



**NATIONAL ECONOMIC REVIVAL PROGRAMME:  
MEASURES TO ADDRESS THE  
CURRENT CHALLENGES**

**Harare**

**FEBRUARY 2003**

## **I) PREAMBLE**

- 1** The country is facing severe socio-economic challenges. These have been compounded by a hostile external and domestic environment, arising from our detractors' opposition to our Land and Agrarian Reform Programme. Sanctions imposed on Zimbabwe have seen important sources of foreign exchange - donor funding for development projects, banks' lines of credit, foreign direct and portfolio investment - dry up.
  
- 2** This, coupled with worsening export performance, has heightened failure to adequately provide for fuel, electricity, food, drugs as well as spares, capital and equipment, among others. If not urgently addressed, foreign exchange unavailability will lead to national instability and pose a threat to national security.
  
- 3** The "Ten-Point Plan"<sup>1</sup>, enunciated by His Excellency, the President, sets the tone for a sectoral driven economic revival growth strategy. This, however, needs to be complemented by measures that enhance the country's capacity to generate foreign exchange. These measures are also central to the success of agrarian reforms – the cornerstone of Government's economic and social transformation.

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<sup>1</sup> See Annex I for details.

- 4** The objectives of the 'Ten Point Plan' are difficult to achieve if the current economic challenges are not addressed urgently. These challenges manifest themselves through contraction in economic activity, unemployment and worsening poverty levels, high money supply growth and related hyper-inflation, and acute foreign exchange shortages.
- 5** The economy has continued to deteriorate, declining a cumulative 19.3% over the past three years. The rapid expansion in money supply to around 150% by December 2002, a result of increased bank lending to the public sector, is a major cause of concern.
- 6** Unsustainable high inflation, which accelerated to **208.1% in January 2003**, remains Zimbabwe's prime macro-economic challenge. Domestic prices have continued to escalate, against the background of shortages of basic commodities. High inflation, therefore, coupled with deteriorating terms of trade, has led to further worsening export performance. Cumulatively, the country's exports declined by 35% over the last four years.
- 7** Apart from crippling industrial production, the resultant foreign exchange shortages have seen the country's external payment arrears rising to about **US\$1.4 billion by January, 2003**. The

build-up in external payments arrears has further worsened the country's international credit worthiness.

**20** The acute shortage of foreign exchange has also adversely affected the economy's capacity to supply adequate basic goods and services. As a consequence, most companies are operating well below capacity and others have closed down, leading to a 1/4

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<sup>2</sup> See Annex II for the implementation matrix

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**Tourism**

**21** Government recognises the strategic role of tourism in economic revival and growth. The sector has a quick turn around potential, as well as strong linkages with other key sectors of the economy not only through foreign exchange generation. At its peak in 1998, tourism accounted for 8% of GDP, 12.5% of formal employment and about 11% of foreign exchange earnings.

**Energy**

**22** Energy drives the economy and, hence, it is critical that supplies are guaranteed, and at sustainable prices. Currently, available domestic commercial energy resources of coal and hydro-electricity, and to a limited extent solar and bio-mass, have not been sufficiently harnessed to meet national

requirements. The country, hence, entirely depends on imports for oil, as well as 40% of electricity - with oil foreign exchange requirements averaging some US\$400 million annually.

### **Human Resources**

- 23** Since independence, Government's investment in education has developed a critical mass of human resources' expertise among its nationals. While in some sectors capacity is currently at sub-optimal usage, reflecting the current economic difficulties, in many key sectors the growing brain drain of skilled manpower is compromising delivery capacity. The social service sectors of health and education are particularly hard hit.

### **III) TRIPARTITE NEGOTIATING FORUM**

- 24** Formed in 1998, the TNF comprises Government, Business and Labour and attempts to build consensus on national issues. This is a voluntary tripartite negotiating entity whose main hallmarks are consensus building and win-win arrangements. The TNF is not a decision making body, but can conclude binding protocols based on good faith and trust. Such protocols would be recommended to Cabinet for final approval and implementation.
- 25** The TNF, through its specialised sub committees, is working with Government to implement the National Economic Revival Programme to ensure collective responsibility and ownership.

## **IV) MEASURES**

### **AGRICULTURE & RURAL DEVELOPMENT**

**26** In order to ensure continued production, encourage early delivery of crops and promote rural development, various measures are being instituted. These include the following:

#### **Land Tenure**

**27** Government has acquired 11 million hectares of land for purposes of resettlement. This has addressed issues of communal de-congestion, as well as the need to de-racialise commercial agriculture.

**28** Resettled farmers under the A1 and A2 models are being given land on a permit and lease basis, respectively. This, coupled with the absence of guaranteed ownership transfers, could inhibit meaningful investment on the farms.

**29** To address this, Government is exploring various systems of land tenure, vis-à-vis property rights, as part of efforts to promote faster turn-around in agriculture from 2003 and beyond. In this process, Government will ensure that there will be no disruption of farming activities.

### **Land Utilisation**

- 30** To ensure effective and full land utilisation, Government is rationalising and consolidating land allocations in line with audit reports by the Land Task Force.

### **A2 Farm Sizes**

- 31** Government will, as an ongoing process, review maximum farm sizes in an effort to ensure productive utilisation of land. This, as before, will take into account the different agro-ecological regions.

### **Inputs Support**

- 32** Government will review resources allocated under the crop and livestock input schemes and ensure timely and adequate availability of inputs, finance and extension services.

### **Producer Pricing**

- 33** Government will announce, by specified critical dates, through the Ministry of Lands, Agriculture & Rural Resettlement, viable pre and post planting producer prices of the key agricultural

commodities. Post-harvest prices will, where necessary, also be announced.

- 34** This is critical for the viability of farming as a business, and particularly for the retention of the new farmer.

### **Contract Farming**

- 35** Government will facilitate agro-processors and seed houses, such as Cottco, GMB and Seed-Co, enter into seasonal contracts with farmers to grow strategic crops for export, local consumption and seed. To promote fulfillment of such contracts, the Ministry of Lands, Agriculture & Rural Resettlement will set up a Unit for this purpose.

- 36** Contract farming will include various seeds, maize, wheat, tobacco, horticulture, soya beans and cotton, among others. Contracts will also cover livestock, especially beef, dairy, piggery, poultry and small stocks.

### **Dairy Development Programme**

- 37** There has been a significant decline of capacity in the dairy industry, notwithstanding existence of dairy farming infrastructure.

- 38** To take advantage of such infrastructure, a Dairy Development Programme Facility is being introduced by Government to revive dairy farms which have collapsed. This is intended to increase the supply of dairy products, in partnership with dairy processors.

### **Other Livestock Development**

- 39** There has been a significant decline in the national beef herd, largely as a result of frequent droughts, and other factors.
- 40** To address this, Government is implementing the Livestock Development Programme, focusing on enhancing growth in the beef industry and other livestock.

### **Farmer Associations**

- 41** To enhance the productivity of new farmers over time, measures to spearhead the development of new farmer commodity associations are being finalised by Government in conjunction with the farming community. These will critically be required to provide leadership over contract farming, technical and marketing support, among others.

## **Irrigation Development**

- 42** The great strides made in water harvesting will be complemented by further investment in commensurate irrigation development in communal and all resettlement areas, in partnerships with the private sector.
- 43** Strategic irrigation schemes already started by Government include those in Chiredzi, Chirundu and Chisumbanje.

## **Land Bank**

- 44** Government made a decision to transform Agribank to a Land Bank, through which all sources of agricultural credit provided by the public sector would be disbursed, coordinated and administered. This is critical for support and sustenance of the Land and Agrarian Reform Programmes.
- 45** The Ministry of Lands, Agriculture & Rural Resettlement and that for Finance & Economic Development and relevant stakeholders are finalising modalities for the establishment of the Land Bank so that it becomes operational by March 2003.

## **Agricultural Marketing Authority (AMA)**

- 46** Prior to 1991, the Agricultural Marketing Authority raised finance for the marketing of agricultural commodities by the Dairy Marketing Board, Cotton Marketing Board, and the Grain Marketing Board. Since this date, a vacuum has been created and Government will establish a similar institution in order to improve the marketing of agricultural commodities.

