

AfDB proposes 'fast-track' compensation for Zim's White ex-farmers

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The African Development Bank (AfDB) has developed financial instruments to "fast-track and front-load" \$3.5bn in compensation to White farmers whose land was taken from them by Zimbabwe's government, the bank's president said on Monday, 15 May.



African Development Bank (AfDB) President Akinwumi Adesina. Source:Reuters/Philimon Bulawayo

Akinwumi Adesina's announcement, which did not include details of the proposed instruments, comes after former farmers turned down an initial deal to receive payment within 10 years via treasury bills, according to an email seen by Reuters that the Commercial Farmers Union director sent to members last week.

Zimbabwe agreed in 2020 to compensate local White farmers whose land was taken by the government from 2000 onwards to resettle Black families in one of the most divisive policies of the Robert Mugabe era, while foreign White farmers were allowed to apply to get seized land back.

"It is important to try and fast-track and front-load these payments. Further delay will cause lack of trust," Adesina said at a presentation to creditors and the press in Harare.



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Clearing external debt arrears

The AfDB president is co-chairing a process that aims to clear \$6bn of external debt arrears and also includes reforms to

the exchange rate and central bank, which Adesina previously said has a quasi-fiscal role that fuels inflation.

Adesina said the new proposal to former White farmers would "help leverage the capital markets to fund the compensation without adding debt to Zimbabwe", without providing further details.

Zimbabwe, which had more than \$14bn in external debt as of September 2022, has not been able to secure financing from the likes of the International Monetary Fund in more than two decades due to its arrears.

Adesina said that 91% of Zimbabwe's multilateral debt and 61% of its bilateral debt is in arrears.

"The government takes full ownership of the debt process and the implementation of reforms," finance minister Mthuli Ncube told the press conference.

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