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Summary

Zimbabwe, a southern African country of about 14 million people, gained independence from the United Kingdom in 1980 after a lengthy armed struggle against white minority rule. The armed struggle, and the enduring effects of land allocations that favored whites, have profoundly shaped post-independence politics, as have the nationalist economic policies of the ruling Zimbabwe National Union-Patriotic Front (ZANU-PF), led by long-time president Robert Mugabe. Land seizures, state-centric economic policies, and persistent political turmoil under Mugabe led to a severe economic contraction between 2000 and 2009, which contributed to ZANU-PF's first-ever loss of its parliamentary majority in elections in 2008. A subsequent political impasse over the contested election results led to dialogue and the creation in 2009 of a Government of National Unity (GNU) joining ZANU-PF and key opposition parties. A politically tense period of GNU governance led to an economic recovery, some political reforms, and the enactment of a new constitution. Elections in 2013, which featured reported irregularities, gave ZANU-PF a strong parliamentary majority, extended Mugabe's tenure, and ended the GNU. Economic growth has since markedly decreased and intra-ZANU-PF splits and opposition to ZANU-PF's economic policy and governance practices is growing, as indicated by a wave of protests in 2016.

Congress, citing governance and human rights concerns, has enacted legal prohibitions on aid to Zimbabwe's central government and on U.S. support for multilateral loans to Zimbabwe's government, under the Zimbabwe Democracy and Economic Recovery Act of 2001 (ZDERA, P.L. 107-99) and foreign aid appropriations measures. Successive U.S. Administrations have condemned human rights violations, breaches of the rule of law, and undemocratic actions by Mugabe and top ZANU-PF officials. U.S. officials have imposed targeted economic and travel sanctions on individuals and firms identified as committing or abetting such actions.

Despite such restrictions, the United States funds a relatively diverse set of assistance programs in Zimbabwe that are implemented by nongovernment actors. According to the FY2017 State Department foreign aid budget request, this aid seeks to support a "transition to a democracy" and "human rights, equitable economic growth, political and electoral reform," leading to "transparent, accountable, and effective" political and economic governance. Aid also addresses humanitarian needs. Bilateral aid allocations totaled \$172 million in FY2015 and an estimated \$152 million in FY2016; \$160 million was requested for FY2017. Health programs are the largest area of aid, and focus on HIV/AIDS, tuberculosis, and malaria. Regional aid also benefits Zimbabwe. Relevant bills in the 114th Congress include H.R. 5912 and S. 3117, the House and Senate appropriations bills for the Department of State, foreign operations, and related programs.

The question of who may succeed President Mugabe, who turned 92 years old in early 2016, presents an immediate and pressing challenge for Zimbabwe's political system and people, as well as for U.S. policymakers. Potential succession challenges could generate political and economic instability, with possible regional humanitarian and migration implications. Additional issues of long-standing concern to U.S. policymakers include what most see as a need for economic reforms to enable private sector growth, improved macroeconomic governance, and reform of land tenure and property rights. An ongoing Zimbabwean government effort to clear its debt arrears with international financial institutions in order to access new loans, for which U.S. support remains restricted under ZDERA and appropriations laws, has recently drawn U.S. attention. Also of interest to some U.S. officials are wildlife protection efforts in Zimbabwe, which came under intense international criticism after a U.S. trophy hunter killed a rare black-maned lion named Cecil near a game reserve in 2015. The United States has taken steps to promote wildlife conservation in Zimbabwe, including by placing temporary bans on the import of sport-hunted elephant trophies and imposing permit requirements on lion imports.

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Overview

U.S. relations with Zimbabwe, a mineral-rich southern African country, remain strained. Tensions in bilateral relations emerged in the late 1990s, when increasing indications of human rights violations, undemocratic governance, and economic decline, accompanied by radical government economic policies and land seizures, spurred concern among Members of Congress and other U.S. policymakers. Bilateral relations since that time have been—and remain—dominated by U.S. policy, diplomatic, and targeted assistance efforts intended to prevent and counter such outcomes, mitigate their effects, and push for policy and governance reforms in Zimbabwe, as well as alleviate socioeconomic hardships among the country’s people. Legislation enacted by Congress is a key component of these policy efforts.

Zimbabwe attained independence in 1980 under a negotiated political settlement that ended white minority rule, following a long armed struggle. Its politics have since been dominated by the Zimbabwe National Union-Patriotic Front (ZANU-PF) political party, which has its origins in the struggle for majority rule, and President Robert Mugabe (*moo-GAH-beh*), Zimbabwe’s sole post-independence president. Opposition parties have pushed for governance reforms and greater pluralism, notably during a period of often uneasy power sharing between ZANU-PF and the opposition under a Government of National Unity (GNU) between 2009 and 2013. The GNU had been formed under a regionally mediated accord intended to overcome a political impasse between ZANU-PF and the opposition following violent, procedurally disputed elections in 2008.

Elections were last held in July 2013, but their legitimacy was disputed by the opposition and criticized by the Obama Administration, among others.¹ The elections gave ZANU-PF a strong majority in parliament, extended Mugabe’s presidential tenure, and ended power-sharing under the GNU. Since then, economic conditions have steadily deteriorated. Public dissatisfaction with the economy and with the Mugabe administration and its intolerance of opposition activity have recently sparked a growing number of large public demonstrations and repressive responses by the government. Protest organizers have included political parties, aggrieved workers, and new citizen-led movements, notably a social media-organized movement known as #ThisFlag. Such demonstrations have added to ongoing political turmoil and maneuvering by parties over governance and economic policy, prospects in the upcoming 2018 elections, and rivalry over the prospective succession of Mugabe, who turned 92 years old in early 2016. The succession question has led to internal ZANU-PF factionalization, notably including an emergent split between Mugabe and veterans of the pre-independence armed struggle, who have long been one of ZANU-PF’s most vocal core constituencies. The government has responded to growing domestic criticism and protests by seeking to restrict public gatherings and harshly lashing out at its critics, both in public statements and through law enforcement actions.

Such patterns of conduct—and a host of more serious reported human rights abuses—have long concerned domestic and international human rights advocacy groups and Western policymakers. For over two decades, successive U.S. administrations have sought to counter abusive and undemocratic actions by the ZANU-PF government by imposing targeted economic and travel sanctions on individuals and firms identified as having committed or abetted abuses. The targeted sanctions regime is authorized under a series of executive orders. Executive branch officials have periodically stated a willingness to consider changes to the U.S. sanctions regime in response to

¹ The State Department called the elections “deeply flawed” by “irregularities,” and asserted that the results did not “represent a credible expression of the will” of voters. State Department, “Zimbabwe’s Presidential Election,” August 3, 2013.

demonstrable improvements in governance, but to date they have deemed progress to have been insufficient to warrant major changes in U.S. policy. For many years, U.S. sanctions were complemented by similarly extensive sanctions by other Western governments. Surrounding the 2013 elections, however, most of these other foreign actors, most notably the European Union, removed or relaxed their sanctions regimes, in contrast to the United States.

Sanctions were originally called for by Congress in a “sense of Congress” provision of the Zimbabwe Democracy and Economic Recovery Act of 2001 (ZDERA, P.L. 107-99). Expressing congressional concern over negative governance, human rights, and rule of law trends in Zimbabwe, ZDERA also prohibits U.S. support for international financial institution (IFI) loans or grants to Zimbabwe’s central government, unless and until the Zimbabwean government fulfills a range of governance reform conditions. In the years since ZDERA’s passage, Congress has reiterated the ban on U.S. support for IFI credit assistance to Zimbabwe in annual appropriations legislation. Such legislation has also restricted bilateral aid for Zimbabwe, with exceptions for aid programs designed to foster the kinds of humanitarian, education, health, poverty reduction, human rights, and good governance outcomes sought by U.S. policymakers.

Zimbabwe is also ineligible for IFI loans under U.S. laws other than ZDERA due to its failure to make payments on its debt to these institutions. Recently, the possibility that Zimbabwe might again become eligible for IFI loans has emerged as an issue for policymakers. In October 2015, the Zimbabwean government issued a plan to repay its IFI arrears as a prerequisite to applying for new IFI credit (see “Zimbabwe’s Arrears Clearance Effort”). If it does so, Members of Congress may reexamine the conditions imposed by ZDERA and other legislation, and may seek to influence whether, and under what circumstances, the Mugabe government might be able to receive financial support.² Such conditions may be likely to include concrete, demonstrable efforts to pursue market-led economic growth, improved economic management and fiscal transparency, more transparent and accountable governance, and free and fair elections.

The question of who may succeed President Mugabe arguably presents the most immediate and pressing challenge for Zimbabwe’s political system, and for foreign governments engaged with the country. The stakes are high. Succession outcomes are likely to shape future developments in all major policy arenas, and the succession process could generate political and economic instability, possibly violent, in the wider southern Africa region. Succession is subject to the interplay of diverse, primarily domestic factors, however, making it an unpredictable and fluid process, and one not readily influenced by U.S. or other foreign policy interventions. Enduring support and admiration for Mugabe in southern African political circles—including within South Africa—may also limit the impact of U.S. actions.

Politics and Governance

Historical Background

Zimbabwe gained independence in 1980, after a lengthy armed struggle by black Zimbabweans for universal suffrage and against white minority rule. It achieved independence under the

² Proposed bills in past Congresses have sought to redefine such conditions, which have also been discussed in various hearings before the Africa Subcommittees of the House Foreign Affairs Committee (HFAC) and the Senate Foreign Relations Committee (SFRC). See also press release and linked letter to the Administration by SFRC Chairman Senator Bob Corker (www.corker.senate.gov, “Corker: No New Lending to Zimbabwe without Meaningful Reform,” January 29, 2016).

Lancaster House Agreement, an accord negotiated between the British government, the armed black independence Patriotic Front movement, and the so-called Zimbabwe-Rhodesia government.³ The Patriotic Front was an alliance between the Zimbabwe African National Union (ZANU), led by Mugabe, and the Zimbabwe African Peoples Union (ZAPU), another liberation movement led by the late Joshua Nkomo. The Lancaster House accord provided for elections just prior to independence, in which ZANU won a majority. ZAPU and a party that essentially represented the former white-dominated government won almost all of the remaining seats. After independence, ZANU suppressed alleged anti-government activity by members of ZAPU, its armed wing, and elements of its ethnic Ndebele political base, including through a series of mass detentions and killings led by the Fifth Brigade of the ZANU-dominated army, known as Operation Gukurahundi. Following these actions, in 1987 ZAPU and ZANU signed a unity accord, under which ZAPU was merged into ZANU, which was renamed ZANU-PF.

The armed struggle and the enduring effects of post-independence land allocations—which continued to favor whites until the commencement of large-scale land seizures in the 2000s (see “Natural Resource Nationalization”)—have profoundly shaped post-independence politics and ZANU-PF’s often radical policies. This history has also led to frequent anti-Western and anti-imperialist rhetoric by ZANU-PF which, along with its general intolerance of and periodic violent action against its political opponents, has long caused friction with donor governments.

Zimbabwe has held a series of highly contested elections since 2000, when ZANU-PF nearly lost its parliamentary majority to the then-newly formed opposition Movement for Democratic Change (MDC). The vote took place after Zimbabweans rejected a set of ZANU-PF-supported constitutional amendments in a public referendum. Despite this outcome, later in the same year ZANU-PF used its slim majority in parliament to amend the constitution to allow for the compulsory acquisition of land “unjustifiably dispossessed” by the United Kingdom (UK)—that is, provided to white settlers during British colonial rule—and to hold the UK liable for any compensation. The government then supported a campaign of often violent seizures of large, mostly white-owned commercial farms, without compensation, for redistribution to black farmers. The policy was later regulated under a program known as the Fast Track Land Reform Program (FTLRP). Such seizures, along with alleged election irregularities, human rights abuses, and various violations of the rule of law, spurred Congress to pass ZDERA in 2001.

In succeeding years, a decline in agricultural production linked to land seizures, a variety of state-centric economic policies, and persistent political turmoil led to a severe, multi-year economic contraction. In elections in 2008, amid reports of widespread irregularities, ZANU-PF lost its parliamentary majority and Mugabe received fewer votes than his main opponent, Morgan Tsvangirai (*CHAHN-geh-rai*), the presidential candidate of the MDC-Tsvangirai (MDC-T, the main opposition party, so-named to distinguish it from a smaller breakaway faction). Despite Tsvangirai’s claim to have won the election outright, official results gave him 47.9% of votes, below the 50% threshold needed to avoid a second round. A violent presidential election run-off followed, which Tsvangirai boycotted, allowing Mugabe to win with over 90% of votes. The international community rejected the result as illegitimate, as did the MDC-T.⁴

³ The latter was an entity that existed for several months in 1979. It was an alliance between ostensibly independent moderate black nationalist parties and the white minority government of Rhodesia. The latter was created by Zimbabwe’s white settler-dominated community in 1965 under an internationally unrecognized Unilateral Declaration of Independence (UDI) from the United Kingdom.

⁴ President George W. Bush, for instance, rejected the polls as a “sham election.” Similarly, a SADC observer mission concluded that “the entire election process was marred by a wave of violence,” and that “the presidential run-off election was not free and fair and does not represent the will of the people of Zimbabwe.” See New York Times, (continued...)

Figure I. Zimbabwe at a Glance



Population/Growth Rate: 14.3 million/2.2% (2015)

Gross Domestic Product (GDP): \$14.3 billion (2015)

GDP per Capita: \$1,065 (2015)

Key Exports: Platinum, cotton, tobacco, gold, ferroalloys, textiles

Mobile phone subscriptions: 81 per 100 people (2014)

Languages: English (official); 14 indigenous languages, largely reflecting ethnic makeup: Shona (official; widely spoken), Ndebele (official, second most widely spoken), 12 smaller languages (official): Chewa, Chibarwe, Kalanga, Koisan, Nambya, Ndau, Shangani, Sotho, Tonga, Tswana, Venda, and Xhosa

Religions: Protestant 75.9% (of which Apostolic 38%, Pentecostal 21.1%, other 16.8%), Roman Catholic 8.4%, other Christian 8.4%, other 1.2% (e.g., traditional, Muslim), none 6.1% (2011)

Literacy: Male, 73.3%; Female, 45.4% (2015)

Fertility: 3.5 children births per woman (2015)

Under-5 Mortality: 71 deaths/1,000 births (2014)

Maternal mortality (modeled estimate): 443 per 100,000 live births (2015)

Life Expectancy: 57 years (2015)

HIV infection rate (adult): 16.74% (2014)

Sources: CIA, *TheWorld Factbook*, 2016; World Bank; International Monetary Fund (IMF).

