



## PRFT'S STATEMENT ON THE \$300 MONTHLY PAYOUTS

Government through the Minister of Finance and Economic Development, Honorable Mthuli Ncube, announced the \$300 monthly payouts targeting 1 million households countrywide as part of Government's efforts to cushion people whose sources of income have been affected by Covid-19. These measures come at a time when the reviewed lockdown guidelines announced by the President, H.E Emmerson Mnangagwa on July 21, 2020 have restricted movement of non-essential and informal workers, completely halting their sources of livelihoods. Taking into account the fact that ZimStat May 2020 Total Consumption Poverty Line (TCPL) for an average of five persons per household was \$8,484.00 while the month to month Inflation rates was recorded at 15.13% for the same month, the ZWL\$300 only accounts for 3.5% of the TCLP. Based on these figures, it is clear that the disbursements will fail to meet the basic food and non-food requirements of households whose livelihoods have been completely halted by the lockdown measures.

Notwithstanding the insufficiency of the ZWL\$300 payout to cushion the needs of vulnerable people, the Poverty Reduction Forum Trust appreciates the government's social protection programme efforts and calls upon the government to timeously disburse the monthly payouts. The timeous disbursements of funds will allow predictability and enable households to plan in an inflationary environment in which the year to year inflation was measured at 737% in June 2020 by Zimstat. However, efforts should be made by government to raise the sum which each household will get to ensure the dignity of the affected people is maintained. Whilst the fund targets households already on the social welfare database, there is need to widen the net taking into account the COVID-19 has placed more people in the vulnerable category as indicated by the April 2020 Zimbabwe Humanitarian Response Plan (HRP) which highlighted that 7 million people in urban and rural areas are in urgent need of humanitarian assistance across Zimbabwe compared to 5.5 million in August 2019 as a result of a combination of the worsening macroeconomic challenges, drought and crop failure.

In order to address issues of transparency and accountability on the disbursement of the COVID-19 cushioning payouts to households, the government should timeously update the public on disbursements made and account for the remaining COVID-19 Household relief fund balance. Periodic and timeous disbursement reporting will clear out public perceptions of corruption and mismanagement of the COVID relief fund. To this end, the Poverty Reduction Forum Trust reiterates the need for government to be transparent and accountable with regards the disbursement of the COVID 19 relief fund and ensure that the implementation of the fund is broader and more inclusive. Effort should be made to reach the not-so-easy-to reach vulnerable groups especially in the small-scale farming communities, mining communities and the periphery areas.