledge of DFID's programmes in this regard.

Professor Chan: Insofar as I have scant knowledge, it does not include huge capital investment in building infrastructure. I mentioned in passing the issue of dams, for instance. I am not talking about huge infrastructure projects. I am talking about small dams dotted around rural areas and the building of aquifers, to give reliable access to underground water without draining dry the aquifers, for instance, in key provinces like Masvingo. You have a range of small infrastructure projects that need to be developed but will cost money. Again I lament the fact that there is no international cohesion or co-operation to undertake such projects together. Everyone wants to leave their own little stamp, and there is no big enough stamp to revitalise any sector of agriculture in Zimbabwe right now.

Q15 **Chair:** Can I finish with a broader question about DFID's engagement in Zimbabwe? DFID's contribution is around £86 million per year. In earlier evidence, you highlighted some of the challenges in rural areas, particularly around health and education. Do you have a view about how broader aid programming going forward should work in Zimbabwe? In particular, is the policy of not channelling money through the Zimbabwean Government the right policy or something that should be reconsidered?

Professor Chigudu: I will talk a bit about medicine and public health, and a bit about urban areas, because I do not work in rural areas as such. Particularly in public health, if we take the example of the 2008 and 2009 cholera outbreak, which was one of the worst in African history, it was borne out in part by the collapse of the health system. Much of the work I have done shows that donors working in parallel streams and funding health programmes through the myriad host of NGOs and humanitarian organisations is not always the most effective strategy for a coherent public health agenda.

In part, the priorities are not streamlined together. There is a lot of fragmentation of services. Particularly in a country where you have complex and multiple epidemiological crises happening together, there is such a critical need for joined-up thinking. We need to think of the Zimbabwean Government as a more complex entity. Technical Ministries like the Ministry of Health are extremely good at what they do. Many of the civil servants and high-ranking bureaucrats have a very clear vision and an astute political awareness of what is happening in the country and how they can work in collaborative fashion with partner agencies. They also feel that they are usurped, undermined and belittled when they are under-capacitated and everything is working through these parallel streams. My view, quite strongly, is that donor strategies for engagement



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cannot treat the Government as a single entity, and certainly Ministries like the Ministry of Health are worth working with.

The final point I would make is particularly about urban areas, where we have been seeing some of the worst protest. In part, these are questions of livelihood and poverty, but they are also questions of the conditions of everyday existence. There has been an enduring water crisis now for nearly 20 years. We have an anachronistic water supply system that has not really been properly updated since about the 1950s. It is not fit for purpose. There is the regular bursting of sewage pipes that cross-contaminate with the water delivery system.

At the moment many donor agencies have been working to increase boreholes and tanks and to have bowsers coming in, bringing in water. These are short-term solutions that do not change the fundamental and underlying infrastructure. To be able to do that entails partnering with the Ministry of Local Government, the Ministry of Water and so on. That would make a big difference in terms of feeling that communities are seeing some improvement, that they have access to water, that their housing can be improved and so forth. Hopefully, that can also mitigate some of the demolition exercises that are carried out for much more political motivations.

One should treat the Zimbabwean Government as a much more complex entity, and work strategically through certain Ministries and at fundamental levels.

Professor Alexander: I want to wholly endorse everything my colleague has just said. They are incredibly important points. We must not reduce the Zimbabwean Government to some kind of homogenous entity; it is very diverse, and there are very many well-intentioned professionals working within Ministries who would make excellent partners for interventions that will have life-changing effects.

We have talked about health; we have talked about education. Water infrastructure is incredibly important, not just in Harare. Bulawayo is now suffering a crisis, which is basically down to spare parts. It is having a huge effect on the entire city. Aid in those kinds of areas would make a big difference.

I will briefly move on to some other areas we have not talked about yet. We can talk about this as a series of economic problems, or a series of technical fixes, but there is obviously a much bigger political issue here. How do donor agencies engage with that? In the current context, you have to admit that we need to support organisations that are working around civil rights. The Zimbabwe Association of Doctors for Human Rights and the Zimbabwe Lawyers for Human Rights have been doing extraordinary work on shoestring budgets in the current context. Those kinds of organisations, which are highly accountable, extremely well run and have a long track record of excellent work, deserve support and will



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make a real difference to the defence of a sense of citizenship in Zimbabwe.