(...continued)

“Zimbabwe Faces Wider Sanctions Under Bush Plan,” June 29, 2008; *Zimbabwe Independent*, “Runoff-Poll Did Not Represent Will of Zimbabweans—Botswana,” July 11, 2008. Multiple organizations issued reports documented violence and electoral manipulation during the election process. For a summary account, see the appendix in CRS Report RL34509, *Zimbabwe: The Transitional Government and Implications for U.S. Policy*, by (name redacted)

Government of National Unity

A post-election political impasse led to regionally mediated talks, which resulted in the September 2008 Global Political Agreement (GPA). A Government of National Unity (GNU) was formed in early 2009 under the terms of the GPA, with Mugabe as president and Tsvangirai as prime minister. Under the GNU, executive power was shared between ZANU-PF, the MDC-T, and a smaller MDC faction—the parties that had won parliamentary seats in 2008. The GPA also set out agreements on a range of contentious issues and governance reforms, the drafting of a new constitution, and the conduct of a constitutional referendum, prospectively leading to elections.

The GPA decreased political violence and helped create a working but often tense relationship between the main GNU parties. It also enabled the MDC-T-controlled Finance Ministry to pursue critical economic reforms that spurred robust economic recovery after years of severe contraction under ZANU-PF stewardship. At the start of the GNU, Zimbabwe faced hyperinflation of 500 million percent or more, widespread poverty, unemployment at 80%-plus, collapsed social services, and a dearth of hard currency. To address these challenges, the GNU adopted the U.S. dollar as the effective national currency, ended price controls, and established a cash budgeting policy, among other liberalization policies. This led to a rapid expansion of the agriculture, mining, and services sectors. Economic expansion under the GNU began in 2009 and lasted until 2013, the last year of the GNU, when growth stalled.⁵

While some GPA governance reforms were implemented, many were not, and there were reports of violations of GPA-guaranteed rights and freedoms, notably press freedom and political assembly. There were also periodic acts of political harassment and violence. Constitutional and other reform processes were slow and contentious, leading to renewed Southern African Development Community (SADC) mediation, a 2011 “election roadmap,” and a schedule for implementing unfulfilled GPA goals.⁶ Contested implementation of the roadmap then became a key focus of GNU politics for the next two years. The roadmap’s effects were ultimately limited, but one of its main goals, the completion of a new draft constitution, was achieved in early 2013. Voters adopted the new charter by an overwhelming margin in a referendum in March 2013. A highly disputed electoral process followed, resulting in a ZANU-PF victory and an end to power sharing under the GNU.

The 2013 Elections

Enactment of the new constitution after the March 2013 referendum set the stage for a contentious subsequent electoral process, during which the MDC factions demanded continued and full implementation of the roadmap and electoral law reforms prior to the polls. President Mugabe, however, largely unilaterally enacted changes to the electoral law and set the date for elections. These actions—and a string of other opposition-contested electoral administration decisions and alleged procedural irregularities—set the stage for disputed but relatively peaceful

⁵ Growth shot up from a contraction of -16.6 in 2008 to 7.5% in 2009 and then remained positive, at a 10.3% annual average rate, until 2013, when it fell to 4.5%. The World Bank reported that the expansion was led by growth rates in mining (107%), services (51%), agriculture (35%), and manufacturing (22%). During that period, the International Monetary Fund (IMF) estimates, total GDP grew from \$8.2 billion to \$12.5 billion, while GDP per capita grew from \$667 to \$866. Export earnings growth, notably in mining (230%) and farm products (101%), was bolstered by high global prices for the key exports, notably of platinum, gold, cotton, and tobacco. Many of the fundamental problems from earlier years persisted, however; consumer goods supplies remained disrupted, and income disparities, poverty, and joblessness remained widespread. While there were some foreign direct investment (FDI) increases, greater FDI growth may have been inhibited by ZANU-PF’s indigenization policy (discussed later in this report).

⁶ SADC comprises Angola, Botswana, the Democratic Republic of Congo, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia, and Zimbabwe.

presidential, parliamentary, and local elections on July 31, 2013. The elections resulted in an overwhelming parliamentary victory for ZANU-PF and the reelection of President Mugabe.⁷

Opposition parties, domestic election monitors, and multiple independent analyses suggested that there were many electoral problems and irregularities.⁸ Both MDC parties rejected the election as fraudulent, and much of the international community outside of Africa, including the United States, also labeled it as illegitimate. By contrast, with some exceptions (e.g., Botswana and Liberia), many African governments, and notably most members of SADC, the GPA's guarantor, deemed the election credible. Some longer-term analyses of the election have suggested that while the electoral system and regulatory framework appear to have been managed by ZANU-PF in its favor, ZANU-PF also undertook an effective get-out-the-vote and campaign strategy, and may well have earned an electoral majority even if the electoral playing field had not favored it. Economic growth under the GNU may have alleviated some popular frustrations with ZANU-PF leadership, although the economy had slowed during the final year of the GNU. Some analyses have also critiqued the opposition, characterizing it as less effectively organized than ZANU-PF. The opposition, according to such views, made strategic mistakes during the pre-poll electoral process, and inadequately and belatedly prepared and executed its campaign strategy and voter outreach. Regardless of such factors, the election once again placed ZANU-PF in firm control of the state, and ended the GNU and the potential for substantive cross-party, consensus-based governance.

Mugabe's Presidency

President Mugabe has led Zimbabwe since independence, initially as prime minister, and has long presided over ZANU-PF. His party leadership has been driven by both ideological and tactical considerations, and he has played a central executive and mediational role within ZANU-PF's hierarchy and policymaking processes, which have long shaped patterns of state governance. Under his tenure, the party has controlled state power through a mixture of nationalistic economic policies and rhetoric, command of the public sector, social regulation, political cooptation, often corrupt patronage, and periodic repression of and violence against ZANU-PF opponents and critics. His eventual exit from the presidency will mark a major watershed and could conceivably lead to political and policy transformation. Such a transition is not a given, however, especially if ZANU-PF retains control and continues to pursue its current policy agenda under the strong influence of an aging, conservative cadre of security sector officials. In the meantime, Mugabe shows no interest in retiring, despite his advanced age, periodic signs of debility, and reported health problems. In 2014, he accepted ZANU-PF's nomination to be its presidential candidate in 2018, when he would be 94, a decision reaffirmed by a party Congress in late 2015. In 2015, he chaired both SADC and the African Union, reflecting his continuing influence among fellow African leaders. Mugabe has no designated successor, which has generated succession rivalries. In July 2016, he stated that he would hold office as long as the party continues to back him.⁹

ZANU-PF: Party Divisions and Succession Rivalries

Fluid divisions and alliances have long characterized the ruling party. Public information about these dynamics, however, tends to be opaque and expediently driven by party insiders, most notably Mugabe. He continues to actively shape the party leadership by orchestrating promotions

⁷ Mugabe won 61% of the presidential vote, against 34% for Tsvangirai, whose MDC-T lost many parliamentary seats. A smaller MDC faction, MDC-Ncube (MDC-N), also lost most of its parliamentary seats, while its presidential candidate, Welshman Ncube, garnered 2.7% of the vote.

⁸ Key reported problems included an allegedly rigged voter register, which was released at the last minute; state media bias toward ZANU-PF; limitations on international observers; a chaotic process for voting by security agency personnel prior to the public vote; alleged voter intimidation; and provision of pro-ZANU-PF voter balloting "assistance" in many rural areas.

⁹ Peta Thornycroft, "Defiant Mugabe vows to stay in power," *IOL*, July 27, 2016.

and countervailing appointments and dismissals. Debate and political jockeying over Mugabe's succession and alternatives to his leadership have occurred for years. Although often discussed in the press, these issues were considered sensitive and were not often publicly addressed by the party. Those perceived as challenging or implying an end to Mugabe's tenure historically faced penalties, such as demotions or party suspensions. In recent years, however, the succession issue has increasingly come to be discussed in public, including by Mugabe.

Until late 2014, the main reported ZANU-PF rivals to succeed Mugabe—as both head of state and of ZANU-PF—were two long-time top officials, Emmerson Mnangagwa (*mm-nahn-GAHG-wah*) and Joice Mujuru. Both were die-hard ZANU-PF members closely linked to Mugabe. Mnangagwa, however, a former intelligence chief and GNU Defense Minister, maintained a reputation as an uncompromising hardliner. In contrast, Mujuru, a former liberation war combatant who had served as national and party Vice President since 2004, was viewed as both a strong party loyalist and a potential pragmatist open to possible reforms in various areas.¹⁰

In late 2014, Mugabe led a purge of top ZANU-PF elements linked to Mujuru and dismissed her as party and national Vice President. He then elevated Mnangagwa, alongside a less prominent official, Phelekezela Mphoko, to the dual national and ZANU-PF vice presidencies (there are two deputy posts in both the state and party).¹¹ His action also appeared intended to facilitate the entry into politics of his 50-year-old wife, Grace Mugabe, who had actively encouraged Mujuru's removal while raising her own political profile.¹² Mujuru's fate was sealed when Mugabe railed against her during the ZANU-PF party congress, accusing her of plotting with U.S. embassy officials to oust him (an allegation linked to the Wikileaks scandal and later denied by the State Department). Further purges of Mujuru-allied officials and the naming of a new cabinet followed. In early 2015, ZANU-PF formally expelled Mujuru, citing her putative anti-Mugabe plot. To date, however, she has not been criminally indicted.

Should Mugabe vacate the presidency, either by choice or due to natural causes, Mnangagwa, who also serves as Justice and Legal Affairs Minister, would likely succeed him temporarily.¹³ He might then formally accede to the post, but such an outcome is not assured. Mugabe's successor must be chosen by the party, and Mnangagwa's rivals could engineer an alternative successor. Another possible successor, Grace Mugabe, has often led party outreach events and distributed patronage goods since Mujuru's ouster. These activities appear intended to strengthen her national profile as a credible successor to her husband and, at a minimum, to protect her family's assets and influence by ensuring she plays a high-level post-Mugabe political role.

Her lack of independence war credentials and relative youth, however, could be liabilities, given Zimbabwe's often gerontocratic political culture and the traditional dominance of veterans within ZANU-PF and among security establishment leaders. They have long maintained that liberation war experience is a prerequisite for any national president, and are likely to strongly influence

¹⁰ Mujuru's support base within ZANU-PF was fostered by many years by her late husband, Solomon Mujuru, a retired army chief who maintained strong ties to and influence within the armed forces and ZANU-PF leaderships, and among war veterans. He died in 2011 in a still-unsolved arson suspected by some observers to have been a political murder.

¹¹ Mphoko is a former member of ZAPU, which has traditionally been allocated one of each of the dual posts.

¹² In mid-2014, after being nominated to lead the ZANU-PF Women's League, whose leader she displaced, Mrs. Mugabe launched a series of increasingly vitriolic attacks on Mujuru, accusing her of factionalism, corruption, links to the opposition, and other transgressions. Mujuru, whose faction had controlled key party posts and had been poised to play an influential role in the ZANU-PF congress in late 2014, was also accused in a ZANU-PF-linked newspaper of being party to an alleged coup plan against Mugabe.

¹³ According to the constitution, the vice president who has most recently been appointed to act in Mugabe's absence, generally due to travel, would become acting president.

any succession process. Nevertheless, generational change in politics is on the horizon, as signaled by the emergence of an informal ZANU-PF faction, the Generation 40 (G40), a term alluding to a younger cohort that came of political age after independence. They reportedly support a leading role for Grace Mugabe—potentially through her replacement of Mnangagwa as vice president, making her Mugabe’s likely successor, or through an alliance between her and one of Mnangagwa’s ZANU-PF old guard rivals. The G40-Mnangagwa rivalry may also be leading veterans, long a key ZANU-PF base of support, to break with Mugabe. Also factoring into party and succession dynamics are clan alliances and rivalries, both within the majority Shona ethnic group, to which Mugabe and many top ZANU-PF leaders belong, and between the Shona and the Manyika—a smaller, but still key ZANU-PF ethnic base.

Opposition Dynamics

Opposition supporters are also divided. Intra-party recrimination over the MDC-T’s performance during the 2013 elections divided the party, which is the largest opposition group.¹⁴ Continuing dissension eventually prompted the Tsvangirai-led faction to expel 21 rival sitting MDC-T members of parliament (MPs) and some indirectly-elected senators, thus making them ineligible to remain MPs. This led to June 2015 National Assembly by-elections for 16 seats, most of which had been vacated by the MDC-T. ZANU-PF won all of them after the various MDC factions boycotted the vote over claims of a flawed election process and demands for related reforms. In July 2016, Tsvangirai, who has colon cancer, prompted renewed internal party dissension after he unilaterally appointed two new party vice presidents.

While the MDC-T enjoys strong representation in many municipal governments, its parliamentary delegation lacks sufficient seats to advance legislation, and it acts primarily as a critic of the government. Its limited electoral power is also under threat, as the minister of local government has ousted and replaced the MDC-T mayors of Harare and the smaller city of Gweru. The government is also sponsoring an opposition-contested bill that would create a substantially ministry-controlled tribunal with the power to suspend and replace municipal officers. The MDC-T, like other opposition parties, has also faced attempts by the government to regulate and restrict its public political gatherings. In some cases, such restrictions have been overturned in the courts, however, reflecting a significant degree of Zimbabwean judicial independence. In April 2016, after police denied the MDC-T a public demonstration permit, a court ruled in favor of an MDC-T suit to have the denial overturned. The MDC-T then held one of the largest anti-Mugabe protests in recent years. Other mass rallies, both by opposition parties and a wide range of other stakeholders—in some cases permitted by courts against government wishes—have since followed.

