

Building Urban Economic Resilience
during and after COVID-19

African Region

Case Study: Harare, Zimbabwe

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Status	Primary, Capital
Area	960.6 km ²
Number of inhabitants	1.485 million (2012)

Pre-existing Challenges

The City of Harare continues to face a myriad of challenges adversely affecting the effective and efficient implementation of SDGs. These include rapid urbanisation, deindustrialisation, and rising informality, which have resulted in rising incidence of urban poverty, inadequate provision of services, growing incidence of informal settlements, and environmental degradation, among others. The existing infrastructure and services (education, health, water and sanitation, housing) have failed to keep pace with the rapid population increase and urbanisation. Climate change has exposed the country and the city to natural disasters with adverse effects on food security, health, and water and sanitation, among others. In 2018, the city experienced a cholera outbreak.



Source: Harare City Council.

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As of August 2020

Brief description of COVID-19 in the city

First reported case	21 March 2020
Confirmed	2,270
Recovered	1,778
Deaths	83

✓ Data from 19 August 2020

A 21-day lockdown came into effect on 30 March, which was extended by 2 more weeks to 3 May 2020 and then further to 17 May 2020 but under relaxed conditions. On 16 May, the lockdown was extended indefinitely with restrictions to be reviewed every 2 weeks. The lockdown imposed various restrictions, including suspending gatherings of more than 50 people, suspending prayers at churches and mosques, closing all schools, colleges and universities, and allowing only essential services to operate.

The City of Harare has recorded 2,270 confirmed cases (40% of national total) with 83 deaths (55% of national total) as of August 2020. Due to the limited testing and diagnostic capacity of the country, the official figures may understate the true number of infections. The country is particularly vulnerable to the pandemic due to a weak public health system, limited social protection coverage, and poor and inadequate water and sanitation.

Main economic and financial impacts

The COVID-19 pandemic has exposed serious structural challenges in the country and in cities. It has most importantly highlighted the need to make the economy and cities more sustainable, resilient, diverse, and innovative.



Labour Market

The labour markets have been adversely affected by the lockdown since most of the employment in the city is within the informal economy. With limited social safety nets, the livelihoods of many informally employed people have been under threat. The lockdown has also resulted in an increase in the burden of unpaid household and care labour, especially for those with children or elderly relatives at home. Women, who constitute a major part of informally employed, have borne a disproportionate burden from the impact of COVID-19 since their capacity to mitigate the adverse shocks from COVID-19 are generally lower than that of men.



Business Environment

Most companies have experienced significant declines in business volumes due to low aggregate demand, which has also been affected by chronically high inflation (currently estimated at a monthly inflation rate of 36% as per July 2020). During the 1st quarter, a top cement manufacturer in Harare projected that the lockdown will result in Q2 2020 volumes declining by 30% with the possibility of spillover risks impacting the second half of the year. The pandemic happened amidst an already declining capacity utilisation, as claimed by the Confederation of Zimbabwe Industries' (CZI) manufacturing survey, and resulted in higher unemployment, rising poverty levels, a shortage of goods and services, inflation, reduced aggregate demand, low export volumes, and increased shortages of foreign currency.



Financial Environment

The City of Harare suffered significant declines in revenues in real terms, which seriously affected the capacity of the city to provide services to the population. Apart from lower annual revenues and high expenditures, the city is expecting additional costs due to the water challenges that had occurred after running out of water treatment chemicals at an estimated cost of USD40 million—almost double the city's monthly collection.



Economic Governance

The Council has set up a COVID-19 taskforce and a rapid COVID-19 response team comprising of staff from across departments. There is a need to include other stakeholders in the COVID-19 governance structures. The major challenge in coordination, specifically at the national level, has been the exclusion of other key stakeholders such as the trade unions, informal economy associations, and resident associations in the COVID-19 taskforce.

Crisis Response and Recovery Measures

While the city has no existing crisis management plan, a COVID-19 taskforce and a rapid COVID-19 response team were established in the local level following the outbreak of the COVID-19 pandemic. The city started city-wide spraying of bus terminus, restaurants, pavements, and other public places; and with support from development partners, placed several mobile hand washing points within the city. The capacity of Harare's two infectious diseases hospitals has also been upgraded to handle an additional 300 COVID-19 patients with symptoms ranging from mild to critically ill, with the support of Chinese businesses operating in the country.

On 1 May 2020, the President of the Republic of Zimbabwe unveiled a ZWL\$18 billion (about USD 720 million) Economic Recovery and Stimulus Package aimed at reinvigorating the economy and providing relief to individuals, families, small businesses, and industries impacted by the economic slowdown caused by the COVID-19 pandemic and the response measures implemented by the government to control the health crisis. However, there is a claim that local authorities have not benefited from this. In the framework of special allocations to the most affected cities, Harare received ZWL\$10 million, which is intended to 'sufficiently capacitate' COVID-19 rapid response teams.

Contribution of different sectors in the management (e.g. planning, reallocation, and mobilisation) of relevant resources during the COVID-19 crisis

	Local government more important	Central government more important	Private stakeholders more important	All partners contribute equally
Labour markets	-	-	✓	-
Business environment	-	-	✓	-
Financial environment	-	✓	-	-
Economic governance arrangements	-	✓	-	-
Institutional responsiveness*	-	✓	-	-

* Local government business continuity, adequate fiscal space, and uninterrupted delivery of key public services

Supporting recovery of informal sector



The UNDP, UNICEF, Government of Zimbabwe, City of Harare, and Oxfam as the implementing partner, are working together to create safer and more modern market spaces, to improve COVID-19 awareness and public sanitation, and to support women who have suffered increased gender-based violence (GBV) during the lockdown.

The project seeks to meet the immediate and long-term needs of about 20,000 people in Glen View and Budiro through protecting livelihoods, hygiene promotion, and building resilience to future shocks. Work has already begun in rehabilitating 2 informal markets in Harare's Glen View and Budiro high density suburbs, including the installation of foot-operated hand washing facilities to minimise the risk of COVID-19 transmission.

Community engagement together with Oxfam



To promote community engagement, Oxfam partnered with the City of Harare to engage organised groups, such as the women's savings groups, to conduct community decontamination activities on a cash for work basis. Standard Operating Procedures (SOPs), developed in collaboration with the City of Harare, will ensure that infrastructure, such as sanitation facilities, becomes the norm beyond the current response to pandemic. About 1,320 vulnerable households with a population of 5,265 people have already been reached with information, education, and communication materials on COVID-19.

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