

ZIMBABWE

Medium Term Plan

2011-2015

“Towards sustainable inclusive growth, human centred development, transformation and poverty reduction”.



Ministry of Economic Planning & Investment Promotion (MEPIP), Republic of Zimbabwe

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PREFACE

The Medium Term Plan (MTP) marks a return to strategic development planning in Zimbabwe. The Plan outlines the pedestal for consolidating the macro-economic stability achieved under the Short-Term Emergency Recovery Programme (STERP), and advances the mandate to support the restoration of economic stability and growth in Zimbabwe espoused in Article III of the Global Political Agreement (GPA).

The MTP is a comprehensive economic blueprint, which reflects the collective wisdom and shared goals pursued by the Inclusive Government. It outlines the economic policies, projects and programmes that will guide the nation and set the national priorities for the next five years, 2011-2015.

Maintaining macro-economic stability and restoring the economy's capacity to produce goods and services competitively, and empowering our people to fully participate in the economy, will be key to achieving this vision. This home-grown Plan will serve to empower Zimbabweans both economically and socially in order to eradicate poverty and ensure sustainable development.

It is my hope that our people will mobilise their energies to fully exploit our abundant resources in developing a robust Zimbabwean economy that meets the targets set in the MTP.



I commend the Medium Term Plan to the people of Zimbabwe and urge all members of the Inclusive Government, the Private Sector, Civil Society, and the International Community to fully support its implementation.



R. G. Mugabe

PRESIDENT OF THE REPUBLIC OF ZIMBABWE

July, 2011



FOREWORD

As a country we have been known for producing quality economic blue prints but some have fallen short on implementation. In the Medium Term Plan, we need to set the correct precedent by effectively implementing the policies and programmes set out in this Plan to ensure that the country achieves sustainable growth and transformation. To achieve this, we must have genuine buy-in from all stakeholders. It is also imperative that as Government we remain alive to innovative ideas and feedback from the stakeholders as we implement the MTP. In this regard, the Monitoring & Evaluation of progress will be critical to the success of the Plan.

As we implement this Plan we should not lose sight of keeping a firm grip on the macroeconomic stability achieved under STERP. Achievement of high and sustainable growth targeted in this Plan, should be anchored by a stable macroeconomic environment that removes uncertainty and facilitates long term planning by stakeholders, business, civil society and cooperating partners as outlined in the Plan.

The Plan identifies investment as critical for growing and transforming Zimbabwe to be a globally competitive economy, reducing poverty, Increasing job opportunities and achieving high growths and achieving the Millennium Development Goals (MDGs). Our people need to be fully engaged in wealth creating activities during the Plan period. As Government we should create the platform and environment for our people to fully exercise their innovative and entrepreneurial talents.

Only by putting aside our differences and uniting for the good of all, will Zimbabweans overcome the implementation challenges ahead. It is critical that we maintain unity of purpose, have a shared vision with a high sense of accountability and transparency in the way we do business in Government and in the private sector. Commitment to entrenching transparency and accountability which is a founding principle for the Inclusive Government should guide the implementation of the MTP.



As Zimbabweans, having crafted this Development Plan we should all look forward with hope to fully implement this Plan, to grow the economy, increase investment and reduce poverty.



Right Honourable M. R. Tsvangirai

PRIME MINISTER OF THE REPUBLIC OF ZIMBABWE

July, 2011





ACKNOWLEDGEMENTS

The MTP provides a compendium of the policy framework, projects, investment opportunities and programmes designed to create economic space and opportunities that empower and encourage participation from all players in the economy to contribute to the achievement of the goals and objectives set-out in this Plan. The Plan, among other objectives, seeks to achieve broad based economic growth; increase economic empowerment; create decent jobs and improve the economic and social well being of our people.

The MTP guides all sectors and investors on priority areas needed to turn around the economy during the coming five years.

As we implement the MTP we need to take stock, improve and fully utilize our human capital, fully exploit and beneficiate our natural resources and transform Zimbabwe from a mere producer of primary products to a developed country producing diverse and competitively priced manufactured products.

This will reposition Zimbabwe to effectively contribute to the regional and world economy. To achieve this, we need to fully exploit our resource endowments, increase productivity, reduce the cost of doing business, improve absorption of knowledge and increase use of innovative production technologies.

The Ministry of Economic Planning and Investment Promotion will use this document to guide the economy, direct investment into priority areas and set the economic development trajectory of the country.

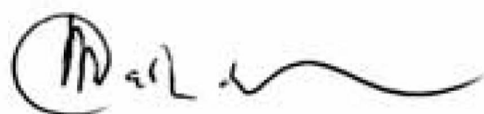
All our people should take ownership of the policy measures and programs contained in this Plan and the ensuing implementation, monitoring and evaluation process, to ensure



that we meet the goals and objectives set out herein. The process of formulating the plan was highly participative. There is scope during the implementation of this Plan to receive feedback and new ideas that will improve its implementation and enhance the capacity to attain the goals that we have set for ourselves. Some aspects of the plan will be revised annually to ensure consonance with changing national, regional and global economic developments.

This Plan creates space for win-win partnerships between Government and the Private Sector in ensuring that the projects outlined in this plan are fully implemented. Consultations made with development partners including the United Nations helped to ensure that the Medium Term Plan addresses social issues, especially poverty reduction and the Plan is clearly linked to the achievement of Zimbabwe's Millennium Development Goals targets. All Zimbabweans should take full advantage of the environment created by the policies enunciated in this Plan to create wealth for themselves and the nation at large. In particular, Zimbabweans in the Diaspora can contribute immensely through providing resources for investment, innovative ideas, skills and technology transfer.

I wish to thank all my colleagues, Ministers in Government and their Permanent Secretaries, my predecessor Hon. Elton Mangoma, Development Partners and all stakeholders who provided inputs during the process of drafting this plan. I wish to also thank the Cabinet Committee on Investment and Development (CCID) and the Ministerial Economic Coordinating Committee (MECC) for the thorough scrutiny of the document and for the Committee's invaluable comments. Special mention goes to the UNDP who provided technical and financial support for the development of the MTP.



Honourable T. Mashakada, MP

MINISTER OF ECONOMIC PLANNING AND INVESTMENT PROMOTION

July 2011

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LIST OF ACRONYMS

AIDS	Acquired Immune Deficiency Syndrome	ILO	International Labour Organisation
AMTOS	Assisted Medical Treatment Orders	IOM	International Organisation for Migration
ASRH	Adolescent Sexual & Reproductive Health	ISO	International Organisation for Standardisation
AZ	Air Zimbabwe	JOMIC	Joint Monitoring Committee
BEAM	Basic Education Assistance Module	MAMID	Ministry of Agriculture, Mechanisation & Irrigation Development
BIPPA	Bilateral Investment Promotion & Protection Agreements	MCPA	Ministry of Constitutional & Parliamentary Affairs
BOP	Balance of Payments	MDC	Movement for Democratic Change
BPO	Business Processes Outsourcing	MDGs	Millennium Development Goals
COMESA	Common Market for Eastern & Southern Africa	MECC	Ministerial Economic Coordinating Committee
CSO	Central Statistics Office	MENRM	Ministry of Environment & Natural Resources Management
CZI	Confederation of Zimbabwe Industries	MEPD	Ministry of Energy & Power Development
EC	Early Childhood Development	MEPI	Ministry of Economic Planning & Investment Promotion
ECGC	Export Credit Guarantee Company of Zimbabwe	MESAC	Ministry of Education, Sports & Culture
EITI	Extractive Industries Transparency Initiative	MFA	Ministry of Foreign Affairs
EMA	Environmental Management Agency	MFIS	Micro Financial Institutions
ESA	Eastern and Southern Africa Region	MHCW	Ministry of Health & Child Welfare
EU	European Union	MNHS	Ministry of National Housing & Social Amenities
FCZ	Forestry Commission of Zimbabwe	MITE	Ministry of Higher & Tertiary Education
FDI	Foreign Direct Investment	MHz	Mega Hertz
GDP	Gross Domestic Product	MIC	Ministry of Industry & Commerce
GMB	Grain Marketing Board	MICT	Ministry of Information Communication Technology
GPA	Global Political Agreement	MILF	Mining Industry Loan Fund
Ha	Hectares	MJIA	Ministry of Justice & Legal Affairs
HIT	Harare Institute of Technology	MLGURD	Ministry of Local Government, Urban & Rural Development
HIV	Human Immune Deficiency Virus	MLRR	Ministry of Lands & Rural Resettlement
ICT	Information & Communication Technology		
IEC	Information, Education & Communication		
IFI	International Financial Institutions		



LIST OF ACRONYMS

MLSS	Ministry of Labour & Social Services	NPC	National Population Council
MMA	Mines & Minerals Act	NRZ	National Railways of Zimbabwe
MMIP	Ministry of Media Information & Publicity	NSSA	National Social Security Authority
MMMD	Ministry of Mines & Mining Development	NIMP	National Tourism Master Plan
MOF	Ministry of Finance	NUSC	National University of Science & Technology
MOU	Memoirandum of Understanding	ODA	Official Development Assistance
MPS	Ministry of Public Service	OPC	Office of the President and Cabinet
MPW	Ministry of Public Works	OVCs	Orphans & Vulnerable Children
MRIC	Ministry of Regional Integration & International Cooperation	PEs	Public Enterprises
MSEP	Ministry of State Enterprises & Parastatals	PGMs	Platinum Group of Minerals
MSMECD	Ministry of Small & Medium Enterprises and Co-operatives Development	POSCO	Pohang Iron & Steel Company Limited
MST	Ministry of Science & Technology	PPPs	Public Private Partnerships
MSU	Midlands State University	PSIPs	Public Sector Investment Projects
MTIL	Ministry of Tourism & Hospitality Industry	RBM	Results Based Management
MTID	Ministry of Transport, Communication & Infrastructural Development	RBZ	Reserve Bank of Zimbabwe
MTIP	Medium Term Plan	RLP	Rural Livelihood Enhancement Programme
MW	Mopani Water	SADC	South African Development Community
MWACD	Ministry of Women's Affairs, Gender & Community Development	SIRDC	Scientific & Industrial Research & Development Centre
MWRD	Ministry of Water Resources Development & Management	SMEs	Small & Medium Enterprises
MYDIE	Ministry of Youth Development, Indigenisation & Empowerment	SRH	Sexual & Reproductive Health
NAP	National Action Plan	STERP	Short Term Emergency Recovery Programme
NEC	National Economic Council	TDZs	Tourism Development Zones
NFP	National Forest Programme	USD	United States Dollar
NGOs	Non-Governmental Organisations	VCT	Voluntary Counselling & Testing
NOCZIM	National Oil Company of Zimbabwe	VTC	Vocational Training Centres
NOGA	National Occupational Safety Association	ZANU-PF	Zimbabwe African National Unity (Patriotic Front)
		ZBC	Zimbabwe Broadcasting Corporation
		ZESA	Zimbabwe Electricity Supply Authority



LIST OF ACRONYMS

ZIMSEC	Zimbabwe Schools Examination Council
ZINWA	Zimbabwe National Water Authority
ZISCO	Zimbabwe Iron & Steel Company Limited
ZMOC	Zimbabwe Mining Development Corporation
ZIA	Zimbabwe Investment Authority
ZOU	Zimbabwe Open University
ZTA	Zimbabwe Tourism Authority
ZUNDAF	Zimbabwe United Nations Development Assistance Framework

EXECUTIVE SUMMARY

Overview: The Medium Term Plan (MTP) is the premier economic and social policy document of Zimbabwe. It responds to the mandate set out in Article III of the Global Political Agreement (GPA) to support the restoration of economic stability and growth in Zimbabwe.

