

THE GOVERNMENT OF THE REPUBLIC OF ZIMBABWE



PRESS RELEASE

GOVERNMENT OF ZIMBABWE DELIVERS ON COMMITMENT: COMPENSATION OF FORMER FARM OWNERS UNDER THE GLOBAL COMPENSATION DEED COMMENCES

HARARE – 09/04/2025 – The Government of Zimbabwe has started fulfilling its commitment to compensate Former Farm Owners (FFOs) claims under the Global Compensation Deed (GCD) signed in 2020. To date, 740 farms have been approved for compensation by the Land Compensation Committee. In this regard, Government disbursed US\$3.1 million for the first batch of 378 processed farms. This amount is 1 per cent of the total compensation claim value of US\$311 million. Last week, the Government also issued Treasury bonds related to the first batch of farmers to their custodian bank.

In line with the GCD agreement, the FFOs receive 1 per cent of their claim in cash, with the balance being paid through US\$ denominated Treasury bonds with a 2 per cent coupon and maturities of 2 to 10 years. These bonds have the following features: liquid asset status, prescribed asset status, tax exemption, tradable and transferable. Government allocated US\$10 million in the 2025 National Budget for the compensation of FFOs under the GCD. Compensation payments are being made to interested individual farmers.

Giving an update on the progress, the Minister of Finance, Economic Development, and Investment Promotion, Honourable Professor Mthuli Ncube, reaffirmed the Government's commitment to continue implementing reforms that are key to clearing the country's arrears and resolving the debt burden.

"The payments will continue. We are very serious about this. By settling our arrears, we can tap into the long-term capital, which is essential for infrastructure development and other significant investments. This is not just crucial for the Zimbabwean Government; it also impacts our private sector, which faces restrictions from creditors due to these arrears. Lifting these caps will facilitate access to foreign capital, making it easier to obtain financing to support our industries and create meaningful jobs for our citizens," he said.

Commenting on the FFOs compensation, Deputy Chief Secretary in the Office of the President and Cabinet, Mr Willard L. Manungo, who is also the Co-Chair of the Sector Working Group (SWG) on Land Tenure Reforms, Compensation of FFOs, and the Resolution of Bilateral Investment Protection and Promotion Agreements (BIPPAs), stated, *"This is yet another demonstration of the Government's commitment to the country's reform agenda. These positive developments present Zimbabwe with a strong opportunity to successfully negotiate its arrears clearance and outstanding debt obligations. It is also a boost towards the country's re-engagement efforts with the international community."*

The compensation of FFOs marks another significant milestone in the country's Arrears Clearance and Debt Resolution Process. In February 2025, the Government concluded the disbursement of the initial US\$20 million towards compensation of BIPPA-protected investors whose farms were affected by the 2000 Land Reform programme. Both historic milestones are crucial steps as Zimbabwe seeks to clear its arrears, restore debt sustainability, and unlock new concessional external financing in order to achieve its development goals.

The Chairperson of the Compensation Steering Committee and past president of the Commercial Farmers Union, Mr. Andrew. J. Pascoe, confirmed receipt of payments, describing the development as "another momentous event".

"Monday 24 March 2025 saw the first US Dollar Cash payments due under this plan being paid to the signed up Former Farm Owners," he said.

Mr Pascoe added; "On 29 July 2020, at State House when I signed the GCD on behalf of FFOs, I highlighted the enormity of the achievement that it was. After almost 20 years, we, as Zimbabweans had been able to put aside our differences and, in an atmosphere of mutual respect and trust, negotiated an agreement that laid the foundation for the payment of compensation for improvements on farms which had been acquired by the Government of Zimbabwe under the Fast Track Land Reform Programme."

"I would like, as a representative of these farmers, to sincerely thank His Excellency, President Dr. E.D. Mnangagwa and his Government for standing by the commitment made by His Excellency in 2018 to pay compensation for acquired farms in line with the Constitution of Zimbabwe. For this, we are extremely grateful, and we are confident that the ongoing upholding of the commitments that have been made will attract and strengthen the local, regional and international goodwill that will be vital for the success of the current Structured Dialogue Platform (SDP) on Arrears Clearance and Debt Resolution Process."

The compensation of FFOs under the GCD falls under the SWG on Land Tenure Reforms, Compensation of FFOs, and the Resolution of BIPPAs, which is one of the three strategic reform pillars underpinning the Arrears Clearance and Debt Resolution Process. This strategic pillar is co-chaired by the Office of the President and Cabinet, Switzerland and

the United Nations Development Programme (UNDP). The other two pillars are Economic Growth and Stability Reforms, and Governance Reforms.

UNDP Resident Representative to Zimbabwe, Dr. Ayodele Odusola said, *“UNDP welcomes the progress being made under the BIPPA settlements, the Land Tenure Reforms, the Compensation frameworks, and the initial disbursements under the Global Compensation Deed. These steps are vital for restoring trust, advancing reconciliation, and rebuilding Zimbabwe’s agricultural sector. We remain committed to supporting a transparent, inclusive, and sustainable process that contributes to economic recovery and re-engagement.”*

Ambassador of Switzerland to Zimbabwe, H.E. Stéphane Rey stated; “These initial payments are a step in the right direction and hopefully more farmers will come forward to seek compensation based on this development. It is also our hope that the GCD be implemented fully.”

Compensation of FFOs under the GCD is provided for by Section 295 (3) of the Constitution of Zimbabwe, which states that compensation is “only for improvements that were made on the land when it was acquired.”

Despite resource challenges, the Government continues to make significant strides and remains committed to advancing its economic development agenda. The Government further calls for support from Development Partners to underpin Zimbabwe’s efforts towards Arrears Clearance and Debt Resolution.

The Government of Zimbabwe established in December 2022, a Structured Dialogue Platform with all its creditors and development partners, to institutionalise engagement on economic and governance reforms to underpin the Arrears Clearance and Debt Resolution Process. This is critical for the country to achieve its economic development aspirations, under Zimbabwe’s National Development Strategy 1 (2021-2025), and also the transition towards the implementation of the National Development Strategy 2 (2026-2030).



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