The future influence of the MDC-T and of opposition parties more broadly is likely to depend on their success during the next national elections in 2018, which, in turn, may depend on coalition-building. Prospects for an opposition victory, however, are mixed. In May 2016, five small parties formed the Coalition of Democrats (CODE), under which they are expected to jointly back consensus positions and candidates. While former finance minister Tendai Biti reportedly

¹⁴ Many in the MDC-T blame Tsvangirai for the party’s 2013 loss and, citing his record as a third-time failed candidate (despite his claim to have won the 2008 election), called on him to step aside as party leader. In 2014, a faction led by former GNU MDC-T Finance Minister Tendai Biti, long seen as a Tsvangirai intra-party rival, tried to unseat Tsvangirai. He fought off the attempt and, via an internal party vote, later expelled the Biti faction. Biti and others, including a leading MDC-T founding member, Elton Mangoma, later launched a new party, MDC Renewal. In September 2015, however, Mangoma split to form his own party, Renewal Democrats of Zimbabwe (RDZ), while MDC Renewal, headed by Biti, renamed itself the People’s Democratic Party (PDP).

supports the coalition, his PDP party—and, more significantly, the MDC-T and Joice Mujuru’s new Zimbabwe People First (ZPF), established in February 2016—declined to join it.¹⁵ Eighteen opposition political parties are also collaborating and jointly pushing for shared electoral system changes and Zimbabwe Electoral Commission neutrality ahead of the 2018 elections under the National Election Reform Agenda (NERA) coalition. While aimed at electoral reform, NERA members are involved in organizing mass protests bringing together opponents of continued ZANU-PF political dominance.¹⁶

#ThisFlag

In addition to opposition parties, the government has recently faced criticism from a fast-growing, nonpartisan, citizen-based campaign focusing on demands for accountable governance. The movement, organized on social media under the hashtag *#ThisFlag*, emerged after Evan Mawarire, a pastor, posted online an impromptu video reflection on economic malaise, corruption, and a need for patriotic civic activism.¹⁷ The April 2016 video elicited a massive spontaneous positive response and went viral, leading Mawarire to call for a month of citizen activism centered on countering poverty, injustice, and corruption. Opposition parties sought to capitalize on the campaign, and ZANU-PF to counter it with its own *#OurFlag* social media campaign. In May 2016, two MDC-T MPs wearing flags around their necks in a tribute to *#ThisFlag* were ejected from parliament.

On July 6, 2016, Mawarire and *#ThisFlag* activists, joined by the Tajamuka-Sesijikile (roughly “fed up and opposing”) Campaign, a recently formed youth alliance critical of the government, organized a “Zimbabwe Shutdown” action.¹⁸ It was intended to temporarily interrupt private and public sector business and signal dissatisfaction with the country’s ongoing economic malaise, unpaid civil servant wages, and state corruption. The boycott, which was widely heeded, coincided with labor strikes by doctors and teachers. It was generally peaceful, but featured some youth-led civil unrest in poor urban areas. It came on the heels of a July 4 protest by taxi drivers against high police traffic fines that turned violent, as well as late June protests in the southern border town of Beitbridge against new import restrictions. These events resulted in multiple arrests, and prompted authorities to temporarily shut down social media forums being used to organize the protests.

In mid-July, Mawarire was arrested and charged with attempting to subvert the government, but a magistrate’s court dismissed the charges and released him. He later sought refuge in South Africa. President Mugabe and ZANU-PF militants have threatened Mawarire; meanwhile, security forces are reportedly on high alert and are prepared to forcefully halt further demonstrations.

¹⁵ CODE includes the Democratic Assembly for Restoration of the Economy (DARE, led by Gilbert Dzikiti), the MDC-N (Welshman Ncube), Mavambo Khusile Dawn (MKD/Simba Makoni), Renewal Democrats (Elton Mangoma), and Zimbabwe United for Democracy (ZUNDE/Farai Mbire). Mujuru is reportedly open to joining CODE, but must await decisions by her party’s congress on whether to do so. *African News Agency*, “Smaller Zimbabwe opposition parties launch coalition,” May 31 2016.

¹⁶ MacDonald Dzirutwe, “Zimbabwe opposition parties say to protest for election reform,” *Reuters*, September 12, 2016.

¹⁷ In the video, Pastor Mawarire, spurred by his inability to pay school fees, comments on the alleged debasement, through misgovernance, of the values represented by the Zimbabwean flag, which he wrapped around his neck. *Newsday*, “Flag’ pastor speaks on threats, passion,” May 7, 2016; and Bridget Mananavire, “Zanu PF panics over pastor’s *#ThisFlag* campaign,” *Daily News*, May 22, 2016, among others.

¹⁸ At least one Zimbabwean participant in the Obama Administration’s Young African Leaders Initiative (YALI) is a Tajamuka-Sesijikile member.

Opposition Among Veterans

Relations between ZANU-PF leaders and independence war veterans appear to be deteriorating after decades of strong interdependence. In recent months, Grace Mugabe and various politicians associated with the G40 faction have made public comments belittling the political roles and influence of independence war veterans, long a politically sacrosanct base of activist support for ZANU-PF. In early 2016, police fired water cannons at an anti-G40 veterans' march on ZANU-PF headquarters, and in March, Mugabe replaced his veterans' minister, the chair of the traditionally influential Zimbabwe National Liberation War Veterans Association (ZNLWVA), reportedly in relation to the official's opposition to the G40. In a possible sign of continuing deference to veterans, however, Mugabe also publicly acknowledged a demand by some veterans that he step down from power.¹⁹

Relations between Mugabe and veteran leaders deteriorated further after ZNLWVA issued a scathing statement on ZANU-PF and Mugabe in late July 2016. It harshly condemned the government and implied that Mugabe should exit power.²⁰ The veterans' statement is significant because the armed struggle was crucial in bringing majority rule to Zimbabwe, and their contributions toward that end have long helped legitimize ZANU-PF's hegemonic rule. Veterans have formed a core ZANU-PF constituency since independence, and some have acted as a proxy force for the party, politically and at times physically attacking alleged government critics.²¹ The government reacted strongly to the statement—which was not attributed to any specific individuals—calling it “traitorous” and “treasonable.” Some ZNLWVA leaders later faced arrest.²² To prevent further anti-regime action by the current ZNLWVA leadership, the government may be attempting to create a rival pro-G40 faction within ZNLWVA. The Mugabe-ZNLWVA split may lead to further internal ZANU-PF fissures, as many top ZANU-PF officials are likely to continue to view veterans as a vital constituency. This is particularly true of the Mnangagwa camp, known as “Team Lacoste” (a play on Mnangagwa's nickname, “The Crocodile”). Mugabe's split with the veterans has been interpreted by some observers as a rejection of Mnangagwa's faction in favor of the G40.²³

Rule of Law and Human Rights Conditions

Human rights advocates have for years raised concern with documented government violations of the rule of law and respect for human rights, particularly during election periods and with regard to its treatment of political opponents and human rights and democracy advocacy groups.

¹⁹ At a large national veterans' meeting in April, he explicitly addressed key veteran concerns, stating that his successor would be chosen democratically and that his wife would not automatically inherit the presidency. He also, however, rejected a demand articulated at the meeting for an increased veterans' subsidy, a key item on a longer list of veterans' grievances and demands for state posts and economic resources. In June, Mugabe publicly warned veterans to stay out of ZANU-PF succession debates. MacDonald Dzirutwe/*Reuters*, “‘Shame on you, I am not dying’, Mugabe tells potential successors,” (April 7, 2016) and “Zimbabwe's Mugabe says will consider retiring if war veterans ask him,” March 19, 2016

²⁰ Associated Press, “Veterans Group in Zimbabwe Denounces Robert Mugabe,” July 21, 2016.

²¹ Veterans are not a monolithic group; not all have participated in such acts, and some perpetrators of political violence, land invasions, and other actions attributed to veterans have been too young to have fought in the independence war.

²² MacDonald Dzirutwe, “Zimbabwe threatens ‘traitorous’ war veterans after Mugabe attack,” *Reuters*, July 23, 2016; and Farai Mutsaka, “Mugabe: ‘Severe’ punishment for loyalists after criticism,” AP, July 27, 2016.

²³ See, e.g., *Africa Confidential*, “Patriotism, politics and position,” August 26, 2016.

Frequent reported perpetrators of political violence in recent years have included the state security forces, ZANU-PF youth militants, members of ZNLWVA, and, to a lesser extent, MDC militants. In July 2016, Amnesty International (AI) reported that “recently, human rights defenders and activists in Zimbabwe have been receiving threats and [are] subjected to arbitrary arrests, ill-treatment and attempted abductions.”²⁴ ZANU-PF supporters were implicated in harassment and intimidation in the lead-up to the by-elections in mid-2015, in addition to prior violence linked to the purge of Mujuru supporters, while opposition activists engaged in violent skirmishes in connection with intra-MDC competition. There have also been reports of state- and party-mediated allocations of food, fertilizer, and other commodities, as well as coercion, to secure votes or political support for ZANU-PF.²⁵ The reported March 2015 daytime abduction of a Zimbabwean journalist and human rights activist, Itai Dzamara, allegedly by state security officials, has also drawn widespread local and international attention. Dzamara has not been found, and U.S. officials have called for a full and open investigation of his case.²⁶ Similar allegations of state involvement in other abduction cases have periodically been reported since the early 2000s.

Police regularly halt public political and economic demonstrations and arrest political and labor union protesters. In its 2016 *World Report*, Human Rights Watch (HRW) asserted that in 2015, “those who criticized Mugabe or his government, including human rights defenders, civil society activists, political opponents, and outspoken street vendors, were harassed, threatened, or arbitrarily arrested by police and state security agents.” Zimbabwe Lawyers for Human Rights (ZLHR), a nongovernment advocacy group, has contended that authorities intentionally “misinterpret and selectively misapply laws.”²⁷ Annual State Department human rights reports have reflected similar findings. Recently, however, and against the government’s wishes, some judges have allowed bond for detainees facing protest-related charges, reduced or tossed out such charges, and permitted several protests for which the police have denied permits.

HRW, ZLHR, and others also assert that the government has not pursued many of the legal reforms that they contend are needed to bring the national legal code and system into compliance with the 2013 constitution, including the repeal or reform of laws constraining freedoms of expression, association, and movement. These groups also call for progress toward an impartial state media and apolitical security services.²⁸

²⁴ AI, “Zimbabwe: Ensure Safety of Evan Mawarire,” UA 169/16, July 25, 2016.

²⁵ Key sources reporting on such trends include the Zimbabwe Peace Project, a local church and NGO coalition that monitors violence and human rights violations; and the Armed Conflict Location & Event Data Project, which tracks and codes conflict-related events and trends in countries across the globe.

²⁶ Dzamara leads the so-called Occupy Africa Unity Square protest movement, which seeks Mugabe’s resignation and a national consultation leading toward a democratic transition. Dzamara was also reported badly beaten by police in November 2014 along with a member of Zimbabwe Lawyers for Human Rights (ZLHR) and other demonstrators during a routine sit-in, in addition to being assaulted by police on other occasions. He is the subject of thus-far unsuccessful habeas corpus legal appeal. ZLHR has also called for accountability in two other “disappeared” persons cases. ZLHR, “15 Months On; Zim Authorities Should Do More To Ascertain Dzamara’s Whereabouts,” June 9, 2016.

²⁷ Stephen Jakes, “ZLHR joins the nation in celebrating Africa Day but ...,” *Bulawayo* 24, May 25, 2016.

²⁸ Key laws at issue include the following:

- the Access to Information and Protection of Privacy Act (AIPPA), which requires state media licensing and accreditation for journalists;
- the Criminal Law (Codification and Reform) Act, which criminalizes defamation of the president;
- the Public Order and Security Act (POSA), which restricts public gatherings;
- the Criminal Procedure and Evidence Act, which allows prosecutors to extend some detentions; and

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Collectively, these laws have often been used to harass political and civil society activists. ZLHR, among other human rights groups, views several of them as contrary to the 2013 constitution, and in the absence of their full repeal or replacement sees an urgent need to bring them into line with the constitution.²⁹ The government is also seeking passage of the Computer Crime and Cyber Crime Bill, which would reportedly give authorities additional authorities to intercept electronic communications and seize digital devices in a wide variety of circumstances. The new measure may reportedly be used by police to restrict expression via social media, which critics have often used to organize protests.³⁰

ZLHR also urges that a range of constitutionally required commissions (e.g., on national peace and reconciliation, gender, and land) be given adequate resources to pursue their mandates, and that legal reforms be enacted to devolve authority and resources to the provinces. ZLHR and HRW contend, in particular, that the official Zimbabwe Human Rights Commission lacks adequate resources, and HRW has noted that its mandate—limited to acts committed since early 2009, when the GNU was established—leaves it unable to investigate or help secure justice for victims of prior human rights abuses and political violence.³¹

Police harassment and criminal prosecutions of journalists and social media writers, often based on allegations of slander against Mugabe and other state officials, have been common, although in early 2016, the Supreme Constitutional Court found Zimbabwe’s criminal defamation laws to be unconstitutional. Law enforcement officials also regularly crack down on micro-businesses such as street vendors in the widespread informal sector.

The state and ZANU-PF also have a history of sponsoring various “operations,” a term drawn from military and law enforcement parlance, which refers to party or security agency campaigns that generally seek to support ZANU-PF-backed policies, aid the party’s support base or, conversely, targeting putative ZANU-PF opponents, real and perceived. The targets of these campaigns have varied; examples include irregular housing settlements, illegal artisanal mining, and unregistered satellite TV receivers, as well as extra-governmental efforts to control inflation, meet housing demands, boost agricultural production, or undertake land reform.³² Others have involved systematic campaigns of political violence.³³

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- the Private Voluntary Organizations (PVO) Act, which requires civil society groups to register with the government and regulates PVO activities.

See, e.g., Human Rights Watch, *World Report 2015: Zimbabwe*, February 2015.