It builds on the foundations laid by the Short Term Emergency Recovery Programme (STERP) (February – December 2009) and the 3 Year Macroeconomic Policy and Budget Framework (STERP II). The MTP will guide all other Government policy documents and sets out clearly the national priorities and investment programmes for the next Five Years, 2011-2015.

Overall Goal: The MTP's main goal is to transform the economy, reduce poverty, create jobs, maintain macroeconomic stability and restore the economy's capacity to produce goods and services competitively, building upon the gains achieved since the launch of STERP in March 2009.

One of the major achievements of STERP was macro-economic stability and maintaining this stability is a pre-requisite to sustainable economic growth during this plan period.

Economic Growth Targets: The main target of the MTP is to ensure that the economy remains on a sustainable growth path. The Plan is targeting an average growth of 7.1% for next five years, 2011-2015. The focus of the Plan will be on Inclusive growth, and balanced development.

Economic growth will be realized through the transformation of the economy from being a producer of primary commodities to value addition, beneficiation and new knowledge based industries. Savings and Investments are also expected to double during the plan period to support the achievement of these targets.

Priorities: The MTP priorities are consistent with the Government Work Programme Priorities published in March 2010, STERP, and the Three Year Macroeconomic Budget Framework. In implementing the MTP and



achieving the national vision as set out in the Plan, the following strategic areas will underpin all Government policies and programmes:

The Private Sector will be the engine of economic recovery and growth in Zimbabwe. The Plan emphasises the pivotal role of the private sector.

This will necessitate far reaching initiatives and reforms to reduce the risk for investors, and make Zimbabwe an attractive investment destination. The private sector led economic recovery will be driven by key sectors, like agriculture, manufacturing, mining, tourism, finance,

Infrastructure development and small and medium enterprises. The key objectives across these sectors are to improve access to international markets, by focusing initially on regional markets, both SADC and COMESA. Increasing access to capital by better aligning the financial sector to the needs of the productive sector, adoption of new technologies including ICT and development of knowledge based industries, and promoting activities that can be undertaken by SMEs, taking advantage of low overheads, e.g. food processing, textile, and plastic products.

Employment Creation and Poverty Reduction (ECPR): One of the key targets of the plan is to create an enabling and conducive environment for sustainable employment creation. The plan is targeting to achieve average employment creation rate of 6% per annum.

Furthermore, the plan will also seek to promote and secure sustainable, full, productive and freely chosen decent employment under the conditions of freedom, equity, security and human dignity.

The marginalized and vulnerable groups such as women, youths, people living with disabilities and the retrenched will also be integrated into the mainstream economy.

Human Development and Social Security Strategy: The plan will focus on improving the social indicators including education and health as they are fundamental for the sustainable development of the country. Priority will be given to social protection, and empowerment of the



marginalised members of the society.

The Human Development and Social Security Strategy will focus on increasing access and utilisation of comprehensive quality primary health care services and referral facilities by 100 percent by 2015, promoting gender parity at secondary and tertiary levels, universal primary education, protect the poor and vulnerable households from sliding into poverty and suffer irreversible welfare losses, HIV and AIDS mainstreaming and supporting vulnerable households to manage risk through productive safety nets.

Infrastructure Rehabilitation and Development: The success of the plan will depend on the availability of a robust infrastructure which is a key enabler for economic recovery, growth and transformation. The key infrastructure priorities will include: Energy, Water and Sanitation, Transport, Housing and Construction, Information Communication and Technology (ICTs), Science, Technology, and Innovation and SME infrastructure.

Good Governance is integral to the successful implementation of the MTP. Cooperation

among civil society organizations, the Private Sector and the Government will be essential to ensure that there are strong institutions and effective service delivery. The objective will be to uphold the provisions of the Constitution and implementation of good governance principles across all sectors, namely private and public.

Cross Cutting Issues such as Gender, Youth Development, HIV and AIDS mainstreaming, Empowerment, Indigenization, Environment and Regional Integration will be addressed during the Plan period. Given their importance the Government has identified these issues as strategic priorities to ensure that they are effectively mainstreamed into all sectors covered by the MTP.

The objectives of the plan will be to mainstream gender into all sectors to eliminate all negative economic, social and cultural practices that impede equity of the sexes.

The plan will also focus on ensuring sound management of the environment to ensure sustainable development.

Over the plan period Government will encourage sustainable development by optimising the use of natural resources, energy, and minimising irreversible environmental damage, waste production and pollution, through incorporating environmental management systems in business, civic and social development regulatory provisions.

Implementing the MTP: The MTP is a five year Plan that is supported by a results and implementation matrix that will be reviewed annually. The reviews will facilitate the inclusion of new thrusts and priorities borne of experience in the implementation process. National, regional and international economic developments will be key variables in Plan reviews.

The MEPIP is the lead coordinating Ministry which will work closely with the Office of the President and Cabinet, the Office of the Prime Minister and Deputy Prime Ministers, Ministry of Finance, as well as Line Ministries to ensure the effective implementation of the Plan.

A Monitoring and Evaluation (M&E) mechanism will provide information on whether the MTP programmes, policies or development strategies are being implemented as planned. Tracking and monitoring the implementation of the Plan will provide timely feedback on whether the Plan objectives are being achieved or the need for remedial action to redirect efforts to addressing the critical development challenges.

Furthermore, the MEPIP will promote and co-ordinate national investment programmes including PSIPs and PPPs to achieve the Plan targets.

Funding: Approximately US\$9.2 billion total Investment will be required in order to meet the MTP growth and development targets. This is expected to be harvested from our natural resources and growth dividend.

Foreign Direct Investment, though critical will be considered a bonus. In addition, private sector credit lines and Public Private Partnerships (PPPs)



will be an important funding mechanism during the Plan period.

The ten years prior to the consummation of the GPA are often referred to as the “lost decade.” Zimbabwe needs to leap frog its development in order to catch up.





1 INTRODUCTION

At independence in 1980, Zimbabwe inherited a dual economy characterised by a relatively well-developed modern sector and a largely poor informal urban and rural sector that employed about 80% of the labour force. In the decade following independence there was an attempt to address some of these issues through a number of home-grown initiatives, such as "Growth with Equity" Strategy published in 1981, the Zimbabwe Transitional National Development Plan (1982-1985) and the Zimbabwe first five-year National Development plan (1986-90). These initiatives contributed to the expansion of primary and secondary education, health facilities, and rural infrastructure. During this period, Zimbabwe recorded a stable but relatively low rate of economic growth, which was unable to sustain high social sector spending. This led to the adoption of a five-year Economic Structural Adjustment Program (ESAP) in 1991 with the objective of stimulating higher rates of economic growth.

ESAP was soon replaced with the Zimbabwe Programme for Economic and Social Transformation (ZIMPREST) in April 1998 after the non-realization of ESAP's key objective of increased real GDP growth and the accompanying erosion of social sector achievements of the 1980s. Two years after it was launched and with very little of its programs having been implemented, ZIMPREST came to an end.

Since 1980, the manufacturing sector has been the major driver of the economy contributing about 20% of GDP on average. However, by 2006, Manufacturing had declined to a contribution of about 15% to GDP while Agriculture assumed the highest contribution of 17% to GDP. The Table 1.1 gives a brief of the Zimbabwean economy from 1980 to 2006.



Table 1.1 Zimbabwe's Economic Performance, 1980-2006

Economic Indicator	1980-1990	1991-2000	2001-2006
Average annual GDP growth (%)	4.30	0.90	-5.70
Employment Growth (%)	1.90	0.40	-7.50
Inflation in final year of period (%)	12	56	238
Exports as % of GDP in final year of period	23.00	43.00	24.00
Manufacturing as % of GDP	20.35	17.70	15.00
Agriculture as % of GDP	16.20	14.90	17.00
Mining as % of GDP	4.30	4.20	4.00
Budget deficit as % of GDP	-2.10	-6.30	-5.80

Source: ZIMSTATS, IMF, UNDP

During the decade from 1998 to 2008, the economy was faced with a number of complex challenges. This period can be characterized as follows:

- i. Severe macroeconomic instability;
- ii. The unstable macroeconomic environment was characterized by hyper inflation, with the official annual inflation reaching 231 million % and monthly inflation at 1 800% in July 2008;
- iii. Severe shortages of basic utilities including electricity, fuel and water as well as most basic food and non food commodities. Within this context, poverty levels continued to rise thereby worsening the living standards of the population at large;
- iv. Real Gross Domestic Product (GDP) cumulatively declined by over 50% during the period 2000–2008;
- v. Massive declines in agriculture production due largely to the non-availability and delays in input deliveries to farmers as well as recurrent droughts;
- vi. The manufacturing sector experienced significant challenges, which among others included foreign currency shortage, loss of skilled labour, unreliable energy supplies, and weak performance of other sectors such as agriculture;

- vii. Price controls and an overvalued exchange rate regime;
- viii. Low capacity utilization in the manufacturing sector;
- ix. A negative trend was also experienced in the mining sector. This was largely due to shortages of basic inputs, unreliable energy supplies and transport problems, and viability problems emanating from an artificially overvalued exchange rate;
- x. With regards to the tourism sector, the decline in performance was largely as a result of the negative publicity the country was facing. This was mainly as a result of the land reform programme that Government embarked on in 2000 and illegal sanctions imposed on the country;
- xi. Wholesale de-Industrialization of the economy; and
- xii. Quasi fiscal operations.