## **Food Imports**

- 47** Drought related shortages of basic food items, such as mealie-meal, flour, rice, cooking oil, among others, have seen cross border traders and travellers importing such goods in larger quantity. These, however, are subject to permit restrictions on volumes individuals can import.
- 48** In support of these initiatives, Government is reviewing upwards the thresholds that individuals can import without having to apply for import permits. The Ministry of Finance & Economic Development, in conjunction with relevant Ministries, is instituting administrative measures to address this, on selected food items. This is with immediate effect.

## **Drought Relief & Food Security**

- 49** The recent drought has significantly reduced the capacity of households to meet their day-to-day food requirements.
- 50** In order to mitigate this problem and reduce the vulnerability of the Nation to food scarcity, the following measures are being implemented:
- Mobilising financial and technical resources from the private sector to complement imports by Government.
  - Duty free importation by licenced players of critical food items, such as maize, wheat, etc.
  - Private sector involvement in procuring and distributing through established official channels, grain to various parts of the country. This will augment the efforts of the Grain Marketing Board and improve distribution efficiency.

## **MANUFACTURING**

- 51** Successful agrarian reform and export performance requires a strong manufacturing sector, producing and supplying the necessary inputs, as well as adding value to agro-commodities.

**52** However, the pace and magnitude of Zimbabwe's de-industrialisation since 1999, if not reversed, will leave us a primary producer, largely dependent on unprocessed agricultural and mineral commodities for export earnings and employment. Such a development will reverse our position as one of the regions' notable industrialised countries.

**53** The following measures are, therefore, being undertaken:

### **Industrial Development Strategy**

**54** Government, through the Ministry of Industry & International Trade, is reviewing the country's Industrial Development Strategy to address de-industrialisation and low capacity utilisation.

### **Value Addition**

**55** Government is facilitating increased value addition at source, through the beneficiation of local products for both domestic consumption and exports. This will be complemented by exploitation of opportunities for processing raw materials from neighbouring countries.

## **Exports**

- 56** Government is promoting diversification of exports through penetration into non-traditional export markets. The Ministry of Industry & International Trade and Zimtrade are critical in the achievement of this objective. The selective issuing of export permits and licences for unprocessed and semi-processed products, is also being reviewed.

## **Investment**

- 57** Government is putting in place measures to promote domestic and foreign investment, as well as supporting investment into new areas by the indigenous.

## **Capacity Utilisation, Innovation & Creativity**

- 58** Government is putting in place incentives for companies to increase production capacity utilisation and develop new products, processes and technologies.

## **Technology Linkages**

- 59** Government, through the Department of Science & Technology and the Ministry of Industry & International Trade, will facilitate

industrial technology linkages among the manufacturing industries, institutions of higher learning and research, such as the National University of Science & Technology and SIRDC.

### **Industrial Clusters**

- 60** Government is promoting the development of industrial clusters in such sub-sectors as milling, leather & footwear, clothing & textiles and the motor industry etc.

### **Distressed Companies**

- 61** Government is supporting the revival of distressed companies through availing financial support. Already, resources amounting to \$3 billion have so far been allocated to the Distressed Companies Fund. Effective and full utilisation of these resources will be critical.

### **Business Linkages**

- 62** Government is reviving the Business Linkages Programme, in partnership with interested business organisations. Private sector companies contributing to this scheme will be incentivised.

## **Quality Standards**

- 63** Government, through the Ministry of Industry & International Trade and the Standards Association of Zimbabwe, is instituting measures to enforce firms' adherence to ISO Standards Certification. This is critical for quality assurance and access into export markets.

## **Productivity Centre**

- 64** Government, in conjunction with SIRDC, is launching the National Productivity Centre in February 2003. The Centre will come up with benchmarks and standards to enhance productivity.

## **MINING**

- 65** Government is taking the following measures to restore and increase mining production capacity, including the re-opening and revival of closed mines:

### **Gold Production**

- 66** Government will rationalise the Export Support Scheme for gold producers to ensure viability and sustain operations in the Gold

mining sector. This Scheme has somewhat managed to stem the rate of decline in gold production. More comprehensive additional support measures, coupled with plugging of leakages, are still required.

- 67** Government also has, in support of gold panners, instituted measures to enhance their access to the formal market. These have included the review of the support price and designation of purchase points nearer mining sites. Measures to address issues of environmental degradation are also being implemented.

### **Value Addition**

- 68** Government is putting in place incentives for projects that encourage value addition of exported minerals and metals. This increases foreign currency realisations and employment opportunities.

### **Mining Industry Loan Fund**

- 69** Resources put in place through the Mining Industry Loan Fund to re-open and revive closed mines, especially small-scale mines, remain inadequate for a significant resuscitation of the mining sector. Only Z\$450 million was provided under the 2003 Budget.

**70** Government is, therefore, making available additional resources under the Export and Productive Sector Facilities at the Reserve Bank, for the benefit of the small-scale mining sector.

### **Scrap Metal**

**71** Government is concerned that scrap metal exports undermine supplies to domestic foundries.

**72** With effect from March 2003, the following measures will apply:

- All aluminium and copper waste/scrap has been banned from export, since these commodities are now being reserved for the local foundries. Any sales and/or supplies of aluminium and copper waste/scrap can only be made to and will strictly be for the consumption of local/domestic foundries. The current law, the Minerals Marketing Corporation of Zimbabwe (Definition of Minerals) Notice, 1983, published in Statutory Instrument 110 of 1983, as amended, is being amended and tightened to reflect this position and thinking; and
- In the long run, if excess supply capacity is realised, and it appears reasonable to export the excess, then a deliberate decision to that effect will be taken, and the resultant exportation will be done through the Minerals Marketing Corporation of Zimbabwe (MMCZ), in the normal manner as

for any other mineral.

### **Mining Fiscal Regime**

- 73** Government is amending the Mines and Minerals Act in order to facilitate review of surface rentals to discourage hoarding of Exclusive Prospective Orders (EPOs). Higher surface rentals to Government also generate additional financial resources in support of Mining Commissioners' activities, such as mining inspections.
- 74** The Ministry is currently reviewing the Mines and Minerals Act [*Chapter 21:05*] in order to ensure effective empowerment of the historically disadvantaged groups, in the interest of equitable access to all the country's mineral resources and expansion of opportunities. It is imperative that indigenous Zimbabweans also do play a more meaningful role and, are actually seen to be actively involved in the mining industry. The policy currently lacks the force of law to redress the results of past imbalances, hence the need to amend the Mines and Minerals Act [*Chapter 21:05*] accordingly in that respect.
- 75** Government has put in place a Revised and Consolidated Fiscal Regime for Mining for general application in Zimbabwe, whose main objective is to attract, stimulate, facilitate and support investment in the mining sector in both the development of

new mines and expansion of existing mines; while at the same time safeguarding the Government's revenues and other interests. This has been as a result of the current state of the mining industry that is characterised by mine closures and the non-development of mineral claims, which mining companies have attributed to an unsatisfactory fiscal regime. To this end, Government is also putting in place additional measures aimed towards facilitating and encouraging the re-opening of closed mines.

## **TOURISM**

- 76** In order to promote the development of tourism, both Government and the private sector are embarking on the following support measures:

### **Image**

- 77** Boost public relations campaigns to regain Zimbabwe's reputation as a leading tourist destination. This will involve engagement of international public relations companies in major tourist source markets during 2003.

### **Diversification**

- 78** Diversify tourism products from the current wildlife based products to include cultural, shopping and conference tourism, among others.

### **Marketing**

- 79** Intensify marketing activities and broadening tourist source markets to realise diversification as well as;
- Carry out domestic tourism campaigns to create awareness and stimulate travel among locals;
  - Encourage the development of products accessible and attractive to local tourists;
  - Develop suitable promotional material for different markets; and
  - Promotion of tourism through a deliberate strategy to attract hosting of international sporting and cultural events.

### **Infrastructure**

- 78** Encourage investment in tourism infrastructure, targeted at particular source markets. This includes investment in tourism shopping malls; agro and eco-tourism; urban centre duty free shops; and tourism development zones enjoying incentives similar to EPZ enterprises. Efforts to improve transport access

to and within the country, by increasing the frequency of airline flights, are also underway.

