



ZIMBABWE

PROGRESS REPORT
OF THE LAND TENURE REFORMS, COMPENSATION OF
FORMER FARM OWNERS AND RESOLUTION OF BILATERAL INVESTMENT
PROMOTION AND PROTECTION AGREEMENTS (BIPPAs)
SECTOR WORKING GROUP

PRESENTED BY DEPUTY CHIEF SECRETARY, MR. W. L. MANUNGO
OFFICE OF THE PRESIDENT AND CABINET
CO-CHAIR OF THE LAND TENURE REFORMS SECTOR WORKING GROUP

25 NOVEMBER 2024

Your Excellency, Hon. Dr. E. D. Mnangagwa, President of the Republic of Zimbabwe,

Your Excellency, Hon. J. A. Chissano, Former President of the Republic of Mozambique and the High Level Facilitator of the Arrears Clearance and Debt Resolution Process for Zimbabwe,

Your Excellency, Hon. Dr. C.G.D.N. Chiwenga, Vice President of the Republic of Zimbabwe,

Your Excellency, Cde K. C. D. Mohadi, Second Vice President of the Republic of Zimbabwe,

Hon. Mrs. O. C. Z. Muchinguri, Chairperson of ZANU PF and Minister of Defence,

Dr. A. A. Adesina, President of AfDB and Champion of the Arrears Clearance and Debt Resolution Process for Zimbabwe,

Hon Ministers here present,

Permanent Secretaries here present,

Your Excellences here present,

Government Officials,

Development Partners Representatives,

Ladies and Gentleman,

Comrades and Friends.

It gives me great pleasure to stand before you today giving a progress update of what has transpired in the course of 2024 with regards to the Land Tenure Reforms, Compensation of Former Farm Owners (FFOs) and Resolution of Bilateral Investment Promotion and Protection Agreements (BIPPAs) Sector Working Group (SWG).

1.0 INTRODUCTION

1.1 The Land Tenure Reforms SWG is the third pillar of the Arrears Clearance and Debt Resolution process for Zimbabwe. It is also part of the National Development Strategy 1 Thematic Working Group on Image Building, Engagement and Re-Engagement process for the country.

1.2 The SWG is co-chaired by the following partners:

- i) The Office of the President and Cabinet,
- ii) The Swiss Ambassador, and the
- iii) UNDP Resident Representative.

1.3 The mandate of the SWG is to contribute towards the identification, development and implementation of Zimbabwe's land tenure reforms in line with the Constitution, and to support the compensation of FFOs and famers protected under BIPPAs in accordance with the Constitution and laws on bilateral commitments for Zimbabwe.

1.4 The ultimate goal of the SWG is to facilitate the promotion of equity, macroeconomic stability and growth, and to provide Zimbabwe with the credibility to successfully negotiate its arrears clearance and outstanding debt obligations.

1.5 Three Sub Sector Working Groups (SSWGs) were created for the implementation of the three reform areas and these are:

- a) Land Tenure Reforms,
- b) Compensation of Former Farm Owners, and
- c) Resolution of BIPPAs.

Each of the 3 SSWGs has been implementing activities related to its terms of reference and today, we give updates on progress made.

1.6 The SWG on Land Tenure Reforms, Compensation of FFOs, and Resolution of BIPPAs has been focusing on three (3) major reform areas which are:

- ✓ Land Tenure Reforms (Bankable and Tradable 99-Year Leases for Commercial (A2) Farms);
- ✓ Facilitating Compensation Payment for FFOs (i.e. Implementation of the Global Compensation Deed (GCD)); and
- ✓ Facilitating Compensation Payment for BIPPA-protected Farmers (i.e. Resolution of BIPPAs).

2.0 PROGRESS TO DATE

2.1 Resolution of BIPPAs

2.1.1 The Ministry of Finance set aside USD20 million for compensation for BIPPA farmers in the 2024 budget.

2.1.2 The BIPPA farmers will be compensated for land and improvements on the farms.

2.1.3 Only farmers from countries that had signed and ratified BIPPAs by the time of the Land Reform Programme of the year 2000 will be considered for compensation payment.

2.1.4 The countries are Denmark, Switzerland, Germany, Netherlands and Yugoslavia.

2.1.5 Members of the SSWG on BIPPAs agreed that for compensation payment from the USD20 million, this amount will be shared equally amongst the farms that meet the criteria.

2.1.6 An advert was placed in the papers on 26 May 2024 for BIPPA farmers to submit their applications for consideration for compensation resulted in 99 farms applications being received after three months.

2.1.7 The distribution of the farmers and farms was as follows:

Nationality	Farmers	Farms
Netherlands	25	36
Netherlands/Malaysia	9	11
Denmark	5	6
Germany	7	18
Switzerland	10	27
Yugoslavia	1	1
TOTAL	57	99

2.1.8 From the Land Compensation Committee meeting held in September 2024 to consider the 99 applications,

- It was noted that 4 farms from the 99 had been sold prior to acquisition and were removed from the list.
- One farm that was being contested was also removed from the list till the issues are clarified, leaving 94 farms to be considered for compensation in 2024.