In a related area, there is a constant call everywhere around Zimbabwe for dialogue. The area in which dialogue is not going to work is where everyone is talking about, which is between the two main parties. I do not think there are any basic conditions for them to be talking constructively to each other at the moment, but there are many, many other areas in which you can have constructive conversations. Those are at local level, run by NGOs, by chiefs and by the National Peace and Reconciliation Commission. They are doing excellent work. All of that needs basic, small kinds of funding: for transport, for tea and that kind of thing. You can make a real difference by supporting those endeavours.

The second area is at the regional level. SADC is absolutely crucial to coming to some kind of resolution in Zimbabwe, and there has been a total dropping of the ball on facilitating regional discussions that challenge the kind of political discourse coming out of Zimbabwe. That needs to be done if there is going to be support for constructive intervention in Zimbabwe.

Professor Chan: I would reiterate my broad point about international donor co-operation. I mean that in a number of sectors. We cannot do it by ourselves.

To give you two quick wins, the discretionary budgets of the British ambassador and the DFID representative need to be increased, so they have a freer hand to be more flexible in the dispersal of funds. The third very quick win is pharmaceuticals. I have seen people dying in hospitals of cancer, being treated by paracetamol because there are no palliative agents available. One thing that would be a huge quick win in public relations terms for us, and of huge benefit for suffering patients, is precisely in the area of providing pharmaceuticals.

Chair: Can I say a big thank you to the three of you for your evidence here this morning? We have covered a lot of ground in 45 minutes. Please feel free to stay, if you wish, to hear the Minister. Thank you very much indeed.

Examination of Witnesses

Witnesses: Harriett Baldwin MP and Annabel Gerry.

Q16 **Chair:** Welcome back. Thank you for being with us today, Minister. We are seeking to cover eight areas over the 45 mins or so we have with you. Let me kick off. What messages have the British Government given to the Zimbabwean Government about their response to the recent protests?



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Harriett Baldwin: Thank you very much, Chair. Can I introduce Annabel Gerry, who is head of DFID in Zimbabwe and just happened to be in the UK? I thought it was a wonderful opportunity for the Committee to hear from her first-hand.

In response to what has clearly been a disproportionate use of force by security forces to the protests that arose in mid-January over the hike in petrol prices, I summoned the Zimbabwe ambassador here in the UK to give him a formal message to take back to his Government about the fact that we deplored this disproportionate violence from security forces. There have been some credible and well-documented cases of completely disproportionate violations. The first thing I did was summon the ambassador.

Following that, I also had the opportunity, because I was at the EU/AU Foreign Ministers meeting, to raise the situation with the commissioner for peace and security of the African Union, who agreed that the African Union was very concerned about the deteriorating situation on the ground in Zimbabwe. Further to that, I took a call, at his request, from the Zimbabwean Foreign Minister, to again reiterate those messages, outline the UK's concerns and emphasise that the messages the President was giving publicly—this was once he had returned to Zimbabwe—needed to be followed through by actions.

The Foreign Secretary also put out a message saying that he did not want to see a return to the past, and that we needed to see implementation of the various announcements that the President himself had made about the course of action he wanted his Government to follow in response to these disproportionate responses.

I was in South Africa last week, so I was able to discuss the situation in Zimbabwe with the South African Government. Then I went on to Mozambique and was able to discuss it with the Mozambican Foreign Minister. The value of that is that they are both Commonwealth allies and neighbours, and take an incredible interest and have very good links into the Government. We think that South Africa in particular, which has just taken its seat on the Security Council, can play an important leading role in engaging with the Government on how they can ensure that the army gets back into barracks, and that the courts and the constitutional organisations of Zimbabwe take it forward in terms of justice and the rule of law against these egregious violations.

Q17 **Chair:** Thank you for that. I think we will all welcome those actions and those messages. Is there any indication that they are being listened to?

Harriett Baldwin: We certainly think they are being heard. In terms of response through action, it is less clear that it is being followed though. An uneasy calm has now returned to Zimbabwe, but I do think the messages are being heard. The question now is what the Government can do to take forward the steps that they themselves have outlined that they want to take. One of the key things we would be keen to see



concerns the violence that occurred right after the election on 1 August, when protesters were shot using live ammunition. The commission published its response just before Christmas, and the Government have to respond to those commission recommendations. The recommendations that the commission made were sensible, and implementing them would show very good faith in terms of the steps the Government need to take to address what happened.