### **Cultural Promotion**

**79** Promote the cultural industry realise its immense income potential through:

- Setting up a specific Fund for the promotion of cultural activities.
- Prioritising domestic cultural products in various public media.
- Underwriting, where necessary, expenses related to domestic cultural events, locally and in overseas markets.
- Intensifying regional co-operation through cultural exchange activities and other trans-frontier initiatives.

### **ENTERTAINMENT INDUSTRY**

**78** The enactment of the Broadcasting Services Act in April 2001 gave legal expression to Government's policy to promote the national entertainment industry, by requiring that at least 75% of broadcasting content be local. As a result, there is an enabling environment for real growth of Zimbabwe's

entertainment industry, enhancing capacity to generate new jobs, income and foreign currency. Already, this has led to the discovery of high quality Zimbabwean music, film and theatre.

**79** However, for the industry to take off, Government will facilitate duty free imports of music, film and video equipment and studios for music and film recording.

**80** Furthermore, Government will set up distribution networks to market the various products, nationally and internationally. Locally, Kingstons, a Government owned company, will play a leading facilitative role to launch and develop this industry.

**81** Appropriate legislation will also be introduced to ensure effective enforcement of copyright laws through a Statutory Copyright Collection Agency.

### **FOREIGN EXCHANGE GENERATION**

**86** Sanctions imposed on the country have worsened foreign exchange availability from annual earnings in excess of US\$2.5 billion in the mid-1990s to current levels of under US\$1 billion.

**87** With no substantial foreign direct investment and donor inflows anticipated in the near future, Government, Business and

- Labour concur that the requisite foreign exchange can only be effectively generated through increased production and the stimulation of exports.
- 88** Increased exports are, however, dependent on improving the competitiveness and viability of exporters, currently adversely affected by rapidly rising production costs against the background of fixed local currency incomes.
- 89** Sectoral submissions indicate that various exporting industries are no longer viable and are on the verge of imminent collapse. This is forcing those quoted on the Zimbabwe Stock Exchange to begin issuing cautionary statements to shareholders.
- 90** The predicament facing exporters is acknowledged by Government which undertook, in the 2003 Budget, to introduce necessary Export Support Incentives.

### **Export Support Scheme**

- 91** The current export support schemes cover gold, tobacco, and exports under bilateral agreements. Under some of these arrangements, support schemes for exporters range up to Z\$1000 per US dollar. Gold producers realise a support scheme of Z\$843 per US dollar. Furthermore, Customs currently apply Z\$500 on all luxury imports.

- 92** It is critical that Government broadens access to export support to cover all exporters and other earners of foreign currency, while obviating the need for subsidies to exporters.
- 93** In order to rationalise the Export Support Schemes, Government is, therefore, with immediate effect, collapsing the prevailing multiplicity of commodity support schemes into a uniform Export Support Scheme.
- 94** Critical and strategic imports, such as medicines and other Government requirements, will not be affected.
- 95** The Reserve Bank will administer and review the Export Support Scheme on a quarterly basis, to maintain competitiveness and sustainability in the export sectors.
- 96** The Reserve Bank is putting measures to monitor commitments, to Government, by the Business community to meet production and export targets negotiated and agreed to at various sectoral levels.
- 97** Furthermore, Government is instituting measures to tighten monitoring and surveillance of foreign exchange leakages through transfer pricing and non-remittance of earnings. In

this regard, the services of a pre and post shipment inspection agency have been enlisted.

### **Surrender Requirements**

- 98** The current 50:50 export proceeds surrender requirement will be maintained.
- 99** In the implementation of this, however, Government acknowledges that there will be a number of exporters whose foreign exchange requirements are in excess of 50%. Flexibility in consideration of waivers to this will, however, be only on the basis of audited submissions.
- 100** The 50:50 export proceeds surrender requirement will be reviewed quarterly, as appropriate.

### **Export Revolving Fund**

- 101** A significant number of potential exporters are being undermined by the difficult foreign exchange situation. Government is, therefore, introducing an Export Revolving Fund to support potential exporters.

**102** In the absence of traditional donor funding, Government is approaching friendly donors to raise the required additional foreign exchange funding.

### **Non Resident Remittances**

**103** The 2003 Budget also acknowledged the large foreign exchange remittance potential from Zimbabweans working outside the country and undertook to announce incentives for mobilising these resources.

**104** Measures are being implemented by the Reserve Bank, with immediate effect, to ensure that such foreign currency is availed through formal banking channels for the account of Government.

### **External Arrears**

**105** The 2003 Budget identified the need to reduce external arrears through a credible repayment programme.

**106** Central to this will not only be increased foreign exchange generation, but also the engagement of creditors with a view to exploring possibilities of arrangements for rescheduling.

## **PRICING POLICY**

**107** The thrust of pricing policy, as indicated in the 2003 Budget, will be guided by the following: -

- Increased viability of companies and sustainability of production; and
- Protection of the consumer, through guaranteed availability and affordability of products.

**108** Cognisant of this, Government, Business and Labour have agreed that the Tripartite Negotiating Forum (TNF) will be the vehicle through which price and income adjustments are made, to the mutual benefit of both producers and consumers<sup>3</sup>.

**109** To this end, the TNF Agreement on the Prices and Incomes Stabilisation Protocol, by Government, Business and Labour, is further endorsed.

## **FINANCING**

### **Productive & Export Facility**

- 110** Government, through the Reserve Bank, is availing resources up to \$50 billion on a revolving basis, under the Productive and Export Facilities.
- 111** The financial and banking community will mobilise an additional Z\$50 billion, under their TNF commitments. Measures to minimise leakages to speculative and non-productive uses will be critical.
- 112** The above resources will complement those allocated by Government through the Budget process.

### **Interest Rates**

- 113** The 2003 Budget stressed the need to strike a balance between financial incentives for borrowers and those for savers in determining interest rate levels.
- 114** The current situation, where interest rates remain significantly lower than inflation, discourages Zimbabweans from saving. This is increasingly forcing investors to shift savings portfolios out of productive investments to higher yielding, but non-productive speculative, investments.

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<sup>3</sup> The obligations of the three TNF partners are reflected in Annex III-V.

**115** To ensure that both savers and borrowers mutually benefit, a dual interest rate policy was announced by the Reserve Bank in November 2002.

**116** Government is instituting the following additional measures:

- Narrow the current high spreads between deposit and lending rates, in line with international best practices.
- Review upwards deposit interest rates, to the benefit of savers.
- Review upwards rates on consumption and speculative activities.
- Review the proliferation of service charges levied on depositors.

### **People's Own Savings Bank**

**117** Government has already approved the transformation of the POSB into a fully-fledged banking entity, also serving the small saver. In line with this, the POSB is now operating under a new Act, with a new Board in place.

**118** To fully operationalise the transformation of the POSB into both a deposit taking and lending banking entity, Government is working towards establishing its autonomy outside the Post Office system.

**119** Furthermore, Government is reviewing limits on individuals and corporates' tax-free deposits with the POSB. Reviewing of interest rates applicable to depositors will complement this.

### **EFFECTIVE USE OF PUBLIC RESOURCES**

**120** The 2003 Budget cited incidences where public resources are not being effectively and efficiently utilised by line Ministries. To address this, Government is undertaking the following measures:

#### **Monitoring**

**121** Institutionalise the Framework for reviewing and monitoring expenditures by Ministries and public enterprises to ensure that these remain within budgetary allocations.

#### **Audits**

**122** Ensure effective use of public resources through strengthening Audit and Accounting across Ministries, and introduction of value audits.

### **Penalties**

**123** Introduction of penalties for non-compliance.

### **Accounting**

**124** Set up structures to ensure that resources reach intended beneficiaries. Experiences of failures by Ministries to avail budgeted resources to, for example, Local Authorities for health and other expenditures incurred on behalf of Central Government have been noted.

### **RATES, FEES & PENALTIES**

**125** Ministry allocations in the 2003 Budget were on the premise that Ministries, Government departments, local authorities and parastatals will charge reasonable economic prices for services they provide. In line with this, various increases have since been announced.

**126** Further and continuous timely reviews will be institutionalised. In support, Government, through the Ministry of Finance & Economic Development, is compiling a comprehensive dossier of all leases, rates, fees and penalties' levels.