²⁹ See, e.g., *The Zimbabwean*, “Laws null and void says ZLHR,” June 23, 2015.

³⁰ Electronic surveillance of domestic communications has been legal for a variety of alleged national security and public safety reasons under the 2007 Interception of Communications Act and is reportedly often practiced against political opponents. Jurist, “Zimbabwe president approves controversial electronic surveillance bill,” August 6, 2007; Peta Thornycroft, “New Zimbabwe law allows seizure of smartphones and laptops as Mugabe turns on social media,” *The Telegraph*, August 7, 2016; and Lincoln Towindo, “Social media abusers to be jailed,” *Sunday Mail*, August 7, 2016.

³¹ ZLHR, “Constitutionalism Still Elusive Two Years into New Dispensation,” May 22, 2015; and HRW “Zimbabwe,” *World Report 2015*. The State Department’s 2015 human rights report on Zimbabwe identified as the “most important human rights problems [...] the government’s targeting members of non-ZANU-PF parties and civil society activists for abduction, arrest, torture, abuse, and harassment; partisan application of the rule of law by security forces and the judiciary; and restrictions on civil liberties.”

³² Among the most infamous examples was Operation Murambatsvina (variously translated as “restore order” or “remove the trash”), a months-long campaign to demolish allegedly illicit informal housing and market structures in 2005. It was internationally condemned as a brutal action primarily targeting the urban poor, a perceived base of opposition support. The homes and/or livelihoods of an estimated 700,000 people were affected, and an additional 2.4 (continued...)

The Zimbabwean state also has a history of forcibly displacing selective groups of citizens and seizing their property, often for political ends. In 2014, HRW documented the eviction and resettlement without adequate compensation of 20,000 flood-displaced persons, who suffered security force abuses when they protested. The government has reportedly since acknowledged some fault in the case and pledged to address the victims' situation.³⁴ Periodic uncompensated seizures of farmland, often orchestrated by top ZANU-PF or security service figures and targeting the few remaining white commercial farmers and others not favored by the government, have also continued. ZANU-PF-linked beneficiaries of land grabs continue seek to gain legal ownership of such properties. "Indigenization," the mandatory partial nationalization of foreign firms, is another current form of state property expropriation.

Another key human rights challenge is trafficking in persons (TIP). Under the Trafficking Victims Protection Act of 2000 (TVPA, P.L. 106-386, as amended), the State Department has classified Zimbabwe as a Tier 3 country since 2009, meaning that its government does not fully comply with minimum U.S. TVPA standards and is not making significant efforts to do so.³⁵ Zimbabwe's ranking has made it ineligible for "non-trade related, nonhumanitarian assistance to the government except for certain economic assistance for various specific purposes with specific limitations."³⁶ In every year since 2010, the Obama Administration has issued a partial waiver of these restrictions to allow certain types of assistance deemed to be "in the national interest."³⁷

One positive development praised by human rights campaigners was an early 2016 decision by Zimbabwe's Constitutional Court to outlaw the marriage of anyone under 18 years of age. Child advocates see it as a key step in reducing Zimbabwe's reportedly high rate of child marriage, which particularly affects minor brides.

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million persons were indirectly affected, according to a United Nations (U.N.) fact finding mission.

³³ Key examples include Operation Mavhoterapapi, an reported campaign of retribution against 2008 election opposition supporters; and Operation Gukurahundi, in which nearly thousands of members of an independence war factional rival to ZANU-PF based in majority ethnic Ndebele areas, along with hundreds and perhaps thousands of civilians, were reportedly massacred in the 1980s by the now defunct, North Korean-trained state military 5th Brigade. There are no definitive estimates for the number of deaths associated with Gukurahundi, which is has various translations but refers to the first post-harvest rain that cleans away threshing chaff. Reported fatalities range from several thousand to 30,000 or higher. A report by the Catholic Commission for Justice and Peace and the Legal Resources Foundation, *Breaking the Silence—Building True Peace: A Report on the Disturbances in Matabeleland and the Midlands 1980-1988*, April 1999 documented the round up and imprisonment of thousands of civilians in concentration camp-like detention centers, torture, and killings, and destruction of community property. A report on Gukurahundi by a state-sponsored entity, the Chihambakwe Commission of Inquiry was never publicly released.

³⁴ HRW, *Homeless, Landless, and Destitute: The Plight of Zimbabwe's Tokwe-Mukorsi Flood Victims*, February 3, 2015; see also Dewa Mavhinga, "Dispatches: New Hope for Zimbabwe Flood Victims," HRW, March 18, 2015.

³⁵ The 2015 State Department trafficking in persons (TIP) report states that Zimbabwe "is a source, transit, and destination country for men, women, and children subjected to sex trafficking and forced labor" of many types, both domestically and abroad, notably in South Africa; and recommends that Zimbabwe pursue a broad range of legal reforms and law enforcement actions to counter TIP abuses.

³⁶ USAID, "FY 2016 Statutory Checklists," Automated Directives System (ADS). See CRS Report R42497, *Trafficking in Persons: International Dimensions and Foreign Policy Issues for Congress*, by (name redacted).

³⁷ The most recent such partial waiver covered "humanitarian demining initiatives and support programs [...] for victims of trafficking in persons or to combat such trafficking, and for programs that promote health, disease prevention, good governance, education, leadership, agriculture and food security, poverty reduction, livelihoods, family planning and reproductive health, macroeconomic growth, and biodiversity and wildlife protection." The White House, "Presidential Determination with Respect to Foreign Governments' Efforts Regarding Trafficking in Persons," October 5, 2015.

Corruption

Public corruption has been a persistent problem, as acknowledged by top ZANU-PF leaders, who periodically inveigh against it and included anti-corruption efforts as a key goal in ZANU-PF's 2013 election platform. While Zimbabwe does not rank as poorly as some other African countries, according to a late 2015 survey of corruption in 36 African countries, 80% of Zimbabweans polled rated the government's efforts to fight corruption as "very" or "fairly" bad.³⁸ The problem afflicts common public service delivery, but a particular feature of corruption in Zimbabwe has been elite appropriation of public resources. "Salarygate," a series of media reports in 2013 and 2014 revealing the self-award of large salaries and other perks by leaders of multiple state-owned enterprises and public agencies during a period of public austerity and service cuts, drew intense public ire. While ZANU-PF took steps to address the issue by capping such salaries, in other cases, it has failed to rein in publicly reported acts of self-enrichment by top ZANU-PF or state officials.

A number of analysts view selective ZANU-PF tolerance of the use of public resources for private gain as a structural feature of a political patronage system that has enabled ZANU-PF elites to access and control both wealth and political power.³⁹ Zimbabwe's Central Bank has identified illicit financial flows worth hundreds of millions of dollars annually—in the form of illicit or suspicious cross-border bank transfers, trade mispricing, bulk cash exports, and related activities—as a key economic challenge.⁴⁰ Such flows have reportedly contributed to a shortage of U.S. dollar paper currency. How vigorously the government is prepared to counter such flows, however, is unclear. For instance, despite Mugabe's complaint in 2016 that as much as \$15 billion in diamond revenue had been diverted in recent years by ZANU-PF and military-linked firms, he reportedly refused to take action against Jinan, a Chinese firm accused by the Reserve Bank of Zimbabwe (RBZ) of illegally exporting nearly half a billion dollars. Responding to an inquiry about the Jinan case, RBZ Governor stated that they had "allowed by-gones to be by-gones."⁴¹

Economy and Related Issues⁴²

After the 2013 elections, many observers viewed economic policy as a make-or-break challenge facing the newly elected ZANU-PF government given the severe crisis, hyperinflation, and massive economic contraction (-66.8%) that occurred from 2000 to 2009 under ZANU-PF stewardship. Since the advent of the ZANU-PF majority government in August 2013 and the departure of GNU finance minister Tendai Biti, economic growth has slowed considerably, and many Zimbabweans face increasingly dire economic prospects. The IMF estimates that GDP growth has declined from 4.5% in 2013 to 3.3% in 2014 and 1.4% in 2015.

³⁸ Transparency International and Afrobarometer, *People and Corruption: Africa Survey 2015—Global Corruption Barometer*, December 1, 2015

³⁹ Wesley Mwatwara and Joseph Mujere, "Corruption and the Comrades: Mugabe and the "Fight" against Corruption in Zimbabwe, 1980–2013," in Sabelo J. Ndlovu-Gatsheni, ed., *Mugabeism? History, Politics, and Power in Zimbabwe* (Palgrave Macmillan, 2015); Brian Raftopoulos, "Zimbabwean Politics in the Post-2013 Election Period," *Africa Spectrum*, (49: 2), 2014; and Knox Chitiyo and Steve Kibble, *Zimbabwe's International Re-engagement: The Long Haul to Recovery*, Chatham House Report, April 2014, among others.

⁴⁰ Nqobile Bhebhe, "Zimbabwe loses millions in illicit financial flows," *Africa Report*, December 14, 2015.

⁴¹ *Africa Confidential*, "Dollar curbs anger bigwigs," April 1, 2016

⁴² This section draws on World Bank data and "Zimbabwe Overview"; IMF Country Reports No. 15/279 (October 2015) and No. 16/109 (May 2016); *Africa Research Bulletin Economic, Financial and Technical Series*, various issues; *Economist Intelligence Unit* (EIU) Zimbabwe reports; and multiple wire service accounts.

Weak economic growth is attributable to a drop in exports, a lack of credit for the private sector, in part due to high government borrowing, low demand linked to poverty and illiquidity, poor financial sector performance, and low foreign investment levels. Other contributing factors, according to some analysts, have been problematic economic policy decisions and regulatory actions, notably relating to indigenization and, more recently, currency and trade controls. A severe regional El Niño-related drought in 2015-2016, meanwhile, has buffeted the agricultural economy, decreasing export crop production and creating widespread food insecurity.⁴³

Low world prices for several key Zimbabwean minerals, together with new mining royalty payment requirements, have dampened mineral production and exports. Imports have also fallen significantly, in part due to shortages of hard currency necessary for foreign transactions, but remain about double the value of exports.⁴⁴ Low import demand is also driven by low formal sector domestic production. Import demand has been driven by low formal sector domestic production, which has also been hampered by low demand, generating a 2.5% deflation rate and lack of access to credit and hard currency. Many businesses have reportedly closed or downsized in recent years, and 65% of manufacturing capacity was reportedly idle in 2015. Regular, lengthy electricity cuts have exacerbated this situation. Formal sector unemployment is widely reported to be extremely high, although accurate employment data is lacking, and much of the labor force works in the informal sector. All of these factors have both helped spur and been affected by widespread poverty and contributed to weak market demand.⁴⁵

Zimbabwe's reliance on the U.S. dollar—the main local transactional currency since 2009—has also inhibited growth, due to a worsening dollar shortage and associated economic uncertainty.⁴⁶ Rising local demand for the U.S. dollar has been driven by the international strength of the dollar; high import demand, including for food, production of which has dropped due to the drought; and a preference for hard currency in Zimbabwe's cash-dominated economy.⁴⁷ The RBZ, which has few monetary policy options because it does not control its own currency, is attempting to address the shortage by limiting hard currency withdrawals (e.g., at ATMs) and import transactions. The bank, through which foreign exchange import transactions must flow by law, is distributing export earnings in multiple foreign currencies, rather than the dollar alone, to reduce reliance on the dollar and increase cash flows. It is also prioritizing certain imports over others, interfering in market mediation of demand and supply for goods, requiring multi-currency pricing of goods and

⁴³ *Refugees International*, "From Bad to Worse: Deepening Impacts of Zimbabwe's Drought," August 18, 2016.

⁴⁴ The means that Zimbabwe faces a steep trade deficit. In 2016, the IMF estimates, exports totaled \$3.6 billion, while imports totaled \$6.1 billion.

⁴⁵ According to World Bank data, 72% of Zimbabweans lived under the national poverty line in 2011, when such data was last collected. See also Brian Latham and Michael Cohen, "From Hyperinflation to Deflation, No End to Zimbabwe's Decline," *Bloomberg News*, September 2, 2015; and Confederation of Zimbabwe Industries, *2015 CZI Manufacturing Sector Survey Report*.

⁴⁶ The Zimbabwean dollar was dropped in 2009, shortly after the government had issued a Z\$100 trillion note in response to a rate of inflation that had reached 489 billion percent per annum or higher. Today, Zimbabwe uses a multi-foreign currency system. In addition to the U.S. dollar, the South African Rand, the Euro, and several other currencies are legal. Federal Reserve Bank of Dallas, "Hyperinflation in Zimbabwe," Globalization and Monetary Policy Institute 2011 Annual Report; and Reserve Bank of Zimbabwe, *Exchange Control Operational Guidelines and Compliance Framework to Authorised Dealers*, February 8, 2016.

⁴⁷ Locally, U.S. dollars have traded at a premium above their nominal international value and, according to the Reserve Bank of Zimbabwe (RBZ), have "become to be more of a commodity, a safe haven currency or asset than a medium of exchange." Brian Latham and Chengetai Zvauya, "Zimbabwe's Black Market, Where the Dollar Trades Against Itself," *Bloomberg News*, June 7, 2016; and Reserve Bank of Zimbabwe (RBZ), *Measures to Deal with Cash Shortages Whilst Simultaneously Stabilising and Stimulating the Economy*, May 4, 2016.

the use of point of sale machines that can handle multiple currencies and payment types, and limiting external financial transfers.

The RBZ has also announced very controversial plans to issue \$200 million worth of local bond notes intended to serve as proxies for and be valued at par with U.S. dollars. The bank's intention is to bring cash liquidity to the domestic economy and increase the volume of money circulating. The bond plan, however, has spurred fears of a return to the hyperinflation associated with the defunct Zimbabwean dollar and predictions that bonds will trade at a depreciated value relative to the dollar, depriving bond holders of the full value of their holdings. In August 2016, police used tear gas and water cannons to disperse a reportedly peaceful protest against the bonds. RBZ external transfer controls have also reportedly drawn the ire of politically connected elites and businesses.