- Q18 Richard Burden:** The last time this Committee systematically looked at Zimbabwe was quite a long time ago, in 2009 or 2010. I think I am the only survivor of the Committee in those days. At that time, the scene was at least cautiously optimistic. There was some kind of power sharing going on; Morgan Tsvangirai was in the Government. While we were not even then channelling aid through the Government, there was a fair bit of technical assistance going in through the Prime Minister's office, and some support for non-ZANU-PF Ministries at the time. Things have changed quite a lot since then, and progress has stalled.

My question to you this time is about what we should be doing now. How can we avoid getting caught up in another cycle of raised expectations, which are then dashed? Is there some merit, as we heard in the previous panel, of not seeing the Government as a homogenous entity, but differentiating between different Departments, who is heading them up and what they are doing?

Harriett Baldwin: When I visited Zimbabwe a year ago, the message I took to them was that they needed to have free, fair and peaceful elections. We believe that it is for the people of Zimbabwe to choose who their Government is and who their representatives are in Parliament. I announced on that visit a further £5 million of support for civil society organisations. During the course of today, I think I may get some more questions on that, so it is probably worth getting out of the way, straight off the bat, that we believe it is quite sensitive work. We are not really able to disclose whom we work with and whom we fund. I hope the Committee will respect, to some extent, that confidentiality. In and of itself, that will give the Committee a sense of how carefully we have to step here.

Throughout the Mugabe years, the UK has been a firm friend of the people of Zimbabwe and has tried, through a range of programming and in very difficult economic and political circumstances, to be on the side of the people by delivering a range of different interventions that alleviate extreme poverty. That is the way we have tried to approach this situation. Through thick and thin, we intend to continue with the work we do through the Department for International Development to tackle the drivers of extreme poverty, in a country that, by rights, should be a lot better off than it is today.

- Q19 Richard Burden:** I am sure we do understand the sensitivity around the funding streams to parts of the NGO sector and so on, but I guess I am trying to get at what kind of engagement with the Government would



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work now, on the one hand to identify that it is not just one body with one way of doing things, and on the other to avoid raising expectations when the problems you identified are clearly still there.

Harriett Baldwin: In our view, it is right to engage, in terms of the messaging, and to set out the kinds of reform that would enable Western democracies and organisations to work more closely in tackling the Government's outstanding international debt. We are a long way from that and have gone further away from it as a result of the recent human rights violations by security forces. We have a range of people within the Government whom we speak to, but we do not fund any programmes directly through the Government. We work primarily through UN-led agencies, to deliver the work we do within country.

There are one or two instances where we are providing some technical support, where we would fund an individual to go in and give advice. Annabel, you may want to elaborate more on the specific current examples that we can speak to of the technical support we will be funding.

Annabel Gerry: Thank you, Minister. We do have a differentiated relationship with the Government. Even through the Mugabe years, we focused on areas where we agreed. We agreed about girls' education; we agreed about extending healthcare. With those Health and Education Ministries, we have relationships at all levels, technically. We have the partnership principles assessment, which you might be familiar with, where we look at Governments' commitment to human rights, public financial management, anti-corruption, democratic accountability and poverty reduction. That determines with DFID corporately whether we give money or work in parallel. From that assessment, we have consistently assessed that the commitment has not been fully there, so we have worked in parallel.

However, that has not prevented us, where it has made sense, from doing some small funding, indirectly, as the Minister said, through UNICEF. For example, if we are teaching teachers on the new curriculum, or nurses in emergency obstetric care, they can get paid, but it does not go through the Government; it would go through the UN to those teachers. Similarly, the poorest schools in the poorest areas have small grants to help them meet the very basic standards and provide an education to children. It goes to the schools, but again through UNICEF, each time carefully accounted for. Those are the sorts of examples. Another one would be in rural water, where we had to use a Government agency for drilling boreholes, because it was cheaper and more cost effective to do it that way. All of those cases are agreed specifically with Ministers in each instance.

Q20 **Mr Evans:** Minister, in May last year, President Mnangagwa applied to re-join the Commonwealth. The then Foreign Secretary said, "This is brilliant news". In light of what has happened in Zimbabwe since, do we still think it is brilliant news?