### **PUBLIC ENTERPRISE COMMERCIALISATION**

**127** Public enterprises can be turned around to positively contribute to public resources and the entire economy.

**128** In order to realise this, Government, through the respective Ministries, will initiate commercialisation processes by March 2003. Furthermore, quantifiable performance targets are being set.

### **LAWS TO PROTECT NATIONAL INTERESTS**

**129** Government will introduce by June 2003, through an Act of Parliament, legislation that protects national interests by guiding the use and management of national strategic reserves, including clear criteria for use.

**130** Notable examples will include such strategic reserves as food grains, fuel oil products, and the country's foreign exchange minimum holdings.

## **ENERGY**

### **Fuel Pricing**

**131** Fuel prices were last reviewed in June 2001. Since then there have been upward movements in international oil prices and procurement costs. As a result, NOCZIM is now incurring a loss for each litre of fuel sold. Furthermore, the value of the fixed margins accorded to oil companies and retailers have been significantly eroded by inflation.

**132** In light of the above, Government is reviewing the price of fuels to reflect changes in international prices and procurement costs. The country's comparative advantage for local companies, arising from relatively lower regional prices, will be maintained.

**133** Fuel pricing will involve cross-subsidisation of different fuel products, with diesel price adjustments significantly lower, to benefit the productive and transport sectors. This will also apply to illuminating paraffin, to ensure affordability by low-

income groups. Unleaded petroleum and Jet A1 fuel will be market determined.

- 134** In future, fuel prices will be reviewed within magnitudes determined through the Tripartite Negotiating Forum. To guide this, Government is developing a fuel pricing policy model trigger mechanism.

### **Fuel Procurement**

- 135** To spread the burden of fuel importation, oil companies have been invited to participate in importing some of the petroleum products. Discussions are underway to finalise implementation of this.

### **Individuals Fuel Importation**

- 136** In light of the difficulties facing cross border travellers, importation of fuel will be allowed up to a maximum volume of 200 litres per vehicle entry, for individual travellers over the age of sixteen. Travellers will be required to comply with all the necessary safety regulations.

### **Other Fuels**

- 137** Government, in conjunction with private sector stakeholders, is

exploring further exploitation of solar power, methane gas etc, as alternative sources of energy in the medium to long term.

### **Fuel Conservation Campaigns**

- 138** Currently, the country has no robust fuel conservation strategy. To this end, Government will be carrying out fuel conservation awareness campaigns.

### **Fuel Consumption Management**

- 139** Government has had, in the past, formal fuel rationing in response to supply constraints and matching consumption to supply. Modalities for the introduction of consumption management strategies are being considered.

### **Electricity & Coal Pricing**

- 140** To guarantee adequate supply of electricity and ensure that ZESA remains financially viable, Government is putting in place the following measures:
- Electricity tariffs will be reviewed to regional averages.
  - Introduce the option of paying some electricity bills in foreign currency, with provisions for discounts for customers

who opt for this. All foreign currency will be conducted through the Reserve Bank.

- Apply relatively lower electricity tariffs for domestic and rural customers, schools, and the agricultural sector.
- Develop trigger mechanisms for automatic tariff adjustment for coal and electricity.

## **TRANSPORT**

### **Public Transport**

- 141** Government is concerned about difficulties being faced by commuters to and from work, in light of the declining urban commuter transport capacity.
- 142** The National Railways of Zimbabwe and the Zimbabwe United Passenger Company (ZUPCO) are being recapitalised, with particular emphasis on developing urban commuter transport capacity.
- 143** As a temporary measure to alleviate the plight of commuters, Government is now allowing rural bus operators and non-commercial transport owners to ferry passengers to and from work over the days Monday - Friday, between the peak periods

of 0400-0900 hours and 1600-2200 hours.

- 144** Other measures taken to improve public transport in the 2003 Budget included suspension of Customs duty on buses and imported spare parts, with effect from December 2002.

### **Transport Infrastructure**

- 145** Government will intensify the upgrading of airport infrastructure in view of its contribution to boosting tourism. Already Government, through the Public Sector Investment Programme, is assisting the Civil Aviation Authority of Zimbabwe to upgrade and modernise the Joshua Mqabuko Nkomo, Victoria Falls and Buffalo Range Airports. Plans are under way to upgrade other domestic airports with potential to boost tourism.
- 146** A cargo hub, both for dry and perishable freight, will be developed at Harare Airport.
- 147** Government will, through Public – Private Sector Partnerships, invite the private sector to complement Government efforts in the development of road infrastructure through Build, Operate and Transfer (BOT) schemes, especially in the dualisation of major trunk roads.

## **SMALL, MICRO & MEDIUM ENTERPRISES (SMMES)**

**148** Government acknowledges that an integrated policy and strategy for the development of SMMEs is critical for generating employment, stimulating growth and contributing to foreign exchange generation.

**149** Measures to be taken by Government in the short, medium and long term include:

- Developing the enabling legal and regulatory environment.
- Investment promotion.
- Improving access to markets and finance.
- Providing technology and infrastructure support.
- Undertaking entrepreneurship, management and skills development programmes.
- Introducing targeted support, resource mobilisation and monitoring mechanisms.

## **SCIENCE & TECHNOLOGY**

**150** Government recognises the need to leap-frog Science & Technology development to enhance the competitiveness of

industry through developing appropriate technologies and products that meet international standards of quality.

**151** To this end Government, through the Department of Science & Technology, is:

- Providing resources for promoting research and development, including that targeted at industrial import substitution.
- Strengthening and upgrading the technological capacity of Zimbabwean industry.
- Promoting Information Communication Technology (ICT) as a growth services sector.
- Introducing measures for the country to attract and access Zimbabwean experts abroad, for example, on a sabbatical basis.
- Facilitating the inclusion of ICT subjects in the school curriculum.

## **EMPOWERMENT**

**152** The current economic challenges have further marginalised some previously disadvantaged groups, as well as women, our

youth and the disabled.

- 153** Cognisant of this, Government has set up an Empowerment Fund targeted at income generating activities. This will be accessed through such Ministries as Small & Medium Enterprises Development and Youth, Gender & Employment Creation etc.
- 154** In addition, Government will promulgate an Empowerment Development Act, which among other provisions will incorporate a lower corporate tax rate, other duty and tax incentives for a limited grace period, in order to assist small business to achieve competitiveness.
- 155** Government is pursuing empowerment programmes in all sectors of the economy, hitherto dominated by big Business.
- 156** To develop and empower outlying urban centres and populations, Government is instituting measures to decentralise and deconcentrate economic activities from large cities.
- 157** Other empowerment measures by Government focus on addressing constraints on small-scale miners. These are often restricted by large mining houses' holding onto EPOs, mining leases etc.

## **HIV/AIDS**

**158** The unrelenting escalation of the HIV/AIDS epidemic in our country continues to cause enormous suffering and premature loss of lives, resulting in deleterious effects on socio- economic development characterised by poor health delivery system, low productivity and high dependency ratios, among others.

**159** Already, 2.3 million people are living with HIV/AIDS, including 600 000 who have full-blown AIDS. About 750 000 children have been orphaned due to this epidemic.

**160** To this end Government, through the Ministry of Health and Child Welfare, is providing a conducive atmosphere for the prevention, care and mitigation of HIV/AIDS in the work place through:

- Strengthening efforts in information education and communication, voluntary counseling and testing and operationalising the Zimbabwe Business Council and AIDS;
- Improving care and support for those with HIV/AIDS through provision of drugs;
- Strengthening capacity for community and sectoral levels in dealing with the disease; and

- Intensifying and expanding efforts in assisting children orphaned by AIDS.

## **ANTI-CORRUPTION**

- 161** Corruption has become a serious concern in both the public and private sectors. If unchecked, this poses immense cost to business transactions in the economy.
- 162** To eradicate this, Government, in partnership with all stakeholders, is finalising a number of measures, including legislation to set up the Anti-Corruption Commission stipulated in the Constitution.
- 163** Some of the successful anti-corruption measures already in place include incentives for whistle blowers.

## **CONFIDENCE BUILDING**

- 164** In order to boost investor confidence in the economy, Government, Business and Labour are engaged in Dialogue

through the Tripartite Negotiating Forum and the National Economic Consultative Forum.