1.1 Progress Achieved under the Short Term Economic Recovery Programme (STERP) (February – December, 2009)

The key achievements of the Inclusive Government during the implementation of STERP under the various clusters are as follows:

1.1.1 Social Cluster

- i. Re-opening of the major referral hospitals and primary health institutions;
- ii. Overall drug availability at health institutions ranging between 60 – 80%;
- iii. Renal dialyses services resumed at Parirenyatwa hospital;
- iv. Re-opening of all schools with significant numbers of teachers and students returning to classrooms;
- v. University of Zimbabwe resumed educational delivery;
- vi. Marking of all previous and outstanding examination papers with students successfully sitting for the June 2009 examinations; and
- vii. Local Government Board now functional with key appointments concluded.



1.1.2 Economic Cluster

- i. Basic food prices stabilized following the introduction of the multi-currency regime;
- ii. Increased revenue collection from US\$4 million per month in February 2009 to levels of about US\$158 million in December 2009;
- iii. Established new lines of international credit;
- iv. Initiated process of positioning the country as viable investment destination with approved investments expected to reach 25% of GDP in 2009;
- v. Established policy framework for aid coordination with development partners;
- vi. Improved industry capacity utilisation from 10% to averages of about 35% to 40% by December 2009;
- vii. Increased employment as a result of increased capacity utilisation; and
- viii. Established a National Smallholder Agricultural Input Scheme that assisted 630 000 households in the 2009/2010 agricultural season.

1.1.3 Infrastructure Cluster

- i. Basic services restored though reliability remains a challenge;
- ii. Potholes filled in major trunk roads;
- iii. Urban water supplies and sanitation facilities restored in major cities; and
- iv. Power generation capacity at Hwange improved with improved coal availability.

1.1.4 Rights and Interests Cluster

- i. The Constitution-making process was started;
- ii. The Organ for National Healing, Reconciliation and Integration began consultations and the process itself was launched at a Dedication Ceremony;
- iii. All commissions posts were advertised; and
- iv. Some positive steps were taken towards creating a more pluralistic media environment with international correspondents like CNN and BBC being allowed to report from Zimbabwe while private media houses have been given a green light to publish.



Despite the achievements made towards stabilisation of the economy and meeting some of the STERP targets, the country is still confronted with major medium to long term developmental challenges. These include the challenge of faster job creation that is required to address the high unemployment of labour, the large number of Zimbabweans still living in poverty, high inequality in income distribution, inequity in gender, low savings and investment rates, insecurity, persisting corruption and weak governance, poor infrastructure, slow progress in achieving structural changes in the economy away from reliance on agriculture and export of primary products.

1.2 Global and Regional Developments

The Global economy has been in the grip of a severe recession inflicted by a massive financial crisis and an acute loss of confidence. Most advanced economies in 2008 – 2009 fell into recession, while economies in the rest of the world also slowed down significantly. Global trade and financial flows declined significantly, while output and employment losses rose sharply. In addition, this crisis spread to emerging market economies. The financial crisis and accompanying loss of confidence in lending resulted in Emerging and Developing economies facing greatly curtailed access to external financing. World real GDP contracted by about 2.1% in 2009 and then recovered by about 3.6% in 2010.

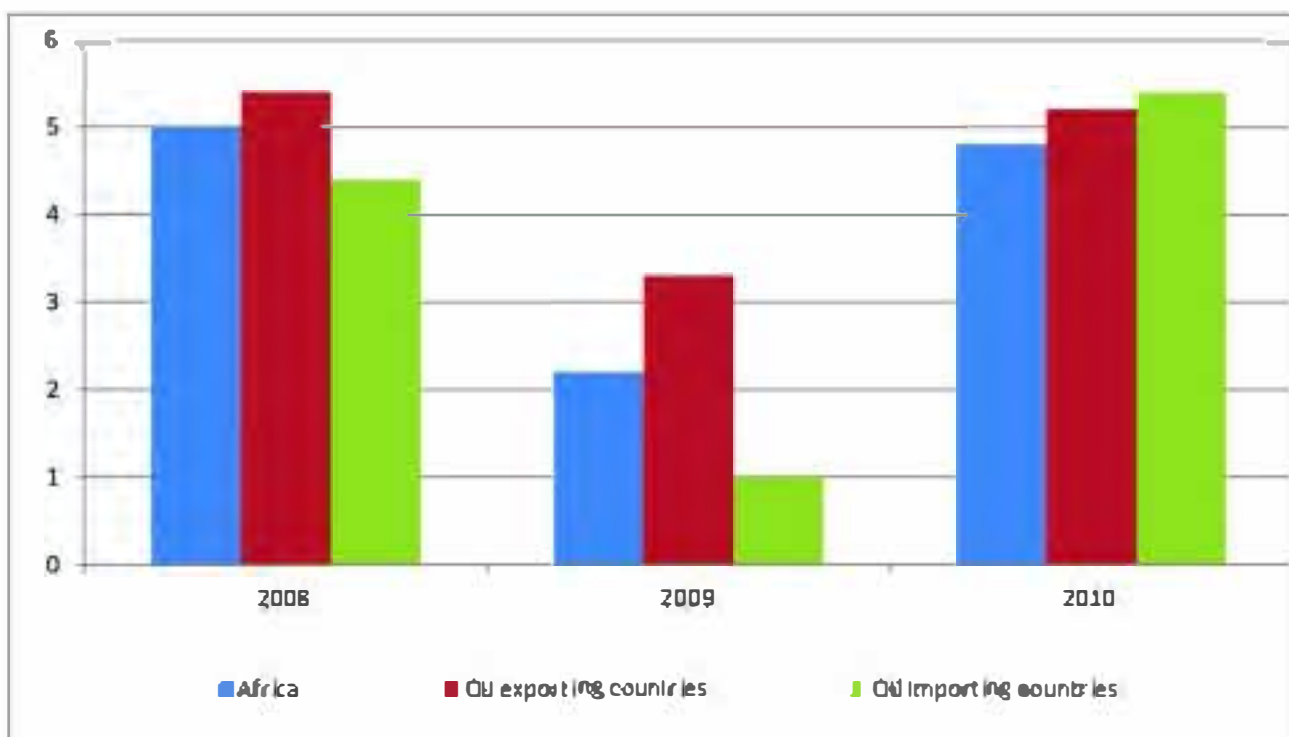
The impact of the Global crisis on economies in Asia was surprisingly heavy, contrary to expectations that Asia would be relatively shielded from the crisis as the region was not heavily exposed to U.S. securitized assets. However, the crisis spread quickly to Asia and dramatically affected its economies. The region contracted due to the collapse in demand for consumer durable goods and capital goods in (non-Asian) advanced economies. Although China and India also experienced contraction in the export sector, their economies continued to grow as trade constitutes a smaller share in economies and policy measures supported domestic activity.



1.3 Sub-Saharan Africa

The tightening of global credit conditions reduced FDI and portfolio investment flows to the continent, particularly to markets such as Ghana, Kenya, Nigeria, South Africa, and Tunisia. Remittances from advanced countries drastically reduced. This caused severe slowdown in economic activity in Sub-Saharan Africa. There was 5.3% real GDP growth in 2008 compared with only 2% in 2009. On average, the downturn was more pronounced in oil-exporting countries (Angola, Equatorial Guinea) and in key emerging and frontier markets (Botswana, Mauritius, South Africa). The shift in commodity prices carried strong effects across countries, as growth among oil exporters fell to 3.3% from 6.8% registered in 2008. However, the region has since gained momentum as witnessed by the estimated 5% growth realised in 2010.

Figure 1.2: GDP Growth in Africa: 2008 to 2010



Source: ECA Economic Report for Africa, 2011

After five years of strong growth, during which about two million jobs were created, the South African economy shrank by an estimated 1.8% in 2009. Mining output fell by 7%, manufacturing by over 12%. And about 900 000 people lost their jobs. Growth expectation for South Africa in 2010 is now 2.3%, rising to 3.6% by 2012.

The Zimbabwean economy grew by about 6.3% in 2009 and is expected to grow by 8.1% in 2010. Thereafter, it is projected to sustain high growth rates from 2011 to 2015. It is interesting to note that after years of decline, the country is likely to be one of the few economies in Southern Africa to record sustained strong growth rates going forward.

Table 1.2: Southern African Macroeconomic Indicators - 2010

	GDP (%)	Inflation (%)	Budget/GDP (%)	CA/GDP (%)	Foreign Debt/GDP (%)	Import Cover (months)
Angola	7.4	15	-3.9	2.6	20.8	4.8
Botswana	3.1	6.8	-4.9	-4.4	35.6	22.1
Lesotho	2.3	5.5	-4.6	3.3	38.5	n/a
Mauritius	4.2	4.5	-4	-9.5	13.4	2.9
Mozambique	5.1	9.2	-3.3	-12.3	54	4.7
Namibia	3.0	6.2	-3.6	2.9	25.7	3.5
South Africa	2.4	5.8	-6.4	-5.6	30.4	3.5
Swaziland	2.2	5.5	-8.3	-5.4	18.3	3.0
Zambia	5.8	10	-2.7	-1.9	8.4	2.4
Zimbabwe	6.3	-7.7	0.54	-17.3	121	1.2

Source: Africa Development Bank Group, Zimbabwe Mid Term Fiscal and Monetary Review (2010),



1.4 International commodity Prices

International commodity prices which had rallied to record levels in 2007 due to strong aggregate demand from Brazil, Russia, India and China, tumbled to record lows in the second half of 2008. This was due in large part to a slow-down in global economic growth emanating from the global financial crisis.

International commodity markets increasingly became optimistic about a global economic recovery with the depreciation of the US dollar and other commodity specific factors in 2010. This bout of confidence trickled into the commodities market with several commodities beginning to record considerable gains. Table 1.3 shows commodity price movements for selected years.

Table 1.3: Selected International Commodity Prices

	January 2009	January 2010	January 2011	May 2011
Gold US\$/oz	750	1,358.42	1,352.48	1,511.73
Platinum US\$/oz	950	1,786.93	1,786.96	1,784.40
Copper US\$/tonne	3,226	9,535	9,534.14	8,937.39
Crude Oil US\$/barrel	44	96.85	96.88	114.96
Nickel US\$/tonne	11,432.38	26,630.03	25,630.03	24,146.15

Source: Bloomberg, London metal exchange

In the next chapter, the MTP sets out the vision and national priorities. In the remaining chapters, we focus on various sectors looking at the policy measures and national programmes and projects which will be implemented to achieve the MTP goals and targets.





CHAPTER 2
**ZIMBABWE NATIONAL
ECONOMIC DEVELOPMENT
STRATEGY**

2 ZIMBABWE NATIONAL ECONOMIC DEVELOPMENT STRATEGY

2.1 Vision

Enhancing a democratic developmental state anchored by a growing and transforming, socially just economy.