Harriett Baldwin: The Commonwealth Secretariat is responsible for these applications. We welcome any country that wants to go on the path to meeting the democratic and human rights values that the Commonwealth stands for. Zimbabwe is writing a letter to the Commonwealth Secretariat. As with many other countries, that is always a path that we would welcome. The UK is one of the members of the Commonwealth; clearly, it would have to be a unanimous decision by all 53 members. But, as of today, the UK would be unable to support that application, because we do not believe that the human rights violations we are seeing from security forces in Zimbabwe are the kind of behaviour that you would need to see from a Commonwealth member. That is where both South Africa and Mozambique, as Commonwealth neighbours in southern Africa, and Botswana and Namibia—all the southern African countries—are very well placed to give guidance and support to the outlined ambitions of the Zimbabwe Government, which, as of today, they would not be meeting, in the UK's view.

Q21 **Mr Evans:** Would we be willing to financially support those countries in supporting Zimbabwe to get to the democratic norms that we respect and believe are sufficient for it to then properly re-join the Commonwealth?

Harriett Baldwin: When I was in South Africa, which is keen to be in the lead on this, I indicated that we would be very keen to hear from the southern area countries what their plans were to take things forward. We would be very open minded about listening to those plans, but we would see them as very much being able to take the lead on this.

Q22 **Mrs Latham:** You have talked about human rights. Zimbabwe remains one of the FCO's human rights priority countries. The senior leadership figures remain subject to EU and US sanctions. Given these facts and the recent alarming developments, was HMG too quick to back the current President?

Harriett Baldwin: I will talk about sanctions in a minute, but I want to make it very clear to the Committee that the message I took to the Government when I travelled to Zimbabwe last year was one of saying that we want to back free, fair and peaceful elections, and that it is for the people of Zimbabwe to decide who their Government are. The announcement we made when I went out there was for additional funding to civil society organisations. Both the former Foreign Secretary and I met with the leader of the Opposition, Nelson Chamisa, in the run-up to the elections when he was in the UK, and we believe that it is entirely something for the people of Zimbabwe to decide.

Specifically with regard to sanctions, the Committee is probably aware that the process of rolling over the EU sanctions has just come up. The UK has been arguing that it is not yet time for us to allow those to expire. Since the recent developments, we think there might be a case for widening them to include further individuals. We have been aware that the President has said that heads will roll. We have not yet seen any specific heads rolling, but that might be a good example of the kinds of



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people who could then be further extended and we could include in the sanctions regime.

It is right, because we do get some pushback on this from southern area neighbouring countries, to point out that the sanctions in place are very targeted to specific individuals, like Robert and Grace Mugabe, and the Zimbabwe defence industries. They are not the kinds of sanctions that have a widespread economic impact. The difficulty the Zimbabwe economy is in is not due to sanctions, which are very targeted. That is worth stressing.

- Q23 **Chair:** Our three academic witnesses were unanimous in saying that they felt the sanctions were politically counterproductive. They cited some of the evidence of surrounding countries, but also within the country, in that sanctions are used politically by the regime, which in a sense outweighs any advantage they might have. Is that a consideration as the UK approaches EU discussions on the future of sanctions?

Harriett Baldwin: Your previous panel argued that sanctions were being used as an excuse to prevent—

- Q24 **Chair:** They said that although sanctions may well be targeted as you have described, in practice, people in the country do not believe that, because they are told by the Government, “This is the evil West having a go at us,” and that has some resonance. Therefore, politically, it is not helpful to a process of getting the Government to open up. I hope I have characterised the evidence correctly. They are nodding, so yes.

Harriett Baldwin: I would strongly push back on that. They are very targeted and very specific to certain individuals. The US Zidera Act is also targeted to specific organisations and individuals, but the kinds of political reforms that would be helpful to taking those sanctions off are very clearly enacted in it. There is specific legislation to do with opening up political space within Zimbabwe and opening up civil society, which can easily be taken forward by the Government of Zimbabwe and would be very low-cost. It is helpful and it sets out to the Government of Zimbabwe the very low-cost legislative track that they could follow, which, provided it was also observed by the Government, could lead to the US being able to repeal Zidera.