**165** Furthermore, to reduce country risk, Government, Business and Labour are concluding the Kadoma Declaration<sup>3</sup>. This focuses on addressing the mismatch between policy design and implementation.

**166** Measures are also being implemented by Government to reverse the negative image portrayed by the country's detractors. Already, the CD-Rom project has been launched.

## **IMPLEMENTATION & MONITORING FRAMEWORK**

**167** To oversee the implementation and monitoring of Government policy measures, Government is instituting the following:

- Cabinet Action Committees are being refocused to effectively implement sectoral policy measures.
- Sub-committees of officials, which may also include private sector representatives, will assist Action Committees.
- The Presidency and Cabinet will oversee the implementation of Policy Measures.

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<sup>3</sup> Copies are available.

- The Review Panel, chaired by the Chief Secretary to the President and Cabinet, will render necessary support to the Presidency and Cabinet.
- A Task Force, chaired by the Senior Secretary for Administration in the Office of the President & Cabinet, will monitor the implementation of agreed policies and measures on a day- to- day basis.
- The Task Force will also interface with other stakeholders, through the TNF and NECF, to ensure collective ownership and responsibility in the implementation of agreed measures to revive the economy.

## **GOVERNMENT OF ZIMBABWE**

February 2003

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**END**

## **ANNEX I: THE TEN POINT PLAN.**

The President, during his inauguration address announced the following policy directions on the Post Election Economic Development Strategy and Economic Recovery Programme:

- 1.** The need to promote stakeholder unity of purpose and consensus on the country's home grown development strategy based on self-reliance
- 2.** The need to address as matter of urgency the supply and stabilisation of the food situation and ensure food security to overcome the current and future droughts;
- 3.** The need to complete the land reform programme and embark on an agrarian reform centred on wealth creation and the economic empowerment of the peasantry and the new indigenous commercial farmers;
- 4.** The need to develop and promote an agro-based industrialization programme spearheaded by indigenous entrepreneurs;
- 5.** The need to restructure and re-energize the informal sector as a potential major engine growth and contributor to the Gross Domestic Production;
- 6.** The need for a concerted and coordinated response to the HIV-AIDS pandemic in terms of organising awareness campaigns, undertaking preventive measures and effecting treatment of opportunistic HIV-AIDS related infections;
- 7.** The need to develop an indigenous capitalist base through the democratization of the economic architecture currently dominated by multinational corporations and white firms especially in the areas of mining, manufacturing and tourism;

- 8.** The need to pursue selective state intervention and participation in strategic areas of the economy in order to achieve definite strategic outcomes;
- 9.** The need to develop new markets in non-traditional areas and to diversify the production of high value exports;
- 10.** The need to resuscitate collapsed companies and enterprises closed in the last twelve months or so as a measure of job creation and poverty alleviation.

## **ANNEX II: MEASURES IMPLEMENTATION MATRIX**

<b>MEASURE</b>	<b>RESPONSIBILITY</b>	<b>TIMEFRAME</b>	<b>STATUS</b>
<b>AGRICULTURE &amp; RURAL DEVELOPMENT</b>			
<b>Land Tenure</b>			
<ul style="list-style-type: none"> <li>Explore models of Land Tenure Systems vis a vis property rights and implement accordingly for A1 and A2 models</li> </ul>	MLARR, MJLPA & Land Task Force	March 2003	Pending
<b>Land Utilisation</b>			
<ul style="list-style-type: none"> <li>Rationalise and consolidate land allocation in line with audit report by the Land Task Force</li> </ul>	MLARR & Land Task Force	March 2003	Pending
<b>A2 Farm Sizes</b>			
<ul style="list-style-type: none"> <li>Review maximum A2 farm sizes</li> </ul>	MLARR	March 2003	Pending
<b>Inputs Support</b>			
<ul style="list-style-type: none"> <li>Review and top up resources allocated under the crop and livestock input schemes and ensure timely and adequate availability of inputs, finance and extension services</li> </ul>	MLARR, MOFED	March 2003	Pending
<b>Producer Pricing</b>			
<ul style="list-style-type: none"> <li>Announce Producer prices (both pre-and post harvests)</li> </ul>	MLARR	Ongoing	Ongoing
<b>Contract Farming</b>			
<ul style="list-style-type: none"> <li>Set up a specific unit to facilitate and promote contract farming</li> </ul>	MLARR	March 2003	Pending
<b>Farmer Associations</b>			
Facilitate the setting up Commodity Associations for new Farmers	MLARR, Farmers	March 2003	Pending

<b>MEASURE</b>	<b>RESPONSIBILITY</b>	<b>TIMEFRAME</b>	<b>STATUS</b>
<b>Food Imports</b>			
<ul style="list-style-type: none"> <li>Increase the threshold of food importation by individuals and institute immediate administrative measures to facilitate the same</li> </ul>	MLARR, MOFED	February 2003	Pending
<b>Dairy Development Programme</b>			
<ul style="list-style-type: none"> <li>Introduce a Dairy Development Programme to revive dairy farms</li> </ul>	MLARR, Dairibord and Other Financial Institutions	March 2003	Pending
<b>Other Livestock Development</b>			
<ul style="list-style-type: none"> <li>Implement the Livestock Development Programme</li> </ul>	MLARR	On going	Ongoing
<b>Irrigation Development</b>			
<ul style="list-style-type: none"> <li>Speed up the Irrigation Development Programme</li> </ul>	MLARR, MOFED, MRRWD	March 2003	Ongoing
<b>Land Bank</b>			
<ul style="list-style-type: none"> <li>Transform Agribank into a Land Bank</li> </ul>	MLARR and MOFED, RBZ	March 2003	Pending
<b>Agricultural Marketing Authority</b>			
<ul style="list-style-type: none"> <li>Establish an Agricultural Marketing Authority</li> </ul>	MLARR	March 2003	Pending
<b>Drought Relief And Food Security</b>			
<ul style="list-style-type: none"> <li>Mobilise financial and technical resources from private sector</li> </ul>	MLARR, MOFED	Ongoing	Ongoing
<ul style="list-style-type: none"> <li>Maintain duty free importation of critical food items such as maize, wheat, etc.</li> </ul>	MLARR, MOFED	Ongoing	Ongoing
<ul style="list-style-type: none"> <li>Enlist the private sector in the procurement and distribution of grain</li> </ul>	MLARR	March 2003	Pending

<b>MEASURE</b>	<b>RESPONSIBILITY</b>	<b>TIMEFRAME</b>	<b>STATUS</b>
<b>MANUFACTURING</b>			
<b>Industrial Development Strategy</b>			
<ul style="list-style-type: none"> <li>Review the Industrial Development Strategy to address de-industrialisation, low capacity utilisation, increased exports and empowerment.</li> </ul>	MIIT	March 2003	Pending
<ul style="list-style-type: none"> <li>Explore opportunities for processing raw materials from neighboring countries.</li> </ul>	MIIT, IDC	March 2003	Pending
<b>Value Addition</b>			
<ul style="list-style-type: none"> <li>Selectively issue exports permits and licences for unprocessed and semi-processed products.</li> </ul>	RBZ, MIIT	March 2003	Pending
<ul style="list-style-type: none"> <li>Support diversification strategies into non-traditional exports markets</li> </ul>	MIIT, Zimtrade	Ongoing	Ongoing
<b>Industrial Clusters</b>			
<ul style="list-style-type: none"> <li>Develop industrial clusters in milling; leather; footwear; clothing and textiles; motor industry, etc.</li> </ul>	MIIT, ZNCC, CZI, NECF	March 2003	Pending
<b>Investment</b>			
<ul style="list-style-type: none"> <li>Encourage and promote domestic and foreign investment</li> </ul>	MOFED, ZIC, EPZA,	Ongoing	Ongoing
<ul style="list-style-type: none"> <li>Support new investment areas by the indigenous.</li> </ul>	MIIT, MYGDEC	Ongoing	Ongoing
<b>Distressed Companies</b>			
<ul style="list-style-type: none"> <li>Continue support for distressed companies through the Distressed Capital Fund.</li> </ul>	MOFED, MIIT	Ongoing	Ongoing