2.2 National Priorities

- i. **Infrastructure Development** - One of the key objectives of the MTP will be the development of key infrastructure through the capital budget and complemented by the PPPs and other private sector driven initiatives;
- ii. **Employment Creation** - The plan's main focus will be the creation of decent jobs across all sectors of the economy and avoid the pitfalls of other economies which experienced jobless growth;
- iii. **Human Centred Development** - The plan will be human centred, so that crucial areas such as food security, education, health, housing and achievement of the MDGs will take centre stage. Focus will also be on skills development to enhance human capital development;
- iv. **Entrepreneurship Development** - The plan will foster entrepreneurship development as major thrust to achieve economic empowerment, SMEs growth and indigenisation;
- v. **Macroeconomic Stability** - The macroeconomic stability which is currently prevailing in the country will be strengthened while government will strive to enhance the fiscal space. Privatisation and commercialisation will ensure that parastatals will not be a drain on the fiscus, thus consolidating macroeconomic stability;



- vi. **ICT and Science and Technology Development** - ICT and science and Technology development will be central in the plan, where innovation and promotion of a knowledge economy will be emphasised. The Diaspora will play a critical role in this regard;
- vii. **Good Governance** - The plan will ensure good governance, focusing on the removal of sanctions, political stability, and compacting corruption, encouraging tolerance and subscribing to the Mo Ibrahim Index;
- viii. **Investment Promotion** - In order to ensure that the plan meets its growth targets, there will be a strong investment promotion drive which will trigger flows into the country. A savings culture will be inculcated amongst our people to complement this investment drive;
- ix. **Resource Utilisation and Poverty Reduction** – During the plan period, a Resource Charter will be developed which will ensure that Zimbabwe's natural resources will be used equitably for poverty reduction and economic development. The MTP emphasises issues of resource governance; and
- x. **Gender Mainstreaming into economic activities** - The plan will ensure full participation of women and girls in all sectors of the economy as well as in all economic development programmes.

2.3 National Economic Development Strategy

2.3.1 Background

The MTP is being designed against a background of comparative success stories by other countries in the area of economic development. These countries include China, South Korea, and Malaysia, which developed from middle income economies to emerging economies. The development path of these countries followed the **Emerging Economies Model**. The essence of this model included the following tenets:-



- Encouraging exports by the state, through targeted subsidies and preferential allocation of credit;
- Growth is driven by the manufacturing industries;
- Externally generated aggregate demand largely through exports;
- Huge investments in skills and human resource development;
- Efficiency improvements and streamlined Public Administration; and
- Encouragement of savings through the establishment of strategic savings instruments.

In recent years, the **Indian Growth Model** has recorded some of the highest growth rates in the World whilst following a different development trajectory. The essence of the Indian Model can be described as follows:-

- Growth is led by the services sector (software development, health provision, etc);
- Growth is largely private sector driven, without state directives or preferential treatment;
- Domestically generated aggregate demand, through consumption – led demand which is largely fuelled by a growing middle class; and
- Heavy investment in human resources and the development of high – tech skills.

2.3.2 Zimbabwe Development Model

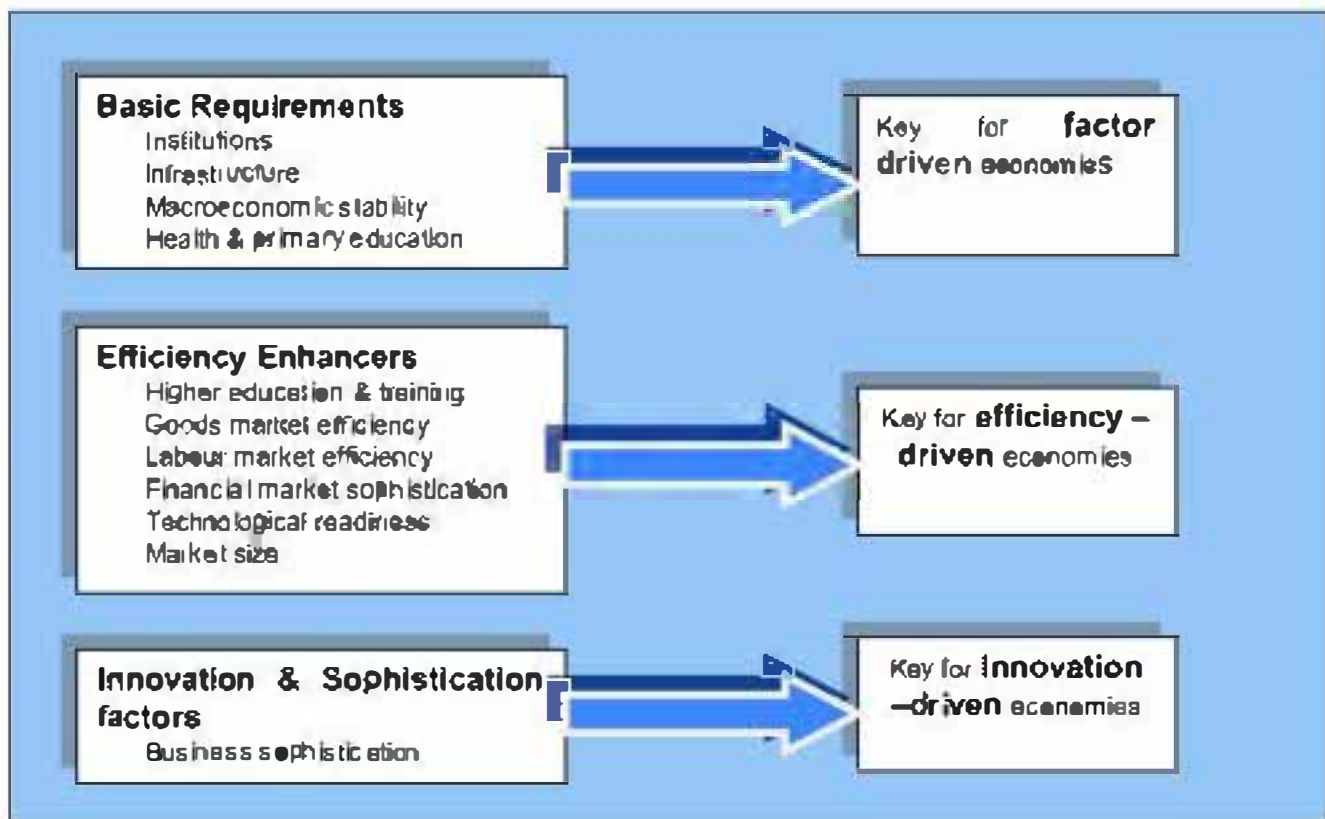
Zimbabwe will seek to learn from both African best practices (during the period 2000-2008, Africa experienced high growth rates of around 6%) and the Asian countries on how to lay the basis for its own development model. This comes out of the realisation that a planning process of a country, should be guided by a development model which takes into account experiences of other countries and its own peculiarities.

The MTP model recognises that, Zimbabwe to some extent has developed some aspects of the basic requirements for a democratic developmental state, namely primary education, health, and macroeconomic stability while it needs to strengthen certain basic requirements of a democratic developmental state which are institutions and infrastructure.



The model will consolidate and develop the **basic requirements** while laying the foundation for the next stage of a democratic developmental state, which is to become an **efficiency driven economy** characterised by higher education & training, goods market efficiency, labour market efficiency, financial market sophistication and technological readiness. This stage will be implemented during this medium term (2011-2015).

Figure 2.1: Stages Economies go through in their development process.



2.3.3 The drivers of a democratic developmental state during the plan period.

The road towards a successful democratic developmental state will follow the options stated above, building on the following key drivers:

- 1) The private sector in all the key sectors of the agriculture, mining, manufacturing and the services sector;
- 2) The establishment of strong backward and forward linkages between these sectors, with the cross cutting Infrastructural sectors, including ICT and modern high technology playing a catalytic role in this development process;
- 3) Productivity increases in agriculture (communal, small scale and large scale) will be the cornerstone of the development model, ensuring food security and raw materials for the agro-manufacturing industries which are currently operational and those that will emerge during the plan period;
- 4) The mining sector will be transformed from producing purely raw materials for exports into Value Addition Mining, while the manufacturing sector will play a dominant role in ensuring that the machinery, inputs and other related needs of the agricultural and mining sectors are met as well as lead the economic transformation process of the Zimbabwean economy from primary raw material producing low-income country to an industrial country;
- 5) A substantial amount of public resources will go towards rehabilitation, maintenance and expansion of key infrastructure (particularly energy, transport, and water). Further, the private sector will play a significant role in rehabilitation, maintenance and expansion of infrastructure through PPPs;



- 6) The financing of this development model will come from our own local efforts through instilling a saving culture (by both the private sector and government) and development of robust saving instruments, such as the establishment of a National Sovereign Wealth Fund which will manage the emerging resources from the Mining Sector. However, the model recognizes that our own saving efforts will not be sufficient for the Plan to have the desired impact; therefore the Plan does not exclude Foreign Direct Investment, credit lines and any other available domestic financing options. In order to access foreign savings the development model recognizes the need to implement a debt strategy which will include the Paris Club Declaration; and
- 7) The vulnerable groups such as women, children and orphans will be catered for through appropriate targeted safety nets.

2.3.4 Outcome of the Development Model

The outcome of this development model will be substantial poverty reduction largely through decent employment creation and entrepreneurial development as the economy grows. Employment creation in the agriculture sector will be widespread given its importance to the majority of Zimbabweans and also its labour intensive nature. Furthermore, employment opportunities will be generated in manufacturing, mining and service sectors of the economy as the economy expands and grows. The economy will be transformed and be propelled on to a sustainable development trajectory. This model will also address the problems of dualism and enclavity.





CHAPTER 3

MACROECONOMIC POLICY FRAMEWORK



3 MACROECONOMIC POLICY FRAMEWORK

3.1 Background

The economy of Zimbabwe is broadly in a recovery stage and capacity utilisation has gained pace though uneven across sectors of the economy. Real GDP will post a second year of growth of around 8.1% in 2010, following 6.3% in 2009. Inflation has stabilised at the average annual rate of around 4% and the economy has no immediate inflation pressures.

However, the economy is still characterised by low aggregate demand, low wages, low capacity utilisation and low productivity. The current sub optimal equilibrium is unsustainable in its present mode as reflected in continued capacity stagnation and high levels of unemployment.

3.2 Parameters for the Macroeconomic Framework

The critical objective over the medium term is to raise the economy's production frontier which is currently constrained by the following:

- i. Financing Constraints;
- ii. Energy Shortages;
- iii. Manpower Deficit; and
- iv. Infrastructure Deficit.

The raising of the economy's production frontier will be achieved through aggressive and substantive investment in capital, labour and technology. This should be complemented by a completely new paradigm shift to a business orientation, ethos, principles and values.