- Q25 **Richard Burden:** Progress in areas like that is what sanctions are meant to achieve. Have they been achieving any demonstrable impact and, if so, what?

Harriett Baldwin: The demonstrable impact is that the Government have committed to making these legislative changes. They know what needs to happen, but it has not happened. From that point of view, I suppose you could say that the demonstrable impact is that the Government of Zimbabwe are aware of what they need to do.

- Q26 **Mrs Latham:** If we can go on to the DFID side, women in Zimbabwe experience horrific sexual violence at the moment. What more can DFID



do to help those particularly vulnerable women?

Harriett Baldwin: The Committee should feel reassured that we have a lot of programming in this particular area. Again, I am sure the Committee will be very sensitive to the fact that what we do and who we work with is something we have to be very careful about. When I was in Zimbabwe last year, I visited one of the safe houses, for example, that we fund within Harare and saw the work that is being done with vulnerable young women who have had to flee sexual violence. We have done a lot in terms of the judicial process and supporting that, especially since the really quite sickening reports that we have seen recently. Can you imagine a situation where you are not only a victim of sexual violence but you also cannot go to the authorities, because it is the authorities themselves that are perpetrating it? It defies imagination as to how horrific the situation is. The team is looking at ways in which we could further support victims in a way that would give them further psychosocial support and assistance.

I am going to bring in Annabel in a moment, to elaborate a bit further on this, but I have met with members of Zimbabwean civilian society, some of whom travelled to meet with me when I was in South Africa last week. From some of the reports I have had, women who are associated with the Opposition have been specifically targeted here. These are completely egregious human rights violations, so I want to make sure that, where the UK can do anything to support those victims and to work with civil society to address those norms, we are really leading on this. Annabel, can you talk a bit more about the current programming we are doing?

Q27 **Mrs Latham:** You said you went to a safe house. That will not accommodate many women. How many safe houses are we supporting? Are there any outside Harare? Is it only in Harare that this is happening?

Harriett Baldwin: There are, and I will bring in Annabel to talk through the details, because she will have seen more of them at first hand than I have.

Annabel Gerry: In the current situation, we have been providing shelter through NGOs. Counselling has also been important, alongside case management, legal representation in some cases and medical services. Yes, there is the safe house that the Minister visited in Harare, but we have them across the country. In the past, we supported, through the UN, UNFPA and UNICEF, a large sexual and reproductive health rights programme. Across the country, there is a network of places where people have been able to go over a number of years, and we have worked with the police, local and legal authorities to try to fast-track victims of abuse in a way that is sensitive and protects them.

For a number of years, a big part of our social protection programme has been case management of children's protection cases. Levels of violence against children are high, and also against women. We have supported



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nearly 3,000 children through the case management system with access to justice.

Right now, there is a new programme starting this week on medical and psychosocial support. It is through something called the Start Fund, which you will have heard of, which we co-fund. That has been mobilised by two international NGOs, recognising the fact that there are not enough medical or psychosocial services for people who have been affected by the events of January.

We are starting a new programme called Stopping Abuse and Female Exploitation, which will be quite a large programme working on how to start tackling this. We have found that, although we have gender and health education very strongly across our programmes, when you get to these really difficult issues, you only skim the surface, so we need to have a targeted approach. That will help us to understand what is going on in communities and to do learning about what is going to be more and less effective across the country, to start to break into a very horrible situation for young women and girls.

Q28 Mr Sharma: The UK has supported Zimbabwe in its efforts to get on the IMF programme, so that it can start clearing its debts to international financial institutions. What are the next steps for all the stakeholders on this issue?

Harriett Baldwin: This is a difficult one, because we can all see that there needs to be progress on the arrears that Zimbabwe has to all the international financial institutions. The recent violence from state actors makes it very difficult for me, personally, to argue that this is the time for the UK to step up to the plate and work with international partners to do this. For progress to be made, progress is going to have to happen on political reform in Zimbabwe. As for the idea that we would now step up to the plate and say, "Look, guys, the Government are doing this to their own citizens, shooting them with live ammunition, and there are a range of other egregious violations. Do you know what? The UK is really happy to argue that now is the time for them to be helped by the international community with their arrears"—you may push back on me about this, but I find that a very difficult political case to make.