<b>MEASURE</b>	<b>RESPONSIBILITY</b>	<b>TIMEFRAME</b>	<b>STATUS</b>
<b>Quality Standards</b>			
<ul style="list-style-type: none"> <li>Enforce firms adherence to (ISO) Standards certification by firms</li> </ul>	MIIT	Ongoing	Ongoing
<b>Business Linkages</b>			
<ul style="list-style-type: none"> <li>Resuscitate the Business Linkages Programme</li> </ul>	Government and Business	March 2003	Pending
<b>Productivity Centre</b>			
<ul style="list-style-type: none"> <li>Operationalise the National Productivity Centre</li> </ul>	SIRDC, MPLSW	March 2003	Pending
<b>MINING DEVELOPMENT</b>			
<b>Gold Production</b>			
<ul style="list-style-type: none"> <li>Review the Gold Support Scheme regularly</li> </ul>	MMMD	March 2003	Pending
<ul style="list-style-type: none"> <li>Designate purchase points nearer mining sights</li> </ul>	MMMD	Ongoing	Ongoing
<ul style="list-style-type: none"> <li>Implement measures to stop environmental degradation caused by gold panners</li> </ul>	MET	Pending	Pending
<b>Value Addition</b>			
<ul style="list-style-type: none"> <li>Put in place incentives for Value addition of exported minerals and metals</li> </ul>	MMMD	March 2003	Pending
<b>Mining Industry Loan Fund</b>			
<ul style="list-style-type: none"> <li>Increase resources for the Mining Industry Loan Fund</li> </ul>	MMMD, MOFED	February 2003	Ongoing
<b>Scrap Metal</b>			
<ul style="list-style-type: none"> <li>Tightening the licencing exporters for scrap metals such as copper, aluminum, non-ferrous etc.</li> </ul>	MMMD, MIIT	February 2003	Pending

<b>MEASURE</b>	<b>RESPONSIBILITY</b>	<b>TIMEFRAME</b>	<b>STATUS</b>
<b>Fiscal Regime</b>			
<ul style="list-style-type: none"> <li>Finalise amendment of the Mines &amp; Minerals Act in order to facilitate the review of surface rentals</li> </ul>	MMMD	March 2003	Pending
<b>TOURISM</b>			
<b>Image</b>			
<ul style="list-style-type: none"> <li>Engage International Public Relations Companies in major Tourist source markets in order to counter negative publicity</li> </ul>	MET, ZTA, OPC	March 2003	On-going
<b>Diversification</b>			
<ul style="list-style-type: none"> <li>Diversify Tourism products from current wildlife based products to include cultural and conference tourism.</li> </ul>	MET, ZTA	March 2003	Ongoing
<b>Marketing</b>			
<ul style="list-style-type: none"> <li>Intensify marketing activities in both domestic and external markets</li> </ul>	MET, ZTA	March 2003	Ongoing
<b>Infrastructure</b>			
<ul style="list-style-type: none"> <li>Develop Tourism infrastructure which will include Shopping Malls, Urban Centre Duty Free Shops</li> </ul>	MET, ZTA	March 2003	Ongoing
<ul style="list-style-type: none"> <li>Increase the frequency of Airlines</li> </ul>	MTC	March 2003	Ongoing
<b>Cultural Promotion</b>			
<ul style="list-style-type: none"> <li>Set up specific Fund for the promotion of cultural activities</li> </ul>	MESC, MET	March 2003	Ongoing
<ul style="list-style-type: none"> <li>Prioritising domestic cultural products in various public media</li> </ul>	MESC, MET	March 2003	Ongoing
<ul style="list-style-type: none"> <li>Underwrite expenses related to domestic cultural events locally and in overseas markets</li> </ul>	MESC, MET	March 2003	Ongoing

<b>MEASURE</b>	<b>RESPONSIBILITY</b>	<b>TIMEFRAME</b>	<b>STATUS</b>
<ul style="list-style-type: none"> <li>Intensifying regional co-operation through cultural exchange activities</li> </ul>	MESC, MET	March 2003	Ongoing
<b>ENTERTAINMENT INDUSTRY</b>			
<ul style="list-style-type: none"> <li>Facilitate imports of music instruments , film and video equipment and studios for music and film recording studios</li> </ul>	MIFP	March 2003	Pending
<ul style="list-style-type: none"> <li>Set up distribution networks to market the various products nationally and internationally</li> </ul>	MIFP	March 2003	Pending
<ul style="list-style-type: none"> <li>Introduce appropriate legislation to ensure effective enforcement of copyrights laws</li> </ul>	MIFP	March 2003	Pending

<b>MEASURE</b>	<b>RESPONSIBILITY</b>	<b>TIMEFRAME</b>	<b>STATUS</b>
<b>FOREIGN EXCHANGE GENERATION &amp; MANAGEMENT</b>			
<b>Export Support Scheme</b>			
<ul style="list-style-type: none"> <li>Put in place an Export Support Scheme</li> </ul>	MOFED and RBZ	February 2003	Pending
<ul style="list-style-type: none"> <li>Monitor commitments to Government by the Business Community in meeting production and export targets</li> </ul>	MOFED, RBZ, CZI, ZNCC, EMCOZ	February 2003	Pending
<b>Surrender Requirements</b>			
<ul style="list-style-type: none"> <li>Review the 50:50 export proceeds surrender requirement on quarterly basis</li> </ul>	MOFED, RBZ	February 2003	Pending
<b>Export Revolving Fund</b>			
<ul style="list-style-type: none"> <li>Introduce an Export Revolving Fund to support exporters</li> </ul>	MFA, RBZ, MOFED	February 2003	Pending
<b>Non-Resident Zimbabweans</b>			
<ul style="list-style-type: none"> <li>Put in place incentives to attract remittances from Non Residents Zimbabweans</li> </ul>	MOFED and RBZ	February 2003	Pending
<b>External Payments Arrears</b>			
<ul style="list-style-type: none"> <li>Put in place and implement a credible External Payments Arrears repayment programme</li> </ul>	MOFED and RBZ	February 2003	Pending
<b>PRICING POLICY</b>			
<ul style="list-style-type: none"> <li>Implement the Incomes and Price Stabilisation Protocol</li> </ul>	TNF	February 2003	Pending

<b>MEASURE</b>	<b>RESPONSIBILITY</b>	<b>TIMEFRAME</b>	<b>STATUS</b>
<b>FINANCING</b>			
<b>Productive &amp; Export Facility</b>			
<ul style="list-style-type: none"> <li>• Top up the productive and export facilities to Z\$50 billion and turn them into revolving funds.</li> </ul>	RBZ	February 2003	Ongoing
<ul style="list-style-type: none"> <li>• Mobilise additional Z\$50 billion from the Financial and banking community.</li> </ul>	RBZ, TNF	February 2003	Pending
<b>Interest rates</b>			
<ul style="list-style-type: none"> <li>• Narrow spreads in interest rates in line with international best practices</li> </ul>	RBZ, MOFED	March 2003	Pending
<ul style="list-style-type: none"> <li>• Review Deposit rates upwards</li> </ul>	RBZ, MOFED	March 2003	Pending
<ul style="list-style-type: none"> <li>• Review upwards rates on consumption and speculative activities.</li> </ul>	RBZ, MOFED	March 2003	Pending
<ul style="list-style-type: none"> <li>• Review the proliferation of service charges levied on depositors.</li> </ul>	RBZ, MOFED	March 2003	Done
<b>EFFECTIVE USE OF PUBLIC RESOURCES</b>			
<ul style="list-style-type: none"> <li>• Value Audits for use of Public Resources</li> </ul>	CAG, MOFED, Line Ministries	March 2003	Pending
<ul style="list-style-type: none"> <li>• Strengthening Audit and Accounting across ministries</li> </ul>	CAG, Line Ministries	March 2003	Pending