The Macroeconomic Framework will be guided by the following parameters:

- i. **Fiscal Prudence**

- Budget deficit constraint – the Fiscal policy thrust is that the country must



- There should be gradual expenditure switching from recurrent to capital;
- Efficiency in Public Sector administration;
- Government to focus on creating an enabling environment for business to thrive; and
- Increasing fiscal accountability and transparency in the use of public resources.

ii. **International Stakeholder Engagement**

- Continued engagement with multilateral and bilateral creditors and other development partners; and
- The adoption of debt and external arrears strategy to deal with the country's debt overhang.

iii. **Domestic Stakeholder Engagement**

- This entails a national dialogue which brings together Government, business, labour and other stakeholders.

iv. **Business Orientation**

- A clear shift towards a business ethics; and
- Priorities to increase productivity and reduce transaction costs.

v. **Improving the Investment Environment**

- An aggressive and proactive investment drive;
- Strengthening of property rights and security of tenure;
- Improve the ease of doing business;
- Address the sovereign risk perceptions;
- Protection and enforcement of Intellectual Property Rights;
- Deliberate policies to promote capital stock accumulation; and
- Deliberate policies to acquire the latest technologies for building a globally competitive economy.



vi. **Institutional Transformation**

- Economic and Social structure transformation to support the process of economic recovery and growth;
- The transformation to cut across all sectors of the economy as a means to facilitate private sector led growth; and
- Transformation of the legal framework to support the new economy.

vii. **Education Reforms**

- The expansion of technical vocation skills, apprenticeship programs, research and development; and
- Reviewing the curriculum with a bias towards mathematics, science, technology, ICT, entrepreneurship and orientation towards industry needs.

viii. **Employment Creation**

The economy is presently characterized by high unemployment and a considerable degree of informality. Employment creation is an integral part of sustainable poverty reduction. Aggregate demand stimulus measures, specifically, the rationalisation of taxes and a specific SMEs recovery strategy will be implemented to stimulate employment creation. The MTP, drawing from experience, will avoid jobless growth.

ix. **Poverty Reduction and Social Protection**

The MTP envisages specific poverty reduction initiatives, underpinned by growth and employment opportunities to cater for the vulnerable groups. Poverty reduction initiatives will include support to HIV and AIDS programs, child headed family and gender mainstreaming in line with the thrust of the MDGs.

3.3 The Policy Framework

The parameters as outlined above are designed to establish a stable macroeconomic policy environment coupled with greatly improved investment environment necessary for private sector development as the engine for economic growth.



Government will prioritise policy consistency, coherence and predictability within the context of an integrated macroeconomic program. This will include sectoral, micro, structural and rural economy interventions for economic recovery, growth and broad based transformation.

3.4 Macroeconomic Objectives

The macroeconomic objectives will be to ensure economic recovery, growth and transformation to promote:

- i. Sustainable economic growth and development;
- ii. Poverty reduction;
- iii. Employment creation;
- iv. Price stability; and
- v. Sustainable Balance of Payments position.

3.5 Macroeconomic Policy Targets

The macroeconomic targets will be to achieve the following:

- i. An average growth rate of 7.1% during the Plan period;
- ii. Single digit annual inflation;
- iii. Interest rate regime that promotes savings and fosters investment;
- iv. Current Account Deficit of not more than 5% of GDP by 2015;
- v. Average employment creation rate of 6% per annum;
- vi. Sustained Poverty Reduction in line with MDGs targets;
- vii. Foreign Exchange Reserves of at least three months import cover by 2015;
- viii. Double Digit Savings and Investment Ratios of around 20% of GDP by 2015;
- ix. Budget Deficit to converge to SADC benchmark of less than 5% of GDP by 2015; and
- x. Reduce sovereign debt to at least 60% of GDP by 2015.



3.6 Macroeconomic Assumptions

The underlying macroeconomic assumptions guiding the MTP are as follows:

- i. Improved Energy supplies;
- ii. A consistent and predictable macroeconomic policy framework that guarantees long term price stability, builds confidence and ensures savings and investment;
- iii. The multi-currency framework will prevail over the Plan period;
- iv. Financial stability;
- v. Increased financial sector intermediation and inclusive financial sector development;
- vi. Increased access to lines of credit to improve the liquidity position in the economy;
- vii. Effective private sector participation;
- viii. Implementation of a Sustainable National Debt and Arrears Clearance Strategy that will improve the country's risk profile and mobilise long term development finance;
- ix. Re-engagement with the international community; and
- x. Economic, social and Political stability.

3.7 Economic Recovery, Growth and Transformation

The overarching goal of the MTP is to raise the country's production potential, create decent employment and reduce poverty. Achieving this objective implies diversification of sources of growth, and investment in new technologies, technology transfers and institutional transformation.

Growth with employment is the most effective strategy for achieving Government's pro-poor agenda and poverty reduction, hence the emphasis on the implementation of pro-poor policies.

The restoration and significant increase of energy supply and distribution are critical components for economic growth and transformation and will be proactively pursued during the Plan period. In the case of energy, the Plan recognises the relationship



between energy supply and economic growth. Emphasis will be placed on a forward looking strategy based on a business model that brings in the private sector as a dominant player.

The new economy will be driven by knowledge-based industries, technology innovations and enterprise development. In support of the new economy, institutional transformation and introduction of a new and competitive business culture will underpin the private sector growth.

The growth of the key sectors of the economy, namely agriculture, manufacturing and mining will be driven by an aggressive investment strategy that will increase capital flows into the economy, raise productivity and expand opportunities for employment creation. The MTP will pay particular attention in addressing the key enablers, such as, Electricity, Water, Transport and ICT among others.

3.8 Price Stability

In the medium term, price stability so far achieved will be consolidated by fiscal prudence complemented by productivity gains and expansion of the economy's production potential.

3.9 Financial Sector Transformation

Financial sector transformation will be achieved through the following measures:

- i. Financial sector stability and inclusive development;
- ii. Restoration of banking confidence;
- iii. Efficient prudential and regulatory framework;
- iv. Efficient National Payments Systems; and
- v. Implementation of the Reserve Bank Act.



3.10 Savings

Rising economic growth rates and improved household incomes over the Plan period will improve the capacity to save. Government will create an enabling environment that will encourage the development of a variety of savings instruments such as establishment of the national wealth fund. This savings thrust will take place both in the public and private sectors, including coming up with saving instruments which will mobilise savings from micro enterprises.

The vigorous investment drive under the MTP envisages greater financial sector deepening and the growth of money and capital markets to facilitate the recovery and growth process of the economy. This will lead to the evolution of new savings instruments. Over the medium term, the plan envisages growth in the national savings rate.

3.11 Investment

The success of the MTP will be underpinned by a comprehensive investment drive instrumental in sustaining an expanding production frontier, critical for economic recovery, growth and transformation. The Policy Framework envisages the interplay of domestic and Foreign Direct Investments for broad sectoral growth. Significantly, investment in energy, water and transport infrastructure and IT based communication technology will be the key priority investment areas for both domestic and foreign investment. The MTP envisages a co-ordinated approach to investment promotion directed to our priority areas in a properly sequenced manner. This covers both domestic and foreign direct investment.

3.12 Macroeconomic Consistency Framework

The Macroeconomic Consistency Framework integrates the key sectors of the economy real, fiscal, monetary and external sectors into an integrated set of interdependent sectoral flow of funds summarising the totality of economic activities in the country. It also allows internal data consistency checks of information from the different sectors.



3.12.1 Real Sector

The Real Sector summarises activities in the goods, money and labour market as broadly constituting both aggregate demand and supply in the economy. The Real Sector allows the derivation of total value addition by sector, the nominal GDP and price formation as a function of demand and supply in the economy. Table 3.1 shows Real Sector medium term output forecasts.

Table 3.1: Gross Domestic Product by Industry at Current Prices USD Million.

	Weights	2011	2012	2013	2014	2015
Agriculture, Hunting, and Fishing	15.5%	1932	2276	2640	2992	3362
Mining and Quarrying	4.9%	812	1002	1264	1596	1836
Manufacturing	14.7%	1241	1363	1534	1686	1885
Electricity and Water	4.9%	395	418	468	523	588
Construction	0.6%	46	48	52	56	61
Finance and Insurance	3.9%	320	338	371	409	456
Real Estate	2.0%	156	163	176	190	206
Distribution, Hotels and Restaurants	11.0%	920	1002	1139	1286	1460
Transport and Communication	15.2%	1272	1384	1572	1781	2022
Public Administration	4.0%	320	333	361	386	414
Education	2.9%	236	246	266	285	306
Health	1.2%	101	106	115	126	138
Domestic Services	1.8%	146	150	162	175	189
Other Services	4.3%	341	356	389	422	461
Less Fin Int. Services Indirectly Measured	-0.4%	-30	-32	-35	-38	-42
GDP at factor cost	86.5%	8208	9154	10476	11873	13341
Net other taxes on production	1.9%	111.2	113.4	115.7	118.0	120.4
Other taxes on production	1.9%	111	113	116	118	120
Other subsidies on production	0.0%	0	0	0	0	0
GDP at basic prices	88.4%	8320	9267	10591	11991	13461
Net taxes on products	11.6%	678	692	706	720	734
Taxes on products	11.6%	678	692	706	720	734
Subsidies on products	0.0%	0	0	0	0	0
GDP at market prices	100%	8998	9959	11297	12711	14195

Source: MEPI, MOF and R&Z



Table 3.2 shows the projected sectoral growth rates during the Plan period.

Table 3.2 Projected Sectoral GDP Growth Rates

	Weights	2011	2012	2013	2014	2015
Agriculture, Hunting, and Fishing	15.5%	19%	15%	9%	7%	6%
Mining and Quarrying	4.9%	44%	20%	18%	19%	8%
Manufacturing	14.7%	6%	7%	5%	4%	5%
Electricity and Water	4.9%	3%	3%	5%	6%	6%
Construction	0.6%	1%	2%	2%	2%	2%
Finance and Insurance	3.9%	2%	3%	3%	4%	5%
Real Estate	2.0%	1%	2%	2%	2%	2%
Distribution, Hotels and Restaurants	11.0%	6%	6%	7%	7%	7%
Transport and Communication	15.2%	6%	6%	7%	7%	7%
Public Administration	4.0%	2%	2%	1%	1%	1%
Education	2.9%	2%	2%	1%	1%	1%
Health	1.2%	2%	2%	2%	3%	4%
Domestic Services	1.8%	1%	0%	2%	2%	2%
Other Services	4.3%	1%	2%	2%	3%	3%
Less Fin Int Services Indirectly Measured	-0.4%	0%	1%	3%	4%	5%
GDP at factor cost	86.5%	11%	9%	7%	7%	6%
Net other taxes on production	1.9%	0.1%	0.1%	0.1%	0.1%	0.1%
Other taxes on production	1.9%	0.2%	0.4%	0.5%	0.6%	0.8%
Other subsidies on production	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
GDP at basic prices	88.4%	10%	9%	7%	7%	6%
Net taxes on products	11.6%	0.1%	0.1%	0.1%	0.1%	0.1%
Taxes on products	11.6%	0.1%	0.3%	0.4%	0.7%	0.8%
Subsidies on products	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
GDP at market prices	100.0%	9.3%	7.8%	6.6%	6.4%	5.4%

Source: MEPI, MOF and R&Z

3.12.2 Prices

The Plan will consolidate macroeconomic stability with inflation forecasted to move within the band of 4% to 6% during the plan period.