Ladies and Gentlemen

2.1.9 I am glad to report that from the 94 remaining farms, 10 farms will be fully compensated in 2024. Compensation Consent forms for 9 farms have been signed by the farmers and one farmer will be signing their consent form today as they were not available.

2.1.10 The consent forms for the 9 farms are now with the Ministry of Finance, ready for payment of the full compensation claim.

2.1.11 Consent forms for the 84 farms have also been sent out and once farmers sign and return them, Ministry of Lands will verify and send to Ministry of Finance for payment. This should happen this week, before end of November 2024.

2.1.12 The total claim to be paid off for the 10 farms is USD 1 910 126, whilst each of the 84 farms will get USD 215 355.00 for 2024. The balance will be paid over 4 years (2025-2028).

2.2 Compensation of Former Farm Owners (FFOs)

2.2.1 The Ministry of Finance set aside USD35million in the 2024 budget for the compensation of FFOs who are part of the Global Compensation Deed that was signed in 2020.

2.2.2 The farmers will only be paid for the improvements they made on the farms as stated in the Constitution of Zimbabwe.

2.2.3 Farmers will submit the original title deeds upon completion of payment for the compensation. Meanwhile, on labour clearance, it was agreed that the processing of compensation would continue whilst the modalities of handling the labour issues are being worked out.

2.2.4 A portal to capture the details of the farmers was established and this has provided vital information being used to process the GCD farmers' claims for compensation.

2.2.5 To assist in the processing of the compensation for FFOs, Ministry of Lands conducted deed searches to verify ownership of the farms.

2.2.6 From the two Land Compensation Committee meetings held, 444 farms for FFOs have been cleared for payment of compensation.

2.2.7 The consent forms for the FFOs will be sent out this week and once the farmers have signed and returned the forms, Ministry of Lands will verify and submit to Ministry of Finance for payment of the 1% of the claim as cash. The balance will be paid through Treasury Bonds over a ten year period.

2.2.8 Meanwhile, another Compensation Committee meeting will be held before the end of the year to deliberate on an additional 320 GCD farmers cases that have since been uploaded on the portal as at 22 November 2024.

2.3 Land Tenure Reforms

2.3.1 Stakeholders held discussions on the current 99 year lease document to identify its shortcomings that were making banks not

to accept the document. The Bankers Association was invited to be part of the discussions.

2.3.2 A follow up meeting was also held to discuss the legislation in place to identify shortcomings that were affecting the bankability and transferability of the 99 year lease document.

2.3.3 A proposal was made that the SSWG conduct study visits to Kenya, Tanzania and Brazil to learn how other jurisdictions have made their leases to be bankable and transferable and so far, a visit to Tanzania has been made.

2.3.4 Findings from the study visit to Tanzania indicate that the lease document is a short document of 2 pages with the rights, responsibilities and obligations put in an Act and implied in every lease agreement.

2.3.5 Other study visits are to be conducted to Kenya and Brazil to assist the stakeholders in learning from other countries so that the information learnt can help improve the Zimbabwean 99 year lease to make it bankable and transferable for the commercial viability of the farmers.

2.3.6 The African Legal Support Foundation (ALSF) has also been engaged to assist in working on the bankability and transferability of the 99 year lease. An initial meeting was conducted to enable the consultants appreciate the current Land Tenure Reforms set up and how the 99 year lease is expected to feed into the agricultural sector to make it commercially viable.

3.0 WAY FORWARD

- 3.1 The year 2025 will see the Land SWG fine tuning the 99 year lease document so that it is acceptable in financial institutions to enable farmers to get loans for commercial viability.
- 3.2 The Land SWG will also be working on the legal instrument to help in the use of the 99 year lease.
- 3.3 The Land SWG will also work on finalising the compensation payment for the first batch of BIPPA farmers and GCD famers.
- 3.4 The SWG will also be planning for subsequent payments to GCD and BIPPA farmers as the Government remains committed to clearing these payments.
- 3.5 A request from the Ministry of Lands for equipment and stationery for use in the Land Compensation Committee exercises will be considered in 2025.
- 3.6 A request for an accounting software package that will assist the Ministry of Lands in the tracking of the payments of compensation to the FFOs and the BIPPA farmers will also be considered for payment in 2025.

4.0 ACKNOWLEDGEMENTS

4.1 The Land Tenure Reforms, Compensation of FFOs and Resolution of BIPPAs Sector Working Group would like to give thanks to the Ministry of Finance, Ministry of Lands, the Swiss Embassy, UNDP, AfDB and the World Bank for facilitating and sponsoring the activities of the SWG. We really appreciate the support.

I Thank You