<b>MEASURE</b>	<b>RESPONSIBILITY</b>	<b>TIMEFRAME</b>	<b>STATUS</b>
<b>RATES, FEES AND PENALTIES</b>			
<ul style="list-style-type: none"> <li>Review rentals, rates, fees and penalties for services offered by central government parastatals and local authorities service to reasonable economic prices</li> </ul>	AG, MOFED MLGPW&NH, Line Ministries	February 2003	Pending
<b>PUBLIC ENTERPRISE COMMERCIALISATION</b>			
<ul style="list-style-type: none"> <li>Proceed with commercialisation</li> </ul>	Line Ministries	February 2003	Pending
<ul style="list-style-type: none"> <li>Improve efficiency of parastatals and set quantifiable performance targets</li> </ul>	Line Ministries, MSE, Parastatals	February 2003	Pending
<b>PROTECTION OF NATIONAL INTERESTS</b>			
<ul style="list-style-type: none"> <li>Build and maintain National Strategic Reserves for Grain, Oil and Foreign Exchange</li> </ul>	MLARR, GMB, AG, NOCZIM, RBZ and MOFED	March 2003	Pending
<b>ENERGY</b>			
<b>Fuel</b>			
<ul style="list-style-type: none"> <li>Review the price of fuels to reflect changes in international prices &amp; procurement costs</li> </ul>	MEPD, NOCZIM	February 2003	Pending
<ul style="list-style-type: none"> <li>Develop the price trigger mechanism model of fuels</li> </ul>	MEPD, NOCZIM	February	Pending
<ul style="list-style-type: none"> <li>Work out modalities for fuel procurement by oil companies</li> </ul>	MEPD	February	Pending
<ul style="list-style-type: none"> <li>Work out facilities for payment of fuels in foreign currency by tourist travelers</li> </ul>	MEPD, NOCZIM, RBZ	February 2003	Pending

<ul style="list-style-type: none"> <li>Allow importation of fuel to a maximum of 200 litres per entry, per individual traveler over the age of 16</li> </ul>	MEPD, NOCZIM, MOFED	March 2003	Pending
<ul style="list-style-type: none"> <li>Explore alternative sources of energy and Fuel Conservation and Management methods</li> </ul>	MEPD	March 2003	Pending
<b>Electricity and Coal</b>			
<ul style="list-style-type: none"> <li>Put in place a price trigger mechanism for adjusting tariffs of coal and electricity</li> </ul>	MEPD, ZESA	February 2003	Pending
<ul style="list-style-type: none"> <li>Collect electricity bills in foreign currency through the RBZ</li> </ul>	MEPD, ZESA, RBZ	February 2003	Pending
<b>TRANSPORT</b>			
<b>Public Transport</b>			
<ul style="list-style-type: none"> <li>Suspend duties on buses and imported spare parts</li> </ul>	MTC, MOFED	December 2002	Done
<ul style="list-style-type: none"> <li>Allow Rural bus operators and non-commercial transport owners to ferry passengers to and from work during Peak periods and over working days.</li> </ul>	MTC, MOHA, MLGPWNH	February 2003	Pending
<b>Transport infrastructure</b>			
<ul style="list-style-type: none"> <li>Upgrade airport and road infrastructure through both PSIP and BOOT schemes</li> </ul>	MTC, MOFED	February 2003	Ongoing

<b>MEASURE</b>	<b>RESPONSIBILITY</b>	<b>TIMEFRAME</b>	<b>STATUS</b>
<b>SMALL, MICRO &amp; MEDIUM ENTERPRISES (SMMEs)</b>			
<ul style="list-style-type: none"> <li>Put in place an enabling Legal and Regulatory Environment through the Small Business Act, Prompt Payment Legislation, One-stop shops for business formation and Deregulation , training and incorporation of SMMEs requirements into the Employment Policy and Empowerment Act</li> </ul>	MSMED & Others	December 2002- November 2003	Pending
<ul style="list-style-type: none"> <li>Introduce standardised formulae for tax liability and lower corporate and capital gains tax threshold for SMMEs</li> </ul>	MSMED, MOFED & Others	February 2003	Pending
<ul style="list-style-type: none"> <li>Create a revolving fund in support of SMEs</li> </ul>	MSMED & Others	January- December 2003	Pending
<ul style="list-style-type: none"> <li>Assist SMEs to access markets ( Export Promotion Strategy, Business Linkages Programme, SMMEs quality assurance and accreditation, Distribution Houses and Trade Facilitation Programme)</li> </ul>	MSMED & Others	January- September 2003	Pending

<b>MEASURE</b>	<b>RESPONSIBILITY</b>	<b>TIMEFRAME</b>	<b>STATUS</b>
<ul style="list-style-type: none"> <li>Technology and Infrastructure Support ( Information &amp; Technical assistance, Incubator Facilities, Networking and Clustering, launch National Productivity Centre and establish Technology Parks)</li> </ul>	MSMED & Others	July-September 2003 up to 2005	Pending
<ul style="list-style-type: none"> <li>Entrepreneurship, Management and Skills Development by establishing Resource Centres, Support Services, Development Programme, strengthening Business Management Programmes and Capacity Building and Skills Training Programmes</li> </ul>	MSMED & Others	January-June 2003	Pending
<ul style="list-style-type: none"> <li>Targeted Support for sector specific SMMEs, develop plan of action with a gender dimension, Youth Entrepreneurship Development Programme and establish a Rural Hub.</li> </ul>	MSMED, MYDGEC & Others	January- November 2003	Pending
<ul style="list-style-type: none"> <li>Institutional Reform by setting Small Business Advisory Council (SBAC), organise and strengthen SMME associations and establish Small Business Authority (SBA)</li> </ul>	MSMED, MYDGEC, MIIT & Others	January-June 2003	Pending
<ul style="list-style-type: none"> <li>Resource Mobilisation by organising resource mobilisation Conference</li> </ul>	MSMED, MYDGEC, MIIT, MOFED & Others	March 2003	Pending

<b>MEASURE</b>	<b>RESPONSIBILITY</b>	<b>TIMEFRAME</b>	<b>STATUS</b>
<ul style="list-style-type: none"> <li>Monitoring Mechanisms by organising and Annual Evaluation Forum</li> </ul>	MSMED, MYDGEC, MIIT & Others	August 2003 & August 2004	Pending
<b>SCIENCE AND TECHNOLOGY</b>			
<ul style="list-style-type: none"> <li>Provide Resources for promoting R&amp;D including that targeted at industrial import substitution</li> </ul>	MST	March 2003	Pending
<ul style="list-style-type: none"> <li>Strengthen and upgrade the technological capacity of Zimbabwean industry</li> </ul>	MST	March 2003	Ongoing
<ul style="list-style-type: none"> <li>Promote Information Communication Technology as a growth service sector</li> </ul>	MST	March 2003	Pending
<ul style="list-style-type: none"> <li>Introduce measures to attract and access Zimbabwean experts abroad</li> </ul>	MST	March 2003	Pending
<ul style="list-style-type: none"> <li>Facilitate the inclusion of ICT subjects in the school curriculum</li> </ul>	MST, MESC	December 2003	Pending
<b>EMPOWERMENT</b>			
<ul style="list-style-type: none"> <li>Set up an Empowerment Fund targeted at income generating activities</li> </ul>	MIIT, MYDGEC, MOFED	March 2003	Pending
<ul style="list-style-type: none"> <li>Promulgate an Empowerment Development Act</li> </ul>	MIIT, MYDGEC	March 2003	Pending
<ul style="list-style-type: none"> <li>Pursue Empowerment programmes of the Economy</li> </ul>	MIIT	March 2003	Pending
<ul style="list-style-type: none"> <li>Institute measures to decentralise and deconcentrate economic activities from large cities.</li> </ul>	MLGPNH, MIIT, MOFED	March 2003	Pending
<b>MEASURE</b>	<b>RESPONSIBILITY</b>	<b>TIMEFRAME</b>	<b>STATUS</b>

• Address constraints on small scale miners	MMD	March 2003	Ongoing
<b>ANTI-CORRUPTION</b>			
• Finalise Legislation to set up an Anti-Corruption Commission	OPC, NECF, AG	March 2003	Pending
<b>CONFIDENCE BUILDING</b>			
• Promote dialogue through Tripartite Negotiating Forum and NECF towards the Social Contract	MOFED, MPSTSW, OPC	January 2003	Pending
• Conclude and sign Kadoma Declaration.	TNF, OPC	February 2003	Pending
<b>MONITORING AND IMPLEMENTATION</b>			
• The Presidency and Cabinet will oversee the implementation of Policy Measures	OPC	February 2003	Pending
• Refocus Cabinet Action Committees to effectively implement policy measures	OPC	March 2003	Pending
• Establish the Review panel to support the Presidency and Cabinet	OPC and MOFED	January 2003	Pending
• Establish a Task Force chaired by Senior Secretary to monitor implementation of agreed Policies and Measures on day-to-day to basis	OPC, TNF, NECF	February 2003	Pending