Food Security Crisis

A severe El Niño-related drought that affected the entire southern Africa region during the late 2015-2016 rainy season has disrupted the agricultural economy and, critically, resulted in a sharp decrease in the production of maize, the staple food crop. There are increasing reports of hunger in rural areas and a rising need for food aid. The government expects to import up to 700,000 metric tons of maize in 2016, about seven times the 2015 level, but has not budgeted for this cost, and already faces public revenue shortfalls. In February 2016, the government declared a state of disaster in some areas and called for \$1.6 billion in foreign food aid. In March, the World Food Program (WFP) launched a \$220 million food aid appeal for Zimbabwe covering programs through March 2017. As of early May 2016, U.S. FY2016 food security contributions for Zimbabwe totaled \$34.7 million, adding to \$42.6 million provided in FY2015 and \$34.8 million in FY2014. The U.S. Agency for International Development (USAID), which administers some U.S. food aid, reports that in 2016-2017 the period prior to planting, when food stocks from the prior harvest run low, will “start earlier than usual in September and end later than usual, in April, due to the El Niño-related impacts.” Citing a 2016 Zimbabwean government assessment, USAID also reported that at the peak of the lean season, from January to March 2017, an estimated 4 million Zimbabweans “will be food insecure.” USAID had earlier reported that about 2.8 million of 9.4 million rural dwellers were food insecure as of early May 2016.⁴⁸

The drought is also expected to dampen production in 2016 of tobacco, a key cash crop that, along with gold, had been one of the few economic bright spots. The tobacco sector grew steadily after hitting a production low in 2008. Strong tobacco prices led to strong export earnings in 2014 and 2015, notably from exports to China, but production and projected exports are plummeting. Gold has done well despite problems in the rest of the mining sector and a relative price decline after peaks in 2011 and 2012.

Foreign Investment and Indigenization

Foreign direct investment (FDI), which would likely increase inflows of hard currency, has remained flat or increased moderately in recent years. A key deterrent is indigenization, a state policy under which foreign-owned businesses are required to share ownership of their operations

⁴⁸ In July 2016, USAID also reported that general acute malnutrition stands at 5.7%, “the highest in 15 years,” and that 2.1% of Zimbabweans are “suffering from severe acute malnutrition.” USAID, *Food Assistance Fact Sheet—Zimbabwe*, May 6, 2016, and later update under same title, July 12, 2016; Zimbabwe Vulnerability Assessment Committee (ZimVAC), *2016 Rural Livelihoods Assessment*; and U.N. Office for the Coordination of Humanitarian Affairs, *2016 Humanitarian Needs Overview: Zimbabwe*. See also Famine Early Warning System, www.fews.net.

with Zimbabwean citizens. The process is intended to increase local black ownership of major economic assets, and primarily affects large foreign-owned firms. Application of the indigenization law, despite an early 2015 reform, is viewed by many observers as politicized, opaque, and subjective, making it a key investor concern.⁴⁹ The government has periodically amended some requirements, both to achieve indigenization policy goals more effectively and clarify the law for foreign investors.

While some investors appear able to negotiate agreements that are reliable enough to allow them to remain in the country, frequent changes have generated the perception that indigenization is subject to political whims and other unpredictable shifts. Mugabe himself, contending that “confusion” over the indigenization law had undermined FDI, issued a “clarification” on the law in April 2016, further to other reform measures enacted in late 2015. The latter measures allow investors to use unspecified “empowerment credits or quotas,” negotiated between the government and individual investors, to meet indigenization requirements.⁵⁰ Despite these efforts to make legal compliance easier, the government periodically threatens to seize or halt businesses that it alleges are not complying with the law. In early 2016, the government launched an indigenization compliance audit of foreign-owned firms. It has even required politically favored Chinese state-owned firms to turn over mining concession rights in some cases.

China

Zimbabwe has made concerted efforts to form strong relations with China for over a decade, in part to diversify its foreign trading partners and replace Western investment and capital that fled in the early 2000s. China has become a key source of foreign investment and credit. Much of this activity has involved bilateral state economic cooperation in addition to private sector activity, including some development grants or loans, and investment funded by Chinese state-backed loans from the China Development Bank and Export and Import Bank (Exim) Bank, or backed by finance insurance from the China Export and Credit Insurance Corporation. Typically, deals have been between large Chinese state-owned corporations or other Chinese enterprises with state connections and their Zimbabwean counterparts. The focus of these transactions has varied. Key examples include Chinese exports of aircraft, buses, rail vehicles, engineering services, and agricultural and construction equipment, and Chinese purchases of Zimbabwean minerals, tobacco, and cotton. Chinese firms have also invested in Zimbabwean mining, infrastructure construction, agricultural, telecommunications, mineral processing, and power generation projects. Many deals involve joint ventures, and some—as elsewhere in Africa—have involved exchanges of services for mineral rights or commodities. Transparency advocates have criticized some of these deals as exploitative.⁵¹

During a 2015 state visit to Zimbabwe by Chinese President Xi Jinping, the two countries signed 12 agreements, including a \$1.2 billion China Exim loan under which China’s Sinohydro Corp.

⁴⁹ See Department of State, *Investment Climate Statement for 2016: Zimbabwe*, July 5, 2016.

⁵⁰ Generally under the process, foreign firms must submit an indigenization plan and turn over a 51% ownership stake to the state, which administers the shares on behalf of the public and selected beneficiaries (e.g., employee and community ownership trusts) and repays the former majority owner’s losses with future profits. There are, however, special requirements for natural resources, non-natural resources, and financial services sector firms, and retail and wholesale trade and a series of agro-processing and consumer services are reserved for indigenes. Everson Mushava, “Mugabe in Major Climbdown,” *The Standard*, January 3, 2016; and Presidency, *Presidential Statement to Clarify the Government Position on the Indigenisation and Economic Empowerment Policy*, April 11, 2016.

⁵¹ See, e.g., J.R. Mailey, “The Anatomy of the Resource Curse: Predatory Investment in Africa’s Extractive Industries,” Africa Center for Strategic Studies, May 2015, which includes a detailed case study on Zimbabwe.

will add 600 megawatts of capacity to the national utility's largest thermal power plant. China also cancelled \$40 million in loan interest on part of a reported \$1 billion in Chinese concessional loans to Zimbabwe over the past five years. In return, Zimbabwe announced that it would increase use of the Chinese yuan, and hold it as a reserve currency. The Chinese government further agreed to provide a \$65 million grant to support construction of a new parliament building and a pharmaceutical warehouse. A double taxation accord was also signed, as was a cooperation agreement, under which China donated to Zimbabwe \$2.3 million worth of vehicles and equipment for wildlife protection.

Investment and Fiscal Pressures

While Zimbabwe's economy is healthier than it was before 2009, its potential remains largely unrealized. According to the World Bank, "with a relatively well-educated workforce, abundant natural resources and developed infrastructure (albeit aging), the fundamentals for growth and poverty reduction are strong, provided the country can tackle its political fragilities, and build a consensus around inclusive and competitive investment policies."⁵² Progress has been stymied, in part, by political uncertainty and insufficient access to investment capital, notably in the mining sector and public infrastructure. Especially problematic, given their broad economic and social welfare impacts, are poorly performing water supply and electricity systems—which have been further weakened by the drought. While state and donor-financed upgrades in these areas are underway, state revenue receipts are constrained by low growth and a large informal business sector that pays few taxes. Wage payments often take priority over long-term public capital investments. IMF data suggest that Zimbabwe spends about 70% of state revenues on salaries, although other estimates are higher, and there is political resistance to reductions in public worker payments, which are key to maintaining support for ZANU-PF. The government is increasingly struggling on this front, however; revenue shortfalls resulted in late military and civil service salary payments in June and July 2016—a major political challenge for the government.

Public funding shortfalls have long spurred a chronic failure to pay external national debts. This, in turn, has constrained access to foreign credit. In 2015, Zimbabwe owed an estimated \$7.1 billion in long-term external public debt, nearly 79% of which was in arrears. This prompted the IFIs to halt lending years ago.⁵³ Domestic business is also constrained by credit scarcity and high interest rates due, in part, to a banking system in which nonperforming loans have been common.

To help address these challenges, the government receives support from the World Bank under the Zimbabwe Reconstruction Fund (ZIMREF), a five-year multi-donor trust fund launched in 2014, to which the United States does not contribute. ZIMREF supports parts of Zim Asset (see below), Zimbabwe's national economic plan. ZIMREF projects support for business environment reforms, public expenditure governance and effectiveness, poverty program monitoring, and public sector analysis and advice.⁵⁴

Although Zimbabwe is not eligible for IFI loans, in early March 2016, the government completed an IMF staff-monitored program (SMP). Under the SMP—technical cooperation that did not

⁵² World Bank, "Overview," Zimbabwe country web page, <http://www.worldbank.org/en/country/zimbabwe>.

⁵³ Total external public debt, which also includes use of IMF credit and short-term loans (between 40% and 50% of which has funded interest arrears on long-term external debt recent years), is higher. Such debt stood at \$10.6 billion in 2014, according to the World Bank. Outstanding Zimbabwean credit obligations to the United States totaled \$ 138.5 million on late September 2014, according to the U.S. Treasury Department's Foreign Credit Reporting System.

⁵⁴ ZIMREF funders include Denmark, the European Union, Germany, Norway, Sweden, Switzerland, the United Kingdom, and the World Bank's multi-donor trust fund State and Peace Building Fund, a European-funded facility.

involve new IMF credit—the IMF monitored Zimbabwe’s implementation of jointly agreed economic reform actions.⁵⁵

Zimbabwe’s Arrears Clearance Effort

A key goal for Zimbabwe in undertaking the SMP was to improve the economy and relations with the IFIs and donors as a precursor to negotiating the planned repayment of roughly \$1.8 billion in IFI credit arrears, prospectively leading to renewed IFI credit flows and expanded technical cooperation. In October 2015, Finance Minister Patrick Chinamasa presented a national arrears clearance plan during the annual meetings of the IMF and the World Bank in Washington, DC, While IMF officials initially gave the plan a positive reception, it reportedly faced internal ZANU-PF opposition.⁵⁶

Arrears Clearance Strategy

The arrears clearance strategy envisions clearance of arrears through a bridge loan (a short-term loan, often tied to one or more subsequent long-term loans) to repay the African Development Bank (AfDB) and the World Bank’s International Development Association (IDA). It also includes repayment of IMF arrears using Zimbabwe’s IMF special drawing rights (SDR) allocation and a long-term bilateral loan from an unspecified lender to repay the World Bank’s International Bank for Reconstruction and Development (IBRD). The African Export-Import Bank (Afreximbank, a trade bank owned by African governments and African private financial institutions) may reportedly provide the bridge loan. A reported entreaty to Algeria to provide a loan to pay IBRD arrears fell through, but Afreximbank, in collaboration with financial firm Lazard and Britain’s Standard Chartered Bank, is attempting to arrange a syndicated loan for this purpose.⁵⁷ AfDB has also proposed providing Zimbabwe with 359.06 million AfDB Units of Account (UA) (about \$502 million in June 2016). This would be drawn from Pillar II of the AfDB’s Transition Support Facility (TSF). It is not clear what sort of Board approval may be required to authorize possible Pillar II support.⁵⁸ Were IFI arrears to be cleared, Zimbabwe could then seek conventional debt rescheduling by the Paris Club (a group of creditor nations that jointly agree to reduce or renegotiate official debt owed to each of them by individual developing countries).⁵⁹

⁵⁵ These included use of a cash budget (i.e., expenditures do not exceed revenues), with some exceptions, publication of an indigenization process guide, and a low cap on nonconcessional loans. Credit was to be used only for specified growth-stimulating projects under the national economic development plan, Zimbabwe Agenda for Sustainable Socio-Economic Transformation (Zim Asset, 2013-2018). Other SMP activities included efforts to stabilize the financial sector through a bad bank loan write-down program; enact fiscal management, public procurement, and banking sector strengthening legal reforms; improve tax administration and revenue collection; reduce public wage costs; ensure external loan repayments; and budget floors on levels of financing key public services, for which limited nonconcessional loans are permitted. IMF Country Report No. 15/279, October 2015, op. cit.

⁵⁶ In October 2015, the IMF’s African Department director said that the plan had been viewed “favorably” and “seen as feasible” by IFI officials meeting to consider it, assuming Zimbabwe continued to show a “strong track record of reforms.” She also noted that another “very important next step” would be to negotiate bilateral debt, potentially through the Paris Club of creditor nations. IMF, “Transcript of African Department Press Briefing,” October 9, 2015; see also IMF Country Report No. 15/279, op. cit.

⁵⁷ Sunday Mail (Zimbabwe), “Chinamasa: The man on a mission,” July 17, 2016; and *Africa Confidential*, “Political questions loom as debt deal is set for September,” June 20, 2016

⁵⁸ The TSF, formerly the Fragile States Facility (FSF), provides grant resources to eligible “fragile” state undergoing economic or post-crisis stabilization transitions under three pillars. TSF Pillar II resources are for arrears clearance for eligible countries, and Zimbabwe has been identified as a possible recipient. AfDB, *Operational Guidelines for the Implementation of the Strategy for Addressing Fragility and Building Resilience in Africa and for the Transition Support Facility* (December 2014), *Zimbabwe: Country Brief Update 2014-2016* (November 2014), and *Zimbabwe: Country Brief 2013-2015* (October 2013); and CRS discussion with Treasury officials.

⁵⁹ *Africa Confidential*, “Clearing decks and debts,” March 18, 2016. On the Paris Club, see CRS Report RS21482, *The Paris Club and International Debt Relief*, by (name redacted).