Table 3.3 shows actual and forecast inflation for period 2010-2015.



Table 3.3: Actual and Forecast Inflation

	CPI	Year-on-Year
2010	104.0	4.0
2011	108.7	4.5
2012	114.1	5.0
2013	120.4	5.5
2014	127.3	5.7
2015	134.9	6.0

Source: MEPI, ZIMSTATS, MOF, RBZ

Inflation Assumptions

The above inflation profile is based on the following assumptions:

- i. Low Inflation in South Africa (major trading partner) – the combination of appreciating rand and lower interest rates and bumper food harvest impacts downward price pressures;
- ii. Low to moderate food prices (food Imports from South Africa);
- iii. Stable International oil prices;
- iv. Excess capacity;
- v. Rise in output of key sectors of the economy such as agriculture, mining, manufacturing and tourism over the medium term;
- vi. Stable macroeconomic environment;
- vii. Steadily growing business and investor confidence;
- viii. Anticipated rationalisation of utility prices; and
- ix. Anticipated lower cost of borrowing.



3.12.3 Fiscal Framework

The Fiscal Framework consolidates the gains achieved thus far under the current cash budgeting and Results Based Management (RBM) system. The Fiscal Framework is an integral of an overall macroeconomic consistency framework.

The fiscal revenue and expenditure estimates below have been generated from the macroeconomic consistency framework and relate expected revenue flows to expenditures over the plan period.

The Fiscal Framework will continue to be guided by the following principles:

i. Prudent Fiscal measures

Prudent fiscal management implies the need to target enhanced efficiency, plug bopholes and minimise leakages. In order to enhance financial management, increase fiscal space and particularly to create room for increased and smooth management of infrastructure capital spending, there is need to reconfigure monthly cash management practice to average quarterly management system.

ii. Efficient Tax Administration

The MTP envisages the implementation of comprehensive Tax Reforms to improve tax administration efficiency and broadening the tax base. Such tax reforms include the review of the Income Tax Act, Mining Taxation, among others. Tax reforms will also encompass simplification of the tax structure for optimum revenue collection.

iii. Public Expenditure Reform

Public spending will be reformed at the legal, institutional, strategic and operational levels. At the strategic level, this will include identifying core and priority programmes while eliminating unproductive and low priority services. This will be achieved through the civil service payroll and skills audits that will ascertain the current public service strength. Based on the findings, the Government will establish skills inventory, identify critical skill deficiencies and institute necessary



capacity building initiatives to close identified skills gaps. The Human Capital website developed by the Ministry of Higher and Tertiary Education will augment efforts in this regard and attract diaspora skills

At the operational level, this will involve enforcing improved management techniques across the public sector by increasing managerial autonomy and introducing performance contracts in the context of results based management systems. This will necessitate:-

- Realignment of employee levels;
- Deployment in line with Government priorities;
- Provision of demand driven training to enhance stock of productive skills; and
- Technical knowledge in response to the needs of the economy.

Government will also pursue programmes targeted at skills retention that include in-service training, enhanced professionalization of the civil service, career development programmes, and improvement of salary and non salary benefits.

At the legal and the institutional level, the Public Finance Management Act will facilitate direct budget support from the development partners. Competitive tendering will further be developed, including the contracting out of non-core services to the Private Sector and the application of market driven systems for Government procurement and service delivery. The Government will pursue a number of interventions aimed at harmonizing the Public Service Act and labour laws.

3.13 Expenditure switching to capital and infrastructure

In the medium term there will be deliberate switch of expenditure from recurrent to capital and infrastructure development. It is envisaged that allocation of resources will be skewed in favour of capital expenditure over the plan period. The current situation where recurrent expenditures consume over 90% of the entire budget is unsustainable.



3.13.1 Capital expenditure

In the initial phase, the bulk of Government expenditure will be recurrent. The Plan envisages increasing capital expenditure from about 5% of GDP in 2011 to at least 8% of GDP by 2015. Significantly, the MTP also envisages increased private sector participation and partnership with Government on Infrastructure development and investment projects. Initiatives including PPPs, PPIs and PIPs will be prioritised, working closely with both the fiscal authorities and Line Ministries. The MEPIP has created a desk to ensure that all capital projects are properly co-ordinated. The PSIP desk will work closely with the Ministry of Finance in co-ordinating and funding all national projects falling under the PSIP and PPP frameworks.

3.13.2 Recurrent Expenditure

Recurrent expenditure has been the major contributor to total expenditure. The Plan envisages material and significant reduction in recurrent expenditure as a proportion of GDP from the current levels of about 27.7% of GDP in 2010 to about 22.9% of GDP by 2015.

Rationalisation of the Civil Service and the findings of the Payroll Audit will be implemented during the Plan period. The process will allow Government to streamline the civil service, remove ghost workers if any and rationalisation of the wage bill as a percentage of the GDP. The payroll audit will be extended to cover audit of payment of pensions to rationalize pension expenditures.

3.14 Public Enterprise Transformation

Over the Plan period, an evaluation of all key Public Enterprises (PEs) will be undertaken with a view to rationalizing their functions as well as other time-framed reforms. The three broad strategies to be pursued are:-

- i. **Commercialisation** which will focus on cost recovery and reduction, corporatization, innovation, commercial awareness, adaptability to the market and viability;
- ii. **Restructuring** which will focus on rationalization, recapitalization, unbundling, concessioning, management contracts, debt management, leasing, strategic alliances, unlocking shareholder value, entering into PPPs, Joint Ventures and improving conditions of service, etc; and
- iii. **Privatization** which will focus on strategic partnerships, joint venture partnerships, listing on the Zimbabwe Stock Exchange, disposal of shares to employees/management and outright disposal of the entity.

The Government will undertake an evaluation exercise that will provide the basis for optimal decisions with regard to commercialization, restructuring, and privatization. The line ministries co-ordinated by the Ministry of State Enterprises and Parastatals will come up with a timeframe and an implementation plan.

The evaluation exercise will prioritise the following entities: Zimbabwe Electricity Supply Authority (ZESA), Hwange Colliery, National Railways of Zimbabwe (NRZ), Grain Marketing Board (GMB), National Oil Company of Zimbabwe, (NOCZIM), Air Zimbabwe, Zimbabwe National Water Authority (ZINWA), Agricultural Rural Development Agency (ARDA), Mining Affairs Board, Zimbabwe Mining Development Corporation (ZMDC) and Zimbabwe Tourism Authority (ZTA).

3.15 Debt Management Strategy

3.15.1 External Debt

The total external debt amounts to US\$8.8 billion comprising arrears of \$6 billion and SDR of \$510 million from IMF where it is composed of Government, public enterprises and Private Sector debt. Debt classified by creditor is as follows:-



Table 3.4: External Debt by Creditors as at March, 2011

CREDITOR	AMOUNT (US\$)
Multilateral Institutions	2.7 billion
Bilateral	3.0 billion
Private Sector	1.1 billion
Other	2.0 billion
TOTAL	8.8 billion

Source: R&Z and MOF

3.15.2 Domestic Debt

The Reserve Bank incurred domestic debt of US\$1.5 billion primarily through its failure to meet the obligations of entities that had funds taken from the FCA accounts. This debt consists of Gold Bonds and Foreign Currency Accounts (FCAs). The Gold Bonds have been rolled over.

3.15.3 Debt Clearance Strategy

Under the MTP, Government will engage the international community for the necessary support in tackling the country's external debt. This engagement will, *inter-alia*, entail:

- i. A strategy that will yield the needed debt relief, create opportunities for unlocking requisite resources for economic growth and development, and ensure that the country's expenditure priorities in particular social expenditures are not compromised;
- ii. Implementing a holistic and comprehensive debt and arrears clearance strategy which normalizes Zimbabwe's relations with its main creditors in order to send positive signals to domestic and foreign investors; and



- ii. A hybrid strategy which will combine debt forgiveness and rescheduling together with the use of resources to mobilize funding for development. The MTP will ensure that repayment will not be undertaken at the expense of meeting the much needed social expenditure or future development needs.

3.16 Balance of Payments

3.16.1 Current Account

The MTP initiatives are forecast to improve the overall balance of payments of the country with a current account balance (as % of GDP) projected to improve from -11% in 2011 to -3% in 2015.

The current account improvement is premised on both exports growth in response to investment and GDP growth as well as increasing inflows of current unrequited transfers. High unrequited transfers in the initial years of the Plan reflect high donor humanitarian assistance as part of the current transition. As the economy improves progressively, diaspora inflows will also increase steadily as Zimbabweans abroad seek to position themselves within the context of a growing economy. Engagement with the diaspora community will be intensified during the Plan period. Table 3.5 shows the Balance of Payments.