I know, from my conversations in South Africa last week, that the South Africans have also been looking at ways in which they might take a lead in putting together a package of international support. As I said in response to earlier questions, we will certainly listen to that case and to that plan. But, as the UK Government Minister for Africa, I am not going to say that now is the time for us to stick our necks out politically on the back of the kind of behaviour we have seen from the Government.

Q29 Chris Law: DFID continues not to channel funds directly to the Zimbabwean Government. However, we heard from experts on the panel earlier about some of the effects: teachers cannot turn up to work, because they cannot afford fuel or the transportation to get there; the



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schools and hospitals cannot be run; there is a lack of medication. Is this going to remain the principle for DFID in the future or might it come under review? If so, what criteria or benchmarks might be used for making such a decision?

Harriett Baldwin: It is a very long time since we have funded other Governments' programmes directly. There are very few countries in the world where we do so and I cannot see that changing in the immediate future, but you might want to push back on me there, Annabel. No. We would need to see considerable progress, and not only in economic and political reform. The Committee will be aware that the Anti-Corruption Commission, for example, was disbanded. We are waiting to see who the new appointees are. The previous one had been very ineffective, so it may be that we will see some good appointments to that. There is a range of different things. It will be a number of years before we are even in a position to consider this, and that is if all the right political and economic reforms are made. But you can see examples of where that has happened in the world.

Q30 **Chris Law:** Yes, for example, the Ministry of Health is very well organised. There are excellent professionals doing the very best they can with extremely limited resources. Would that be an area, for example, that you might consider?

Harriett Baldwin: It would be very difficult at the moment. There are occasional ones that I get to sign off on, on a case-by-case basis. There is a process where the team can come to me and I can give a ministerial sign-off on expenditure through Government Departments. Annabel, do you want to elaborate more on where you might come to me on that?

Annabel Gerry: Thank you. We are very mindful of not getting into a situation where we take the Government of Zimbabwe off the hook for what they are supposed to do. After the crisis of 2008, for example, we ended up paying top-ups to essential health workers and it took us years and years and years to get out of that situation. Paying school fees was another thing; again, it took us years and years to get out of that situation. At the time, that was what we did in order to get through a bad situation, but it did not help the Government to take responsibility for how they manage their budgets and to make sure that they allocated out of their scarce resources.

The conversation that we had last time we did this, when I was there just before Christmas, looked at how the donor funds that come in can complement Government funds. One area is drugs. We are really worried about essential drugs running out. We already provide a certain amount of essential drugs; they are bought by international donors and then supplied using the Government system, but they are not given to the Government. Because we can access foreign currency and the Government are finding it harder and harder, this is the kind of area that we will be looking at in the coming months to say, "Could we put more into that area for a finite period?" Obviously, it is in no one's interests for



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people to be dying because there are no drugs that they can afford. Those are the kinds of judgments that we will be needing to make and consulting the Minister on.

Q31 Chair: From the evidence we took from the academics, that issue of drugs sounds like an urgent priority. Is there an urgency in terms of seeking to expand that programme so that it can meet the high level of need?

Annabel Gerry: Yes, that is something we have discussed with the Minister of Health and with the donor community. It is ongoing, looking at what is the best way to respond to an urgent need. For example, with the cholera outbreak, we were able to very quickly come in with additional oral vaccinations through Gavi. That was done very quickly. We work with the World Health Organization on disease outbreaks. We put more money into that to provide an immediate surge but, as the academics said before, this is going to be a long-term thing and we have to balance the immediate needs and think about the long-term support that is required.

Q32 Chair: On education, you mentioned learning from what was done in 2008, and the paying of school fees and the approach now. We looked at education as part of a general inquiry into DFID's work globally, and we looked at a number of African countries. How would the sort of work you do to support education in Zimbabwe be different because of the political context compared to, say, Uganda, Kenya or Nigeria?

Annabel Gerry: At the most basic level, there are things like Government financing for education, which is a bit more in balance in some of those other countries. In Zimbabwe, over 90% of the budget goes on teachers, and there is a massive inequity between richer and poorer areas. In the richer areas, the parents pay a lot more—they contribute—and learning outcomes are better. In the poorer areas, that does not happen; children do not go to school, for all the reasons of poverty. We are looking at education financing at quite a basic level.