One impediment to an IFI arrears deal and possible future new IFI loans is likely to be a longstanding congressional requirement, first set out in ZDERA and most recently reaffirmed in the Consolidated Appropriations Act, 2016 (P.L. 114-113), that the United States vote against any new IFI loans or grants to Zimbabwe's government, "except to meet basic human needs or to promote democracy."⁶⁰ Absent robust economic and governance reforms by the government, some in Congress continue to oppose the prospect of new IFI loans by some in Congress, notably Senate Foreign Relations Committee Chairman Bob Corker, and by some in the broader U.S. policy community.⁶¹

While the United States does not hold veto power over IFI loans, its views are influential on IFI Boards. According to U.S. Treasury officials, U.S. officials have expressed support for Zimbabwean arrears clearance efforts, but have contended that Zimbabwe must pay arrears with its own resources, and have noted that they are bound by U.S. law to vote against most new IFI credit. Press reporting on an AfDB meeting in late May 2016 suggested that Zimbabwe's plan was progressing well, but U.S. Treasury officials consulted by CRS indicated that controversy over Zimbabwe's bond note plan has given pause to IFI and bilateral creditors. In July 2016, an IMF official stated that "there's no financing program under discussion with Zimbabwe at this point."⁶² The next big IFI forum on Zimbabwean arrears efforts is likely to occur in the fall of 2016. Treasury officials also stated that, like the United States, most major foreign donor governments are likely to tie any eventual multilateral and bilateral debt clearance deal to governance and human rights reforms. More robust, demonstrable economic policy change and greater financial transparency may also be required.

Observers are split over whether the Zimbabwean government's stated support for economic reform is genuine and fully backed by top ZANU-PF leaders—many of whom have long periodically expressed hostility toward the IFIs—or is driven primarily by a desperate search for credit and liquidity for the economy. According to the Economist Intelligence Unit, an economic analysis firm,

there is little sign thus far of a genuine change in the administration's prioritisation of its political agenda over economic management. [...] Policy confusion is likely to persist as (relative) moderates and hardliners fight for influence within the ruling party, and in this environment Zimbabwe is unlikely to make rapid progress on formulating a prudent economic policy.⁶³

⁶⁰ The requirement, complemented by a similar standing ban under ZDERA, applies "unless the Secretary of State certifies and reports" to the appropriations committees "that the rule of law has been restored, including respect for ownership and title to property, and freedoms of expression, association, and assembly." See Section 7042 (k), "Zimbabwe," in Title VII, Department of State, Foreign Operations, and Related Programs Appropriations Act, 2016 (Division K, P.L. 114-113).

⁶¹ In a letter to the U.S. Treasury Secretary Jacob Lew, Corker stated that any new lending would have to be conditioned on "the restoration of the rule of law," accountability for missing diamond revenues and a "monitored plan for capturing future revenues," and an acknowledgement of "past gross human rights abuses" and efforts to remedy such abuses. See Senator Bob Corker, "Corker: No New Lending to Zimbabwe without Meaningful Reform," January 29, 2016. See also testimony by Todd Moss, of the Center for Global Development, before the SFRC's Subcommittee on Africa and Global Health Policy during a June 8, 2016, hearing entitled *U.S. Sanctions Policy in Sub-Saharan Africa*; and Jeffrey Smith and Todd Moss, "Two Steps Backwards For Zimbabwe and Why the IMF Can't Help," ForeignAffairs.com, November 12, 2015.

⁶² IMF, "Transcript of the Press Briefing with Gerry Rice," July 14, 2016; *Africa Confidential*, "Political questions loom as debt deal is set for September," June 20, 2016; and CRS discussion with Treasury officials, July 20, 2016.

⁶³ EIU, *Zimbabwe Country Report*, July 27, 2016; see also *Africa Confidential*, "Dollar crisis puts opposition on the streets," July 22, 2016; and Piers Pigou, "Zimbabwe's Threadbare Theatre of Reform," International Crisis Group, July 29, 2016.

Natural Resource Nationalization

Land

A key ZANU-PF policy since the late 1990s has been an often violent and chaotic program of land expropriations from large, primarily white commercial farmers. The invasions, generally by landless people, ex-war veterans, and ZANU-PF youth militants, reflected pent-up demand for land and resentment over racially unequal distribution of land inherited from the pre-independence system, with whites owning large tracts of the fertile central highlands. The invasions followed a long period of slow land reform generally premised on a “willing seller-willing buyer” model. After the defeat in 2000 of ZANU-PF-proposed constitutional amendments allowing for land seizures, the government informally blessed the invasions and then slowly regulated and systematized them under the Fast Track Land Reform Program (FTLRP).

The FTLRP facilitated the expropriation of millions of hectares of land that was then redistributed, under often partisan processes, to a mix of poor and landless persons (so-called “A1” recipients), and large commercial farm (“A2”) recipients, who were often politically connected. FTLRP spurred an exit from farming (or from Zimbabwe altogether) of thousands of white farmers who had produced much of the country’s food stocks. This led to a sharp drop in farm output, food supplies, and export earnings in the 2000s, and to internal displacements and job losses for hundreds of thousands of black farm workers. Some positive effects have also been reported, such as welfare gains for poor resettled farmers.⁶⁴ However, many redistributed large farms reportedly remain idle, large commercial production has never recovered, and many studies show many problems across the post-FTLRP agricultural sector.⁶⁵

The government has often urged that land should be fully used, and in 2015 it initiated a donor-aided national land audit, a key unfulfilled goal of the 2008 GPA. The exercise reportedly faced resistance from politically connected persons whose property claims the audit might affect.⁶⁶ In general, security of land tenure for new land occupants is not assured, and their land cannot be used to access credit, a key challenge. Redistributed land recipients generally must comply with “offer letters” requiring that the land be in active use, but the government reportedly sometimes rescinds these letters, allegedly for political reasons. A2 offer letter holders may also apply for 99-year leases, which can ostensibly be used as collateral for bank loans. All land, however, is state property under the constitution, and most farmland (as opposed to deeded urban property) cannot be freely bought and sold. As a result, banks reportedly are generally unwilling to provide lease-collateralized credit.

⁶⁴ Some analyses of FTLRP’s effects have suggested that production on redistributed land is gradually increasing, and in some areas may soon reach pre-FTLRP levels, and that small farmers in resettled areas have seen welfare gains from direct harvest consumption and access to earnings from both farm and off-farm income sources. Joseph Hanlon, J. M. Manjengwa, Teresa Smart, *Zimbabwe Takes Back Its Land*, Kumarian Press, 2013; and Ian Scoones, *Zimbabwe’s Land Reform: Myths & Realities* (James Currey/Boydell & Brewer, 2010) and *Debating Zimbabwe’s Land Reform* (CreateSpace Independent Publishing Platform, 2013), among others.

⁶⁵ For a review of the debate surrounding FTLRP, see Lionel Cliffe, Jocelyn Alexander, Ben Cousins, and Rudo Gaidzanwa, *An Overview of Fast Track Land Reform in Zimbabwe*, (Journal of Peasant Studies 38:5, 2011).

⁶⁶ The audit is designed to address “land disputes, cases of multiple farm ownership, account for land that is being underutilised [and ...] investigate reports that some resettled farmers were leasing out their farms to white former commercial farmers.” To ensure effective use of lands and to generate revenue, in 2015 the government also imposed new land use levies on A1 and A2 land holders. Jairos Saunyama, “Govt finally embarks on national land audit,” *Newsday*, April 7, 2015; and Elias Mambo, “Zimbabwe: Bigwigs to Keep Multiple Farms,” *Zimbabwe Independent*, January 22, 2016.

An abiding issue with implications for whether reengagement with the IFIs will be successful is if and how Zimbabwe may compensate white farmers whose land was seized. While the government has pledged to pay full compensation for land seized from foreign investors under bilateral investment treaties, authorities assert that compensation for land seized from nationals will be limited to the cost of property improvements, reimbursement for movable property that was taken, and related legal fees. It has paid off some dispossessed white farmers on this basis, but legal disputes over the valuation and compensability of assets have often slowed this process.

In March 2016, the government notified parliament that it had established a Lands Compensation Fund to address the issue and proposed to capitalize it with state revenues from A1, A2, and other land rental fees and leases, as well as possible future foreign aid or state appropriations.⁶⁷ The state, however, reportedly lacks adequate funding for what one MP has estimated might cost as much as \$11.4 billion.⁶⁸ Some A1 recipients, many of whom are poor and need access to credit and inputs themselves, have reportedly protested the plan. Several years ago, the government had reportedly discussed a scheme with the World Bank under which the government would issue public bonds backed by IFI credit guarantees as a means of generating compensation funds for dispossessed farmers, but whether it pursues such an approach remains unclear.

Diamonds

Diamonds have been a source of controversy since a 2006 mining rush in the Marange in eastern Zimbabwe. Between 2006 and 2008 production was mostly undertaken by artisanal miners tapping alluvial reserves (stones deposited on the surface by water and other geological factors). These miners were removed from the area through a brutal police and military campaign before the zone was parceled out to large commercial concessionaires. In the late 2000s, these abuses and alleged exports outside of the Kimberly Process (KP), an international rough diamond trade regulation regime, generated multiple human rights probes, unsuccessful calls for Zimbabwe's suspension from the KP, and KP monitoring of Zimbabwe's diamond exports. The diamond sector has also drawn international scrutiny because financial flows within the sector have been opaque and subject to limited and politically influenced state oversight. During the GNU, large sums of diamond earnings were allegedly systematically funneled to ZANU-PF and politically connected military, intelligence, and ZANU-PF figures involved in the handful of firms that control diamond mining in Marange. Some of these include joint ventures with opaquely managed Chinese state-backed firms.⁶⁹

For several years under the GNU, the industry made very limited public tax and royalty payments relative to the hundreds of millions of dollars-worth of diamonds that it exported, a fact publicly noted and criticized by the then-MDC Finance Minister. While little was done during the GNU to exert control over the diamond sector, recently President Mugabe, justifying an ongoing nationalization of the sector (see below), stated that the industry had engaged in “a lot of swindling and smuggling,” and that diamond sector firms had “robbed us of our wealth.”⁷⁰ He claimed that the state had realized only \$2 billion of \$15 billion in diamond sector earnings. The basis for that unusually high estimate is unclear—officially, the country exported a total of \$2.29

⁶⁷ Ministry of Finance and Economic Development, *Memorandum to Members of Parliament*, January 19, 2016.

⁶⁸ *Financial Gazette*, “Land Compensation—Another Illusion from ZANU-PF,” March 31, 2016.

⁶⁹ See Global Witness, *Financing a Parallel Government?*, 2012; Partnership Africa Canada, *Reap What You Sow: Greed and Corruption in Zimbabwe's Marange Diamond Fields* (2012) and *Diamonds and Clubs: The Militarized Control of Diamonds and Power in Zimbabwe* (2010); and Bernard Chiketo, “Zimbabwe's Marange Diamonds: ZANU-PF's Best Friend?”, thinkafricapress.com, February 4, 2013, among others.

⁷⁰ Kuda Bwititi, “President clarifies Chiadzwa restructuring,” *The Sunday Mail*, March 6, 2016.

billion in diamonds from 2009 through 2015—as is the government’s willingness to account for past alleged diamond sector diversions.⁷¹

In early 2015, the government announced that the small number of partially state-owned diamond firms that had controlled the sector would be required to form a single diamond consortium, the Zimbabwe Consolidated Diamond Corporation (ZCDC), in a 51%-49% partnership in favor of the state. The move is ostensibly aimed at boosting sector transparency and accountability and curbing illicit exports. It comes as reserves of alluvial diamonds are declining and as firms move toward tapping kimberlites (deep diamond deposits). The ZCDC is intended to facilitate such extraction, which requires expensive equipment, by pooling investments and attaining economies of scale, while increasing state control over the sector and indigenization of ownership. Some affected firms have sued to halt the mandatory merger, which the state enforced by seizing control of the entire Marange mining area in early 2016. After the suits, at least one of which favored the plaintiffs, President Mugabe declared that the state would take control of all diamond operations; what this means for the future of ZCDC is not clear. Centralization and indigenization within the diamond processing sector is also underway.

Wildlife Protection

While hunting is a significant source of conservation income nationally, generating \$45 million in 2014 according to the Zimbabwe Parks and Wildlife Management Authority, it is controversial.⁷² In July 2015, a protected, rare black-maned lion dubbed Cecil, which was reportedly lured out of Zimbabwe’s Hwange game reserve, was killed by a U.S. trophy hunter. The hunt was reportedly licensed but the killing allegedly occurred under the negligent supervision of a paid professional guide, faced criminal charges in Zimbabwe. The U.S. hunter was investigated by U.S. authorities but not charged.⁷³ The killing drew global attention, condemnation, and calls for an end to lion hunting in Africa, and prompted several airlines to stop transport of animal trophies.

The killing of Zimbabwe’s elephants for their ivory tusks has also drawn global attention, as has a spate of poaching-related, cyanide-based poisonings that reportedly primarily targeted elephant and rhinoceros and affected multiple species. An estimated 400 or more elephants have reportedly been killed in this manner since 2008, including about 70 in 2015 in Hwange and other parks in Zimbabwe, as have several hundred rhinos in recent years.⁷⁴ Rhino horns are valued by Asian traditional medicine buyers, and are a key target of traffickers. In separate cases, in 2015, authorities arrested a group of game wardens and a group of villagers near Hwange in relation to cyanide poisonings, and recently killed an elephant poacher and arrested his alleged accomplices. To counter such activities, in late 2015, the Environment, Water and Climate Minister announced that the government would deploy the national army to supplement game warden and police

⁷¹ *The Herald*, “‘Diamonds Now a State Monopoly’,” (interview with Mugabe), March 7, 2016; Gillian Gotor, “Zimbabwe finance minister pleads for diamond money,” Associated Press (AP), March 11, 2013; Blessing Zulu, “Former Finance Minister Claims Mugabe Was Aware of Looting of US\$15 Billion Diamond Revenue,” *VOA Zimbabwe*, March 5, 2016; *Africa Confidential*, “Dollar curbs anger bigwigs,” April 1, 2016; and Kimberley Process, “Zimbabwe.”

⁷² It is also far smaller a source of revenue than general tourism receipts; these totaled \$827 million in 2014, according to World Bank data.

⁷³ The Zimbabwean guide, who was expelled from the local Zimbabwe Professional Hunters and Guides Association, an industry advocacy group, was also later arrested in an illegal sable trafficking case.