Table 3.5: Balance of Payments Summary 2011 – 2015 (USD Million)

	2011	2012	2013	2014	2015
CURRENT ACCOUNT (excl. official transfers)	-858.6	-674.7	-570.0	-344.4	-371.3
TRADE BAL f.o.b	-1189.5	-958.3	-802.2	-568.3	-568.8
Exports f.o.b	2357.1	2640.7	2972.3	3407.7	3614.8
Imports f.o.b	3546.7	3599.0	3774.5	3976.0	4183.7
NON FACTOR SERVICE(Net)	-62.8	-68.6	-93.0	-110.2	-140.6
INCOME(Net)	-204.1	-204.9	-227.3	-238.1	-249.1
Other Income (Net)	-90.6	-96.4	-99.7	-104.2	-108.8
PRIVATE TRANSFERS(Net)	597.8	557.1	552.5	572.2	587.3
CAPITAL ACCOUNT (Incl. Official Transfers)	470.5	484.7	630.3	836.4	963.4
Grants	210.0	215.0	215.0	216.0	217.0
Direct Investment (Net)	98.0	95.0	105.0	190.0	200.0
Portfolio Investment (Net)	108.0	105.0	70.0	85.0	85.0
Long Term Capital (net)	-21.3	0.5	161.8	275.9	380.9
Government	-93.8	-66.1	36.7	61.1	83.3
Public Enterprises	38.4	57.5	-6.9	85.1	182.6
Private Sector	34.1	9.1	132.0	129.7	115.0
Short term capital (net)	91.8	69.2	78.5	69.5	80.5
Government	0.0	0.0	0.0	0.0	0.0
Public Enterprises	0.0	45.0	46.0	47.0	48.0
Private	129.2	34.2	42.5	27.5	37.5
Change in DMOs NFA	-37.4	-10.0	-10.0	-5.0	-5.0
Overall Balance	-388.2	-190.1	60.2	492.0	592.1
Financing	388.2	190.1	-60.2	-492.0	-592.1
Exceptional Financing	421.7	0.0	0.0	-20.0	-35.0
Accumulation of External Payment Arrears	421.7	0.0	0.0	-20.0	-35.0

Source: R82, MEPIP, MOF

The MTP projects imports growth to rise in tandem with nominal GDP growth, reflecting the economy's recovery and expansion. Exports are forecast to increase at a faster rate than growth in the rest of the economy reflecting the dominance of the mining sector. Over 95% of mining sector output is exported. The expected transformation of the national economy, improved business climate and opportunities arising from regional

markets will drive the increase in manufactured exports. Export led growth will be critical in our economic trajectory during the Plan period.

3.16.2 Key Measures to Achieve Export Targets

To achieve the export targets, the following measures will be put in place:-

- i. Improving competitiveness by lowering the cost of production and transaction costs;
- ii. Maintaining macroeconomic stability;
- iii. Investment in new technologies;
- iv. Diversification of the export basket and new markets developments;
- v. Strategies for SMEs growth and development with an export bias; and
- vi. Regional integration and expansion into regional markets in the context of deeper regional integration within SADC and COMESA.

3.16.3 Capital Account

The capital account is forecast to improve over the medium term reflecting, in the main, Government's visible and aggressive investment promotion drive as well as new capital flows. Capital inflows are expected in respect of FDIs in critical areas of the economy including mining, agriculture, infrastructure development and ICT among others. Portfolio investment is also projected to increase steadily reflecting improved business confidence and greater integration with the global economy.

The MTP envisages a rise in diaspora inflows in tandem with rising levels of private consumption and investment. The MTP is premised on greater engagement with the international community with enhanced potential to unlock critical lines of credit. Resumption of normal relations with the international financial institutions will also assist in reducing the risk perception and hence greater access to international capital markets. The Plan envisages and prioritises dominant role of investment as the major determinant for sustained growth.



3.16.4 BOP Financing

The MTP envisages the current account balance improving from -11% of GDP in 2011 to -3% by 2015. During the Plan period the capital account balance will steadily improve from US\$470.5 million in 2011 to US\$963.4 million by 2015. The current and capital account balances imply a negative overall balance of payments amounting to US\$388.2 million in 2011 improving to a surplus of US\$592.1 million in 2015. The deficits will be financed through usage of reserves and engagement of international development partners.

3.17 Key Macroeconomic indicators

Table 3.6 Key Macroeconomic Indicators (USD Million)

	2011	2012	2013	2014	2015
GDP m.p. Current Prices	8998	9959	11297	12711	14195
GDP at Constant Prices	7481	8061	8591	9141	9630
GDP per capita	724	797	900	1008	1121
CPI Inflation (Annual Average %)	4%	5%	5%	6%	6%
Final Consumption	8818	9461	10393	11440	12350
Central Government Consumption	1611	1743	1921	2161	2413
Private Consumption	7207	7718	8473	9279	9937
Total Investment	1432	1525	1799	1950	2555
Central Government Investment	455	602	734	890	1136
Private Investment	978	923	1065	1060	1419
Private Domestic Savings	119	248	495	715	1048
Exports of Goods and nonfactor services	2790	3082	3421	3868	4081
Imports of Goods and nonfactor services	4042	4109	4317	4547	4790
Gross National Disposable Income	9392	10311	11622	13045	14533
Private Disposable Income	7327	7966	8967	9994	10985
Income Absorption Gap	- 859	- 675	- 570	- 344	- 371
Population (Millions)	12.42	12.492	12.554	12.61	12.662

Source: MEPIF, MOF and RBZ

3.18 Aid Architecture

3.18.1 Introduction

The Aid Coordination Policy, which lays out the Aid Architecture, was launched in May 2009. Consequently the Government Development Forum (GDF) was established as a platform for promoting dialogue between Government and Development Partners as well as minimising duplication and aligning aid with national development plans and priorities in line with the Paris declaration.

Inflows of grants for direct budget support are expected to be low during the early part of the Plan period reflecting the effect of reduced donor support. However, the budgetary resources will be complemented by resources from the Official Development Assistance (ODA) to be accounted for in the Vote of Credit in accordance with Government's Aid Coordination Policy. The anticipated ODA inflows as Government pursues re-engagement efforts will be channelled towards programmatic budget support.

In the interim the international community is likely to continue with humanitarian assistance. However, efforts will be made to ensure these resources are channelled through the national budget.

3.18.2 Policy Objectives

- i. To align aid with national development programmes and priorities;
- ii. To re-orient aid from humanitarian to development assistance; and
- iii. To increase amount of resources being channelled by development partners through the national budget.

3.18.3 Policy Targets

- i. To align 100% humanitarian assistance to national priorities by 2012;
- ii. To align 50% of development aid to national priorities by 2015;
- iii. To have 80% of aid channelled through the national budget 2015; and
- iv. To evaluate and review Aid Coordination Policy by 2012.



3.18.4 Policy Measures

- i. The thrust of Government during the plan period is to reduce donor dependence and strengthen co-operation with Regional Economic Communities, including the implementation of Regional Projects and Programmes;
- ii. The Government of Zimbabwe will continue to implement the policy of re-engagement which seeks to normalize relations with regional, bilateral and multilateral partners so as to unlock humanitarian assistance as well as development assistance including balance of payments support; and
- iii. Review and strengthen implementation of the Aid Co-ordination Policy especially with regards to the modus operandi of the Government Development Forum (GDF).

3.18.5 National Programmes and Projects

- i. Coordinate Government Development Forum;
- ii. Facilitate Re-engagement dialogue; and
- iii. Partner Zimbabwe campaign.





CHAPTER 4 KEY ECONOMIC ENABLERS



4 KEY ECONOMIC ENABLERS

Introduction

Infrastructure in Zimbabwe has deteriorated significantly over the past decade, resulting in lack of sufficient and reliable infrastructure services across all sectors thus constraining the recovery of the economy. The deterioration has been caused primarily by unsatisfactory corporate governance of public infrastructure entities in general, inadequate financial resources for regular repairs and maintenance, skills flight and lack of an enabling environment for expansion.

In light of the fact that most of the infrastructure has since exceeded their economic lives, the need for rehabilitation and replacement is paramount. The capital budget complemented by innovative Private Sector driven initiatives including PPPs arrangements will strive to create the basic infrastructures that guarantee basic services delivery to both Industry and domestic users as a catalyst for economic growth. In the initial phase of the MTP, emphasis will be more on rehabilitation and improvement of existing infrastructure and completion of outstanding projects, before commencing new projects.

For the MTP, a robust infrastructure is a key enabler for economic recovery, growth and transformation. The infrastructure priorities are: Energy, Water and Sanitation, Transport, Housing and Construction, Information, Communication and Technology (ICTs); Science, Technology and Innovation and SME Infrastructure.

The key objective of the Plan with respect to enablers is to restore basic services and to provide an efficient and reliable Infrastructure network to facilitate smooth business and social operations, stimulate economic growth and socio-economic development. An efficient infrastructural network and service delivery is critical for Zimbabwe to achieve global competitiveness. In this regard, Government will develop a National Infrastructure Development Master Plan by 2011 which will guide the development of a world class



infrastructural base for the economy. A rigorous audit of the nation's infrastructural assets will be undertaken as an initial step to the development of the infrastructure master plan.

In the initial years of the Plan, priority will be given to urgent rehabilitation needs which have high economic and social impact ahead of new projects. On new projects, an inventory of all stalled projects will be made and these will be prioritized for completion. Infrastructure projects which have an impact on regional integration to promote intra-regional trade and cross border investment will be considered in the context of SADC and COMESA programmes.

The Government will invite the Private Sector to become an important partner either in PPPs or in independent projects, commission sectoral projects in the areas of electricity, transport, water, and ICT. The PPPs will be effectively facilitated and promoted with the implementation arrangements guided by a transparent and competitive process. This will tap into financial resources and expertise from the Private Sector for the rehabilitation and development of key infrastructure projects outlined in this Plan.



4.1 ENERGY

4.1.1 Introduction

The availability of adequate and reliable energy is critical for the attainment of economic recovery, growth and transformation. The commercial energy industry is dominated by electricity, while wood fuel provides energy for domestic use mainly in the rural communities and urban poor. Electricity supply is a key determinant for output across all industries of the economy, in particular, mining, manufacturing and agriculture. Persistent power outages over the past years have contributed to continual economic decline. If this problem is not addressed it will be difficult to achieve the envisaged growth rates. The MTP will ensure that the energy sector does not restrict economic development but fully supports economic development as an enabler.

Zimbabwe's total installed capacity amounts to 1,960 MW and national demand is approximately 2,200 MW although the above output has not been realised over the past decade as indicated in Table 4.1.

Table 4.1 Average Daily Electricity Output MW/hr (1996- 2010)

Year	Average daily production	Imports	Average total electricity
1996	833	458	1291
1997	833	458	1291
1998	751	562	1313
1999	809	602	1411
2000	799	582	1381
2001	905	488	1393
2002	980	458	1438
2003	1004	399	1403
2004	1109	290	1399
2005	1072	351	1423
2006	888	484	1372
2007	852	335	1187
2008	853	196	1049
2009	838	235	1073
2010	947	209	1156

Source: ZESA



However, it is important to note that for the period, 2003 to 2005 the daily average local electricity generation was above 1000 MW.