<b>MEASURE</b>	<b>RESPONSIBILITY</b>	<b>TIMEFRAME</b>	<b>STATUS</b>
<b>HIV/AIDS PREVENTION</b>			
<ul style="list-style-type: none"> <li>Information, Education and Communication for behavior change</li> </ul>	MOH/CW,	On going	On going
<ul style="list-style-type: none"> <li>Voluntary Counseling and Testing</li> </ul>	Public and private health sector	On going	On going
<ul style="list-style-type: none"> <li>Prevention of Parent to Child Transmission</li> </ul>	Public and private health sector	On going	On going
<ul style="list-style-type: none"> <li>Prevention and Treatment of Sexually Transmitted Diseases</li> </ul>	Public and private health sector	On going	On going
<ul style="list-style-type: none"> <li>Prevention of Occupational Exposure and Post Exposure Prophylaxis</li> </ul>	All ministries	On going	On going
<ul style="list-style-type: none"> <li>Condom Promotion and Prevention</li> </ul>	Public and private health sector	On going	On going
<ul style="list-style-type: none"> <li>Screening and Provision of Safe Blood</li> </ul>	MOH/CW	On going	On going
<ul style="list-style-type: none"> <li>Strengthening the role of HIV/AIDS Focal officers in all ministries</li> </ul>	All ministries	On going	On going
<ul style="list-style-type: none"> <li>Operationilising the Zimbabwe Business Council on AIDS</li> </ul>	Business community	On going	On going
<b>HIV/AIDS CARE, SUPPORT AND TREATMENT</b>			
<ul style="list-style-type: none"> <li>Improve care and support for those with HIV/AIDS through provision of drugs for opportunistic infections including antiretroviral drugs.</li> </ul>	Public and private health sector	On going	On going
<ul style="list-style-type: none"> <li>Strengthen the capacity at the community and sectoral level to tackle HIV/AIDS competently</li> </ul>	Public and private health sector,	On going	On going
<ul style="list-style-type: none"> <li>Intensify and expand responses to deal with the challenges of children orphaned by AIDS</li> </ul>	Public and private health sector	On going	On going
<b>HIV/AIDS MITIGATION</b>			
<ul style="list-style-type: none"> <li>Mitigating the impact of the HIV/AIDS epidemic</li> </ul>	Public and private health sector	On going	On going
<b>HUMAN RESOURCES FOR HEALTH</b>			
<ul style="list-style-type: none"> <li>Training of generic health workers (primary care nurse, pharmacy technician, x-ray operators, village health workers etc)</li> </ul>	MOHCW	On going	On going
<ul style="list-style-type: none"> <li>Recruitment of health professionals for specific areas of shortage</li> </ul>	MOHCW	On going	On going
<ul style="list-style-type: none"> <li>Expansion of Basic and Post Basic Training programmes in the Ministry's schools</li> </ul>	MOHCW	On going	On going

### **ANNEX III: GOVERNMENT TNF OBLIGATIONS .**

<b>OBLIGATION</b>	<b>RESPONSIBILITY</b>	<b>TIMEFRAME</b>	<b>STATUS</b>
<b>PUBLIC EXPENDITURES</b>			
· Reduce budget deficit to 11% of the GDP	Government	December2003	Pending
<b>PRICE MANAGEMENT</b>			
· Reduce inflation to 96%	Government	December2003	Pending
· Implement policies and measures that allow viability and competitiveness to exporters and importers	Government	February 2003	Pending
<b>FOREIGN EXCHANGE GENERATION &amp; MANAGEMENT</b>			
· Reserve bank to put in place measures that ensure a full account of all foreign exchange in the economy	Government	February 2003	Pending
<b>TAXES</b>			
· Enhance tax collection efficiencies through the implementation of the Value Added Tax System and tighten the public sector finance management system as well as unroll it to all ministries.	Government	February 2003	Ongoing
• Continually review tax incentives that boost disposable incomes and take cognisance of the Poverty Datum Levels.	Government	February 2003	Ongoing

<b>OBLIGATION</b>	<b>RESPONSIBILITY</b>	<b>TIMEFRAME</b>	<b>STATUS</b>
<b>FUEL</b>			
· Address the fuel problems.	Government	February 2003	Pending
<b>TRANSPORT</b>			
· Address urban transport problems and facilitate the importation of spare parts.	Government	February 2003	Pending
<b>EMPLOYEE SHARE OWNERSHIP</b>			
· Harmonise and expedite measures to promote Employee Share Ownership Plans (ESOP's).	Government	February 2003	Pending
<b>REGISTRATION OF COLLECTIVE BARGAIN AGREEMENTS</b>			
· Expedite the registration of Collective Bargaining Agreements.	Government	February 2003	Pending
<b>INDUSTRIAL PEACE &amp; HARMONY</b>			
· Actively promote industrial peace and harmony through inter alia recognition of legal institutions such as workers committees, works council and National Employment Councils.	Government	February 2003	Pending
<b>COMPETITION AND TARIFF COMMISSION</b>			
· Rejuvenate Competition and Tariff Commission to make it visible and effective and relate its work to that of TNF to deal with price movements especially those of basic and strategic commodities.	Government	February 2003	Pending

<b>OBLIGATION</b>	<b>RESPONSIBILITY</b>	<b>TIMEFRAME</b>	<b>STATUS</b>
<b>NATIONAL PRODUCTIVITY CENTRE</b>			
· Facilitate the setting up of the National Productivity Centre.	Government	February 2003	Pending
<b>EMPOWERMENT CHARTER</b>			
· Facilitate the publication and dissemination of the Empowerment Charter.	Government	February 2003	Pending
<b>CIVIL SERVICE REFORM</b>			
· Expedite the civil service reform programme and institutionalise performance management and productivity.	Government	February 2003	Pending
<b>IMPLEMENTATION OF AGREED TNF POSITIONS</b>			
· Expedite the implementation of agreed positions arising from the various TNF committees.	Government	February 2003	Pending

## **ANNEX IV: BUSINESS TNF OBLIGATIONS.**

<b>OBLIGATION</b>	<b>RESPONSIBILITY</b>	<b>TIMEFRAME</b>	<b>STATUS</b>
<b>PRICE MANAGEMENT</b>			
• Come up with a Business Charter	Business	February 2003	Pending
• Supply goods & services at affordable prices	Business	February 2003	Pending
• Promote fair business and pricing practices	Business	February 2003	Pending
<b>FOREIGN EXCHANGE GENERATION &amp; MANAGEMENT</b>			
• Corporate responsibility towards remittances of foreign exchange to the Reserve Bank	Business	February 2003	Pending
• Export and diversify export markets	Business	February 2003	Ongoing
• Actively promote increased productivity, regional and international competitiveness	Business	February 2003	Ongoing
<b>AGRARIAN REFORM</b>			
• Private Sector Initiatives to support agricultural development	Business	February 2003	Ongoing
<b>FINANCING</b>			
• Banking Community to mobilise the additional Z\$50 billion towards the export and productive sector finance facilities.	Business	March 2003	Pending
<b>INDUSTRIAL PEACE &amp; HARMONY</b>			
• Actively promote industrial peace and harmony.	Business	March 2003	Pending

**ANNEX V:            LABOUR TNF OBLIGATIONS.**

<b>OBLIGATION</b>	<b>RESPONSIBILITY</b>	<b>TIMEFRAME</b>	<b>STATUS</b>
<b>PRODUCTIVITY</b>			
• Promote productivity enhancement measures	Labour	January 2003	Ongoing
<b>AGRARIAN REFORM</b>			
• Support agrarian reforms and ensure that interests of farm workers are adequately catered for	Labour	January 2003	Ongoing
<b>WORKER EMPOWERMENT INITIATIVES</b>			
• Support Workers' Empowerment initiatives such as ESOPs	Labour	December 2002	Ongoing
• Support indigenisation of the economy	Labour	Since the policy was promulgated	Ongoing
<b>INDUSTRIAL PEACE &amp; HARMONY</b>			
• Actively promote industrial peace and harmony.	Labour	December 2002	Ongoing