⁷⁴ Robyn Kriel and Briana Duggan, “22 more elephants killed by cyanide in Zimbabwe,” *CNN*, October 27, 2015.

poaching patrol and interdiction activities in several large game parks using helicopters, drones, and other methods.

Other government efforts to manage wildlife populations have proven controversial. In July 2015, some conservationists criticized Zimbabwe after wildlife officials corralled a number of allegedly juvenile elephants and exported about 20 of them to China—reportedly as part of a cull in Hwange to reduce an elephant population that is ecologically unsustainable, as well as to earn foreign currency. Critics allege that such captures disrupt herd life and that the animals have been mistreated in China. Zimbabwe had previously come under criticism for similar actions involving exports to countries including China, the United Arab Emirates, and France, but is continuing such exports. In June 2016, the government drew criticism after requesting sale offers from private game reserves to buy wildlife residing in public game reserves. The stated objective was to reduce populations, thereby easing pressure on natural food stocks, and to raise funds to provide food and water to distressed animals.⁷⁵

U.S. efforts to combat poaching and illicit trade in wildlife are pursued under the Obama Administration’s National Strategy for Combating Wildlife Trafficking, in which the U.S. Fish and Wildlife Service (FWS) plays a leading role.⁷⁶ In an effort to foster elephant conservation in Zimbabwe, the FWS issued a temporary ban—imposed under the authority of the Endangered Species Act (ESA), which lists the African elephant as threatened—on the import of sport-hunted elephant trophies from Zimbabwe for most of 2014. In 2015, FWS extended the ban indefinitely, pending possible creation of a demonstrably robust elephant conservation system, a goal that U.S. Interior Department officials are working with the government to achieve. The ban was initially justified by a FWS finding that Zimbabwean conservation plans did not adequately specify goals and progress towards conserving elephant populations, and that the government had insufficient data with which to assess the status of its elephant populations and lacked adequate capacities to effectively implement and enforce elephant-related laws. FWS therefore asserted that it could not determine if limited elephant hunting there would enhance the survival of the species.⁷⁷

In late 2015, after a review of scientific and commercial information, FWS also listed a subspecies of lion found in eastern and southern Africa, *Panthera leo melanochaita* [*P. l. melanochaita*], as threatened under ESA. FWS also issued a concurrent rule, which took effect in early 2016, that creates a comprehensive permitting process for all U.S. *P. l. melanochaita* imports (e.g., live animals, scientific specimens, and sport-hunted trophies).⁷⁸ It is intended to

⁷⁵ The chair of a local animal rights group, Zimbabwe Conservation Task Force, criticized the planned sale, about which few details were announced, saying that the action “has nothing to do with the El Nino-induced drought or any excuse; this is mismanagement, corruption and greed. The government is stealing from the future generation of this country.” Jeffrey Moyo, “As drought parches reserves, Zimbabwe puts wildlife on the block,” *Thomson Reuters Foundation*, June 20, 2016, among others.

⁷⁶ For background on the strategy and lion hunting issues discussed in this section see CRS In Focus products *Status of the African Lion and Sport Hunting*, by (name redacted) and (name redacted), and *Wildlife Poaching in Africa: An Overview*, by (name redacted), (name redacted), (name redacted), (name redacted), and (name redacted).

⁷⁷ See FWS memos on “enhancement finding for African elephants taken as sport-hunted trophies in Zimbabwe,” July 22, 2014 and March 26, 2015.

⁷⁸ It also listed another subspecies, *Panthera leo leo*, found in India and western and central Africa, as endangered. Reasons cited for the listings included habitat loss; loss of prey; retaliatory killing due to increased human-lion conflicts; inadequate regulatory mechanisms; weak management of protected areas. See FWS, “Lions Are Now Protected Under the Endangered Species Act,” December 23, 2015, and documents linked therein. The listings followed the listing of a proposed rule to list *Panthera leo leo* as endangered. See lion entries at FWS, *ECOS Environmental Conservation Online System*.

ensure that such imports are legally sourced, ESA-compliant, and originate only from countries with well-managed, scientifically based lion species conservation programs.

In press accounts, Zimbabwean officials have portrayed the lion and elephant bans as devastating to the country's hunting industry. Hunting bans may have unpredictable effects. Reducing hunting could protect some animals, but properly regulated hunting theoretically targets relatively few animals, and the imposition of bans could change conservation-related economic incentives. Given high fees generated by commercial hunts, bans could potentially reduce community conservation funding and make poaching more economically attractive, potentially placing many species at greater risk. Critics of trophy hunting, however, assert that hunting is often not sufficiently regulated and that the link between conservation and income from hunting is not as strong as proponents may claim.⁷⁹

Community-Based Natural Resource Management and Wildlife Protection

In Zimbabwe, as elsewhere in southern Africa, wildlife protection and sustainable environmental stewardship are widely pursued through community-based natural resource management (CBNRM) programs. Under the CBNRM model, community groups often manage natural resource zones, and communities benefit from resulting jobs, tourism proceeds, and limited, regulated hunting. The core intent of CBNRM is to establish a socio-economic stake in wildlife and other natural resources for communities by tying local livelihoods and economic incentives to sustainable resource management and environmental conservation efforts. While the effectiveness of CBNRM programs is sometimes questioned, CBNRM is widely seen as a necessary complement and one of few alternatives to law enforcement-centered wildlife protection and related approaches (e.g., the ring-fencing and management of wildlife on park reserves).⁸⁰ In some instances, CBNRM may be more effective than these other approaches.

Zimbabwe has a longstanding CBNRM program called the Communal Areas Management Programme for Indigenous Resources (CAMPFIRE). Examples of CAMPFIRE conservation activities include local game scout training and employment; local wildlife censuses, environmental education, and poaching prevention activities; and species preservation, including through flora preservation and transfers of wildlife between species-rich and -poor areas. CAMPFIRE maintains projects focusing on hunting, a source of about 90% CAMPFIRE program funding income; community based tourism; rural enterprise development; and human-wildlife conflict mitigation. CAMPFIRE maintains that hunting is an important conservation revenue source because trophy hunters often spend large amounts on hunting trips, including on licensed local professional guides, and on fees that generate revenues for communities. CAMPFIRE also sees hunting as having a limited environmental impact, given hunters' low numbers and resource demands compared to higher volume photographic and game viewing tourists, who often require infrastructure that is not available in more remote areas used by hunters. Many of these areas also feature low game population densities, making them unattractive to game viewing tourists.

U.S. Policy and Aid

Executive branch-issued sanctions on individuals whom the United States has identified as having undermined democratic institutions and processes in Zimbabwe have reinforced U.S. condemnation of ZANU-PF-led human rights violations, breaches of the rule of law, and undemocratic practices since 2000. Such persons are also subject to U.S. visa restrictions. Congress had called for the imposition of such sanctions when it passed ZDERA (P.L. 107-99) in 2001. As earlier noted, ZDERA also set out a range of restrictions requiring U.S. representatives on the boards of IFIs to vote against loans or debt cancellations benefitting the Zimbabwean government, pending fulfillment of a range of conditions. These relate to the effective rule of law

⁷⁹ See, for instance, House Natural Resources Committee Democratic Staff, *Missing the Mark: African Trophy Hunting Fails to Show Consistent Conservation Benefits*, June 13, 2016.

⁸⁰ Critiques often center on problems that are common in participatory development projects generally—issues of organizational efficacy, the relative adequacy of economic incentives for fostering conservation, domination by local elites, and relative equitability in the distribution of benefits among community members.

(e.g., guarantees of property rights, freedom of speech and association, and an end to the state-backed violence and intimidation); a freely held presidential election or the fulfillment of other conditions conducive to free and fair elections; an equitable, legal, and transparent process of land reform; and subordination of the security services to elected civilian leaders. At the time of ZDERA's passage, Zimbabwe was already ineligible for most multilateral loans as it was in arrears on past loans.⁸¹

Recent annual foreign aid appropriations laws have also prohibited U.S. support for international financial institution loans or grants to the Zimbabwean government, with some exceptions, pending fulfillment of a range of conditions.⁸² In an early 2016 letter to Treasury Secretary Jacob Lew, SFRC Chairman Bob Corker voiced support for such conditions, as well as others, writing that any new lending to Zimbabwe's government, including lending related to help Zimbabwe clear its IFI arrears, should "be preceded by meaningful progress toward"

- clear benchmarks for the restoration of the rule of law, including respect for private property, free press, freedom of speech, and freedom of assembly;
- a credible process of accountability for missing revenues from diamonds and a monitored plan for capturing future revenues; and
- official acknowledgement of past gross human rights abuses and a demonstration that the Government of Zimbabwe is prepared to make an earnest effort to remedy those abuses.⁸³

Targeted Sanctions and Restrictions on Aid and Trade

In addition to restrictions on lending, Zimbabwe's default on U.S. loans makes it subject to appropriation prohibitions on government-to-government bilateral aid, with some exceptions (for education, agriculture, anti-corruption, family planning, reproductive health, agriculture, food security, and macroeconomic growth), in some cases subject to executive branch waivers. Zimbabwe's government is also generally ineligible for non-trade-related, nonhumanitarian U.S. aid due to its poor anti-trafficking-in-persons ranking under the TVPA (P.L. 106-386, as amended). Successive Administrations have determined Zimbabwe to be ineligible for trade benefits under the African Growth and Opportunity Act (AGOA, P.L. 106-200, Title I, as amended). There is also a U.S. International Traffic in Arms Regulations (ITAR) ban on the export of defense articles and services to Zimbabwe, with exceptions for hunting rifles for personal use.

The Treasury Department's Office of Foreign Assets Control (OFAC) administers targeted financial sanctions imposed by executive order that currently affect roughly 200 Zimbabwean individuals and entities called Specially Designated Nationals.⁸⁴ Violators have been convicted in

⁸¹ The conditions set out in ZDERA also included a provision that Zimbabwe implement a peace accord to end a war in the Democratic Republic of Congo to which Zimbabwe was a party. That provision is now effectively obsolete, given that the war in question ended in 2002.

⁸² The requirement applies "unless the Secretary of State certifies and reports" to the appropriations committees "that the rule of law has been restored, including respect for ownership and title to property, and freedoms of expression, association, and assembly." See Section 7042 (k), "Zimbabwe," in Title VII, Department of State, Foreign Operations, and Related Programs Appropriations Act, 2016 (Division K, P.L. 114-113).

⁸³ He specifically cited a need "to hold accountable those responsible for" a massacre during Operation Gukurahundi in the 1980s and the March 2015 disappearance of Itai Dzamara. Senator Bob Corker, letter to the Honorable Jacob Lew, January 28, 2016. Both issues are discussed earlier in this report.

⁸⁴ President George W. Bush first imposed sanctions under Executive Order (EO) 13288 in 2003. He amended and (continued...)

U.S. courts, and in February 2016, Barclays Bank Plc. paid a \$2.49 million settlement to OFAC in relation to 159 prohibited transactions by its Zimbabwean subsidiary.⁸⁵ In advance of the 2013 elections, the Treasury Department licensed transactions with two sanctioned entities: the Agricultural Development Bank of Zimbabwe and the state-owned Infrastructure Development Bank. State Department Senate testimony in mid-2013 indicated that the action was meant to demonstrate U.S. intent to work toward normalizing relations if further democratic progress was made after the 2013 constitutional referendum.⁸⁶ In February 2016, the two entities were removed from the OFAC sanctions list.

Starting in 2002, the EU introduced various broadly similar sanctions, as did other governments at various times, but gradually eased them beginning in 2012 in response to putative progress made toward democratic reforms under the GNU. Currently, President Robert Mugabe, his wife, and Zimbabwe's defense industries remain subject to an EU asset freeze and travel ban, which also applies, on a suspended basis, to five top-ranking Zimbabwean military or security officials. An EU arms embargo also remains in place.

In the past, U.S. officials have occasionally raised the possibility that positive rapprochement in bilateral relations might be possible and described the kinds of changes that might warrant a possible relaxation of U.S. aid restrictions and sanctions.⁸⁷ This was particularly true toward the end of the GNU, as progress was made toward a reformed constitution. The flawed nature of the 2013 elections, however, together with subsequent ZANU-PF unwillingness to work constructively with the opposition, a return to problematic ZANU-PF policymaking, a failure to more robustly implement reforms necessary to implement the constitution, and an ongoing pattern of using state security forces to repress government critics appear to have foreclosed the near-term possibility of warming relations.

U.S. Assistance

Despite legal restrictions and sanctions, the United States supports a relatively robust and diverse U.S. aid program implemented by nongovernment actors. The primary goal of U.S. aid programs in Zimbabwe, according to the FY2017 State Department Congressional Budget Justification, is to “provide support for the democratic, legal, and economic reforms needed for the country’s transition to a democracy that is able to meet its citizens’ needs.” To do so, the Obama Administration plans to continue to support efforts by “key stakeholders and activists to continue to advocate for transparent and accountable governance, to enhance political participation, and to

(...continued)

expanded these sanctions in 2005 (EO 13391) and in 2008 (EO 13469), and President Obama has annually extended application of these measures. EO 13469 was a “response to the continued actions and policies by the Government of Zimbabwe and others to undermine Zimbabwe’s democratic processes or institutions, as manifested in the fundamentally undemocratic election held on June 27, 2008, and acts of violence and other human rights abuses against political opponents ... [and] political repression and public corruption by senior officials of the Government.” OFAC, *Zimbabwe Sanctions Program*, December, 18 2013. On President Obama’s most recent action see White House, “Notice—Continuation of the National Emergency with Respect to Zimbabwe,” March 2, 2016.

⁸⁵ Other banks have also come under OFAC scrutiny for possible violations of U.S. sanctions on Zimbabwe. *The Export Practitioner*, “Barclays Pays \$2.5 Million to Settle Zimbabwe Sanctions,” March 2016; and *Africa Confidential*, “Dollar curbs anger bigwigs,” April 1, 2016.

⁸⁶ See testimony of Acting Assistant Secretary of State for African Affairs Donald Yamamoto, U.S. Senate Committee on Foreign Relations, Subcommittee on African Affairs, June 18, 2013.