As the academics mentioned earlier, we are also looking at girls' education in Zimbabwe. We have quite a large investment in girls' education, really getting at this issue of keeping girls in secondary school so that they are up to their O-levels and they get a qualification. We also support those girls, who are mostly orphans or may be carers for other young children, with microfinance and training, so they can then make a successful transition into adulthood. We recognise that they remain vulnerable even if they have a few qualifications. That is going to remain a strong emphasis, for us, in Zimbabwe.

Q33 Chris Law: The four-year Zimbabwe Economic Stability and Transformation programme began last March, but there is very little public detail about it. Can you tell me a bit about it and what it involves?

Harriett Baldwin: Yes. We disbursed £2 million of that programme in the first year. That has been to the World Bank's ZIMREF multi-donor



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trust fund. That has been the expenditure, so far, and it has been specifically used for technical advice, bringing in an expert or two. There has been minimal deployment, so far, of that particular stream of funding. Annabel, do you have any more specific details on what the £2 million was spent on?

Annabel Gerry: Yes. Looking at investment laws and company laws has been one area. One of the issues, as in many African countries, is corporate governance and transparency around company ownership, so company law legislation and procedures around public procurement all help the environment for the economy and for businesses to invest. Looking at the need to reform state-owned enterprises has been another area. We heard earlier about the political tensions there: on the one hand, the understanding that these are draining the fiscus; on the other hand, the political difficulty about acting on that. Those are some of the areas. To improve poverty data, we have funded a poverty survey.

For the rest of the programme, we will have to have a discussion with the Minister about that. At the time we started, it was on the change of Government and a Government that were interested in opening the economy up. They definitely need a lot of advice and help as to how to do that, but the question we now have to ask with the Minister is what the most appropriate thing to do is. The need is still there. The private sector is desperate for the opportunity to operate normally and have access to the currency it needs to create jobs and all that. That need is still there, but the question is how best to support that now.

Q34 **Chris Law:** I wonder if you could tell me a bit more about the role of the Geneva Centre for the Democratic Control of the Armed Forces, which is one of the participating organisations. What is it doing in the context of this project?

Harriett Baldwin: One member of their scoping team came from their international security sector advisory team, which is part of the organisation mentioned, and was contracted under the programme to assess the economic aspects of non-state actors. I am sure we would be very happy to share her report with the Committee.

Chair: That would be great. Thank you very much indeed.

Q35 **Paul Scully:** Minister, before the elections in May 2018, CDC announced that it would support loans worth up to \$100 million to the Zimbabwean Government. Six months or so on, what concrete results have flowed from that initiative?

Harriett Baldwin: This is a great example of how incredibly difficult the situation is. The Committee is probably going to get on to the issues around the exchange rate. The big problem for Zimbabwe and its businesses is earning enough foreign exchange. The challenge so far has proved so great that, for that particular programme, which was announced independently of the UK Government, one viable company has come forward with a reasonable application, which has not yet been



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disbursed. Nothing, from what could potentially be a great source of funding for the private sector in Zimbabwe, has been viable given the very difficult situation with regard to companies earning foreign exchange and the different exchange rates that operate within the economy.

Q36 Paul Scully: Does that mean that no further action is planned at the moment from CDC?

Harriett Baldwin: They have a better fund, called Takura, which is an equity fund. I met with the head of CDC in South Africa last week and they have been more successful with that. It has a focus not just on Zimbabwe but also on the rest of the region. They are planning to put another \$25 million into that, so that one has been a bit more successful. With the loan fund, because of the need to generate foreign currency to service those external debts, they have not seen anything viable at the exchange rates that exist within the Zimbabwe economy.

Q37 Chair: Is there scope to make a shift? If the more traditional way that CDC operates may not be suitable for the current economic situation in Zimbabwe, is it possible to capitalise the Takura fund a bit more?

Harriett Baldwin: Yes, there is a potential \$25 million that they have lined up to go into that and that is the more traditional way that CDC operates, with patient capital, effectively. The \$100 million fund that Paul was mentioning is more of a loan fund and is in association with Standard Chartered. They have done 60:40 on that and, because it is a loan repayment, that makes it difficult. The Takura fund is more of an equity investment and they have a further \$25 million that they would be prepared to deploy in that.

Chair: We have completed our questions, so thank you very much indeed. Thank you for your evidence today.