⁸⁷ See, e.g., testimony of Deputy Assistant Secretary of State for African Affairs Shannon Smith, U.S. House Foreign Affairs Committee, Subcommittee on Africa, Global Health, Global Human Rights, and International Organizations, September 12, 2013.

create a more active and robust civil society that promotes respect for human rights, equitable economic growth, political and electoral reform, as well as improved delivery of essential social services.” Other key development programs seek to “improve access to vital health services, increase food security and resilience to shocks, and promote more transparent, accountable, and effective economic governance.” Zimbabwe, like most African countries, participates in the Obama Administration’s Young African Leaders Initiative (YALI).⁸⁸

Bilateral aid totaled an estimated \$172 million in FY2015 and \$152 million in FY2016, and \$160 million was requested for FY2017.⁸⁹ Zimbabwe also periodically benefits from USAID regional programs. Programs under the FY2017 request—which build on past year programs and are aligned with the USAID 2013-2015 *Transition Country Development Cooperation Strategy* [CDCS]—are slated to focus primarily on selected governance, food security and agriculture, and health goals. A new CDCS has been approved but not yet published. FY2017 governance programs are slated to provide support for citizen-government engagement, civil society policy analysis, monitoring, and advocacy of constitution implementation and legislative reforms, especially relating to fiscal management, transparency, and debt management. They are also to support the protection of human rights, especially through support for local organizations supporting human rights defenders and other vulnerable democratic activists. USAID programming also provides targeted technical assistance to selected parliamentary committees to enhance lawmaking skills, support legislative actions needed to achieve full and effective implementation of the new constitution, increase fiscal transparency oversight, and promote engagement with various civic constituencies. Ongoing support for electoral reform advocacy, voter education, and election monitoring in advance of the 2018 elections is also planned.

Health programs, the largest area of assistance, focus on prevention, care, and treatment to counter HIV/AIDS under the President’s Emergency Plan for AIDS Relief (PEPFAR), as well as tuberculosis (TB). Aid under the President’s Malaria Initiative (PMI) is slated to scale up malaria prevention and treatment efforts. Food security, agricultural, and resilience-building activities under the Feed the Future global hunger and food security initiative and other programs center on helping smallholder farmers to adopt improved agricultural practices, increase productivity and output, boost their access to credit and earnings, and develop trade capacity and linkages to markets.⁹⁰ Nutritional aid to targeted populations and hygiene behavior change are other focus areas, among other food security and economic resilience programs. The United States also supports the removal of landmines in eastern Zimbabwe that remain from the independence war, and provides aid to landmine victims and help to build landmine removal capacity.

Possible Issues and Options for Congress

In light of issues discussed in this report and congressional concerns outlined in current and past legislation, policy communications, and hearings, current U.S. policy issues and options for congressional consideration may include

⁸⁸ YALI, launched in 2010, fosters the development of emergent young African business, civic, and public management leaders through travel exchange-based learning fellowships and follow-up support. The State Department administers U.S.-based YALI activities, while USAID implements those in Africa.

⁸⁹ For FY2015, these levels include \$38.5 in P.L. 480 Title II food aid and an estimated \$20 million for FY2016; \$20 million was also requested for FY2017. Emergency food aid is allocated in response to need throughout a given year; allocations are finalized at year’s end.

⁹⁰ For background on Feed the Future, see CRS Report R44216, *The Obama Administration’s Feed the Future Initiative*, by (name redacted), (name redacted), and (name redacted)

IFI Arrears

Zimbabwe's ongoing effort to pay its IFI arrears poses a potential challenge to congressional efforts to oppose any new Zimbabwean access to IFI credit assistance, and also provides a possible point of leverage to achieve U.S.-supported policy outcomes. If Zimbabwe were to pay its IFI arrears and apply for new IFI loans or other support, the United States might not be able to prevent IFI assistance if a majority of other IFI-contributing governments were to support it. U.S. influence within IFI forums is strong, however, and in such a scenario the United States could press for strong conditionality on any IFI support provided to Zimbabwe. Examples might include robust financial reform goals, linkages between IFI assistance and improved governance and human rights protections, and strong Zimbabwean compliance with any performance criteria linked to IFI credit or cooperation.

Effects and Dynamics of U.S. Restrictions

Some U.S. policymakers may view U.S. aid restrictions and targeted sanctions as a means of depriving the ZANU-PF-led government and party leaders of resources and support, in the absence of Zimbabwean compliance with a robust set of U.S. conditions. If this outcome—or a message that undesirable behavior will be met with punitive U.S. action—has been the goal of U.S. policy, such measures may have been successful. On such a basis, some U.S. policymakers may support an extension of current U.S. policy, and efforts to broaden or strengthen sanctions against persons who continue to engage in currently sanctioned acts, or set out new criteria defining Zimbabwean government eligibility for U.S. assistance.

If the goal has been to change ZANU-PF behavior, however, success has arguably been more limited, as illustrated by Administration decisions to maintain the same sanctions regime that has prevailed for years because U.S.-opposed Zimbabwean behavior has not improved.⁹¹ While ZANU-PF leaders have long regularly railed against U.S. sanctions and aid restrictions, there have been few fundamental shifts in ZANU-PF policy or governance practices. Whether this has anything to do with U.S. policy is difficult to ascertain. The sweeping nature of the conditions associated with U.S. aid restrictions (e.g., that “the rule of law” be “restored”), however, could be seen as making compliance too much of an “all or nothing” proposition for Zimbabwean policymakers. They may perceive as low the likelihood that their decisions will in fact result in U.S. policy changes from which they may benefit, and view as high the risk that such decisions might threaten their own perceived political or pecuniary interests. The relatively restrictive nature of U.S. aid policy and the difficulty of making changes to the sanctions regime may potentially also have reduced the ability of U.S. policy implementers to flexibly use aid or the prospect of sanctions changes in selected cases to incentivize or support incremental change in discrete policy areas (e.g., land ownership) or by individual reformers.

Some U.S. decision-makers may consider whether balancing the perceived punitive effect of blanket aid restrictions and sanctions with “carrots” targeting positive actions in particular instances might help to achieve U.S.-supported outcomes and spur reform. Under an “action for action” model, policy implementers could potentially be given the authority, for instance, to seek to selectively relax or amend restrictive measures in response to discrete individual Zimbabwean

⁹¹ In March 2016, President Obama extended current sanctions after determining that the actions of persons engaged in “undermining democratic processes or institutions in Zimbabwe, facilitating public corruption by senior officials, or ... human rights abuses related to political repression”—the basis for U.S. sanctions—“continue to pose an unusual and extraordinary threat” to U.S. foreign policy. White House, “Notice-Continuation of the National Emergency with Respect to Zimbabwe,” March 2, 2016.

government actions that fulfill U.S. objectives, or to provide limited and highly targeted support to selected Zimbabwean state agencies that carry out U.S.-supported reform. Such authority could be made subject to close congressional supervision (e.g., be bound by pre-decisional reporting to and authorization from Congress). A more dynamic approach to applying U.S. policy restrictions could potentially enable the United States to exploit and adapt more quickly to emergent trends, developments, and opportunities and foster Zimbabwean government policy actions viewed by U.S. policymakers as positive. Changes in restrictions governing U.S. aid, for instance, might enable the provision of technical assistance to

- foster Zimbabwean government efforts to implement selected aspects of its economic policy agenda, such as goals agreed with the IMF or other donors under World Bank-mediated Zimbabwe Reconstruction Fund programs, which U.S. policymakers may view as constructive, or support property rights reforms;
- strengthen implementation of human and civil rights guarantees and other elements of the 2013 constitution, possibly including through efforts to bolster the independence and technical capacity of central government oversight commissions with mandates relating to constitutional rights, freedoms, and other aspects of the rule of law, as well as selected parliamentary committees;⁹² and
- provide or expand leadership training for civil society groups, notably those involved in public policy advocacy and performance monitoring, protection of constitutional rights, and market-led growth.

Adapting U.S. Policy to Changing Circumstances: Past Congressional Proposals

Several bills were introduced during the 111th Congress which sought to broadly keep in place but modify U.S. sanctions policy and aid policy toward Zimbabwe in response to and with a view toward fostering indications of positive change during the tenure of the now defunct GNU. H.R. 5971 (Payne, 111th Congress), *Zimbabwe Renewal Act of 2010*, for instance, sought to remove sanctions on individuals who took "significant steps to help strengthen democracy, respect human rights, and the rule of law in Zimbabwe" or "played a constructive role in the implementation of the Global Political Agreement [GPA]." Similarly, S. 3297 (Feingold, 111th Congress), *Zimbabwe Transition to Democracy and Economic Recovery Act of 2010*, asserted that U.S. "policy should, to the extent possible, reflect new political conditions and opportunities created by" the GPA. It also sought to "stop illegal diamond flows" and "to promote respect for the rule of law and to prevent further human rights violations by state security forces" relating to control over diamond mines.⁹³

Level and Focus of Engagement

As a complement to any possible changes to aid and sanctions policy, Congress could consider the following:

⁹² Entities labeled "independent commissions supporting democracy" under Chapter 12 of the constitution, include the Zimbabwe Electoral Commission; the Zimbabwe Human Rights Commission; the Zimbabwe Gender Commission; the Zimbabwe Media Commission; and the National Peace and Reconciliation Commission. Other entities with rule of law mandates that play a role in promoting government accountability include the Judicial Services Commission and the Office of the Comptroller and Auditor-General. USAID programs provide targeted assistance to selected parliamentary committees.

⁹³ Another approach to GPA-linked positive change was proposed by Senator James Inhofe, who during the tenure of the GNU several times proposed to repeal all "sanctions" imposed under ZDERA in order to "fully restore the economy of Zimbabwe" and "assist Zimbabwe in transitioning to democracy." His proposal took the form of S. 498, *Zimbabwe Sanctions Repeal Act of 2013* (113th Congress); S. 1646, *Zimbabwe Sanctions Repeal Act of 2011* (112th Congress); and S. 3722, *Zimbabwe Sanctions Repeal Act of 2010* (111th Congress).

- Expanding use of cultural, educational, and citizen exchanges—such as the Young African Leaders Initiative (YALI), in which Zimbabwe participates—to increase exposure to U.S. values and build long-term U.S.-Zimbabwean leadership linkages.
- Pursuing greater engagement with opposition actors, pragmatic elements of the Zimbabwean government, and foreign donor governments regarding steps to address key congressional concerns relating to such issues as the rule of law, respect for ownership and title to property, and civil freedoms.
Such engagement might include direct congressional dialogue with Zimbabwean interlocutors or collaboration with regional governments aimed at urging inclusive political dialogue and reform, in particular in order to ensure a free and fair electoral process in 2018.
- How and if the United States could seek to engage with the military and security services with an eye toward encouraging the many powerful actors in the security sector to support a peaceful and rule of law-based transition, and potentially establish the basis for future security sector reform.

Some policymakers may view pragmatic, realpolitik-oriented engagement as constructive, despite reservations about engaging with elements ZANU-PF or the security sector. Others may prefer an opposite approach, and seek to further restrict diplomacy and engagement with the government with a view toward further isolating it, potentially as a complement to placing additional conditions on aid or strengthening the U.S. sanctions regime. In the view of some observers, however, such an approach may be unlikely to spur reform-oriented change, and instead foster stasis, both with regard to bilateral relations and to the possibility of transformation in Zimbabwe's political system.⁹⁴

Policy Oversight

Finally, Members of Congress could review aid and policy goals set out in U.S. strategy toward Zimbabwe, with respect both to current policy goals and programs and to executive branch contingency planning focusing on post-Mugabe transition scenarios. In particular, Members could focus on

- ways in which the United States can best help foster a peaceful and constitutionally prescribed transition, and work with other governments to prevent a destabilizing succession process; and
- ways to leverage the anticipated post-Mugabe transition to achieve key U.S. policy outcomes, such as increased Zimbabwean government accountability and transparency, strengthened democratic processes and institutions, protection of constitutional rights and freedoms and the rule of law generally, and pursuit of market-led economic development policies.

Outlook

The outlook for Zimbabwe is highly uncertain. Many Zimbabwean political actors are increasingly focused on their own prospects in the upcoming 2018 elections and the forthcoming succession of Mugabe. This is particularly the case within ZANU-PF, whose upper hierarchy

⁹⁴ See Zimbabwe panel at September 8, 2016, U.S. Institute of Peace forum on *Keeping Political Transitions Peaceful*.

appears to be divided by factional dynamics and rivalries. Meanwhile, weak economic performance has persisted, generating increasing popular resentment and protest. While some top Zimbabwean policymakers are focused on fostering economic reform—including reforms agreed with the IMF—it is unclear how much cross-government support there is for such efforts, as opposed to simply meeting a set of criteria that might allow the country to eventually access IFI credit, while keeping in place the kinds of nationalist, state-centered economic policies long advocated by ZANU-PF.

Mugabe’s prospective succession, which has been a focus of Zimbabwean politics and debate for years, is likely to present a watershed moment for the country. It could spur a transition toward a new governing regime with a new leadership ethos—potentially one more accepting of a pluralistic political system and market-led economy. On the other hand, succession could generate significant political acrimony, instability, and violence, possibly with regional humanitarian and security implications. It could also lead to a managed transition characterized by little political and policy change and continued ZANU-PF domination under a new leader.

All of these outcomes have implications for U.S. policy toward, and future relations with, Zimbabwe. What influence the United States may have on these outcomes, however, is likely to be limited by the fact that developments in Zimbabwe are dominated primarily by domestic factors—as well as conflicting policy goals among powerful states bordering Zimbabwe, such as South Africa and Angola. The scope and flexibility of actions available to U.S. policy implementers, and thus the potential for U.S. influence in Zimbabwe, may also be limited by relatively static and inflexible U.S. sanctions and aid restriction policies. While some U.S. policymakers may view any relaxation of U.S. aid restrictions and sanctions policy as an accommodation to what they see as a bad government, others may seek to examine changes in policy that might allow greater U.S. freedom of action to engage with reformers and other pragmatic Zimbabwean leadership elements but simultaneously not reward the most problematic actors within the government.

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