The current electricity generation is approximately 63% of installed capacity with part of the shortfall met by imports. The operational power stations and the amounts of electricity generated are shown in the Table below:-

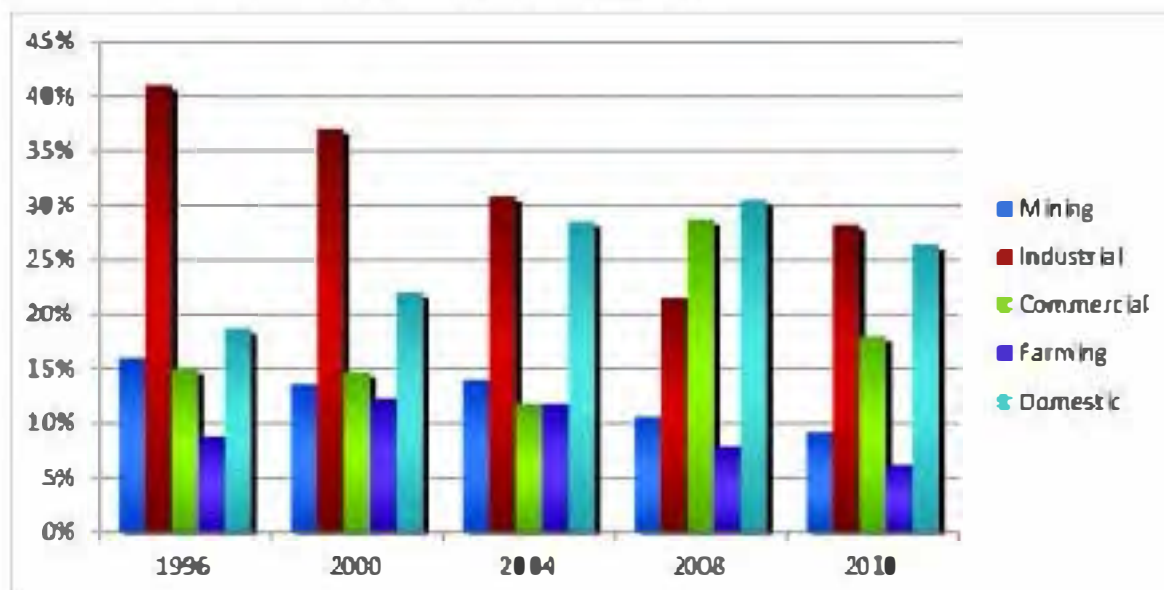
Table 4.2: Electricity Generation as of March 2011

Power Station	Type	Installed Capacity (MW)	Current Generation (MW)	Current Generation (%)
Kariba	Hydro	750	710	95
Hwange	Thermal	920	524	57
Harare	Thermal	100	20	20
Bulawayo	Thermal	90	25	28
Munyati	Thermal	100	40	40

Source: ZESA and MEPD

With regards to the consumption of electricity, by 2008, electricity consumption patterns had shifted with domestic users consuming more energy than commercial users due to the reduced economic activity. With the recovery of the economy, this pattern has changed see Figure 4.1.

Figure 4.1 : Sectoral Electricity Consumption



Source: ZESA



To sustain GDP growth In the medium term both rehabilitation of existing capacity and new investment in the energy sector through independent power producers (IPPs) is required. Restoring full capacity to 1,960MW will require rehabilitation of the Hwange Thermal Power and the smaller thermal units to full capacity.

The first two years of the MTP will ensure that Kariba and Hwange power stations are restored to full capacity and that all small thermal power stations are operational. As indicated in Table 4.3 below:

Table 4.3: Projected Electricity Generation

Power Station	Capacity Installed	2011	2012	2013	2014	2015
Kariba	750	750	750	1000	1050	1050
Hwange	920	780	920	1200	1520	1520
Harare	100	40	40	60	100	100
Bulawayo	90	40	60	80	90	90
Munyati	100	40	60	80	100	100
Total	1960	1650	1830	2420	2860	2860

Source: MEPIP

4.1.2 Challenges and Constraints

The challenges faced in the generation and distribution of electricity includes the following:

- i. Billing and collection;
- ii. Lack of financial resources;
- iii. Aged and obsolete equipment and poor state of infrastructure;
- iv. Operational challenges including undercapitalization compounded by debt-ridden financial positions;
- v. Inadequate specialized skills and tools required for planning and forecasting energy needs;
- vi. High cost of rural electrification through grid extension and due to the



- scattered nature of settlements; and
- vii. Theft and vandalism of infrastructure.

4.1.3 Policy Objective

To restore and increase power generation capacity to meet national demand for the attainment of economic recovery and growth and for export in the region.

4.1.4 Policy Targets

- i. Restoration of generation capacity at Hwange to installed capacity by 2012;
- ii. Lease of small thermals to increase electricity supply by 290MW by 2011;
- iii. Installation of prepaid meters by 2012; and
- iv. Institute demand side management to savings of up to 300MW by 2013.



4.1.5 Policy Measures

Legal and Regulatory Measures

The Plan will work on the following legal and regulatory measures to facilitate investments in the energy sector in order to achieve the set targets:-

- i. Review of the legal and regulatory framework governing the energy sector and adoption of the Draft Energy Bill that will pave way for the liberalisation of the sector;
- ii. Strengthening of the energy regulator to deal with setting of viable electricity tariffs and the regulation of independent power producers and consumers;
- iii. Institute stiffer penalties to the whole chain of offenders through the review of the existing legislation against theft and/or vandalism of national assets; and
- iv. Establish legislation to enforce environmental impact certification for all infrastructure projects before project commencement.

4.1.6 Measures to Promote Investment

- i. Setup of an independent Energy Regulatory Board;
- ii. Implement cost reflective tariffs to ensure sustainability. This will be complemented and matched with quality service delivery;
- iii. Review the systems and processes within commercial operations to enhance billing, revenue collection, cash management and customer service;
- iv. Leasing of the small thermal power stations to the Private Sector for their direct consumption to increase productivity or for sale to other consumers/utilities;
- v. Explore various technologies and support appropriate investments, including providing for the necessary incentives for the promotion of Low Carbon Economy (LCE), e.g. renewable energy technologies in solar and wind energy. These will include reduction of import duties, as well as provision of other tax incentives;



- vi. Continue to explore the viability and capacities to produce LCE renewable energy alternatives: bio fuels which are environmentally friendly and have potential to reduce high dependence on fossil fuel energy generation and imports. Viability of these projects will also be beneficial to farmers who produce bio fuels feedstock;
- vii. Eliminate the market for stolen equipment (such as cables, transformers, metres) through enforcement of good corporate governance (provision of key economic, cultural, institutional and information conditions) and surveillance by utilities and law enforcement authorities; and
- viii. Create an enabling environment for a competitive power market through the participation of IPPs.

4.1.7 National Programmes and Projects

- i. Installation of prepaid metres for all electricity consumers to enhance the billing and collection system;
- ii. Rehabilitation of Hwange Power Station and regular maintenance of Kariba Power Station;
- iii. Rehabilitation of the National Grid and the Transmission and Distribution Network;
- iv. Leasing and rehabilitation of the three small thermal power stations in Harare (100MW); Bulawayo (90MW) and Munyati (100MW);
- v. An aggressive Demand Side Management programme (DSM) to enhance efficient use of power savings (300MW);
- vi. Mini hydro power plants to supplement supply to mini grids in rural communities;
- vii. Revamping of the rural electrification programme;
- viii. Promoting use of solar energy including solar geysers;
- ix. Promotion of the generation and use of renewable energy including installation of mini solar grids systems and generation using biogas;
- x. Promotion of the local manufacture of transformers, prepaid meters and other spares;



- xi. Expansion of Hwange Thermal Station (600MW), and Kariba South Hydro Power Station (peak power 300MW);
- xii. Development of a greenfield project - Batoka Gorge (1,600MW);
- xlii. Development of Sengwa coal and Lupane gas projects during the Plan period; and
- xiv. Examine the possibility of generating electricity through nuclear energy.



4.2 THE LIQUID FUEL SECTOR

4.2.1 Introduction

Zimbabwe imports all of its liquid fuel requirements and the estimated monthly demand (litres) with the economy at its peak for diesel, petrol and jet fuel was 105 million, 90 million and 15 million litres respectively with transport and agricultural sectors consuming 60%.

4.2.2 Challenges and Constraints

- i. Aged equipment and poor state of infrastructure; and
- ii. Undercapitalization compounded by debt-ridden financial positions.

4.2.3 Policy Objectives

- i. To ensure adequate supply of fuel for both domestic and industrial use; and
- ii. To produce and use bio fuels.

4.2.4 Policy Targets

- i. Establish an independent regulator by 2011;
- ii. Increase production and use ethanol blend and bio-fuels by 2012;
- iii. Beira pipeline capacity utilisation to be over 90% by 2011; and
- iv. Strengthening of the Independent Regulator.

4.2.5 Policy Measures

- i. Restructure NOCZIM to eliminate conflict of roles/interests by separating service provision and operating the infrastructure;
- ii. Effective importation of liquid fuels will be implemented by ensuring that all petroleum products are brought into the country by rail and through the Beira pipeline;
- iii. Promote production and use of renewable energy including ethanol blending and bio-diesel production; and



- iv. Enforce environmental impact certification for all infrastructure projects before commencement.

4.2.6 National Programmes and Projects

- i. Rehabilitation of Feruka Oil Refinery Plant;
- ii. Increased use of the oil pipeline as hub for SADC region ;
- iii. Construction of crude oil pipeline;
- iv. Construction of Jet A1 dispensing facilities at Harare International Airport;
- v. Promote production and use of renewable energy including ethanol blending and bio-diesel production; and
- vi. Conversion of coal to liquid fuel.



4.3 TRANSPORT AND COMMUNICATION

Introduction

The Government recognises transport infrastructure as a pivotal vehicle to economic growth as it plays a critical role in socio-economic development through the movement of goods and passengers. The transport sector facilitates economic activities and access to local, regional and international markets. Zimbabwe is strategically positioned to provide a gateway to markets within the SADC region.

The transport network comprises roads, rail and air with the public sector as the main provider of the infrastructure services, given the historical minimal participation of the Private Sector in the provision of infrastructure.

The communication section sector is regulated by the Postal and Telecommunication Regulatory Authority of Zimbabwe (POTRAZ). The deregulation of the Communication industry resulted in the issuing of licenses to several players and currently there is one fixed telephone operator and 3 mobile telephone operators operating in the 900-1800MHz band with subscribers above 5 million.

During the Plan period, Government will ensure viability of State Enterprises such as Net One, Tel One and Zimpost

4.3.1 Roads

4.3.1.1 Introduction

The general condition of roads has deteriorated due to inadequate funding for regular maintenance. During the Plan period, rural roads will be the primary responsibility of Government while other major roads will largely be developed through PPPs. The rehabilitation and maintenance of major trunk roads commenced in 2009 and is ongoing. The Government introduced toll gates in August 2009 which are facilitating the mobilization of resources for rehabilitation and maintenance of the road network.



4.3.1.2 Challenges and Constraints

- i. Lack of repairs and maintenance for trunk, rural and urban road networks due to financial constraints;
- ii. Destruction of roads by overloaded heavy goods vehicles;
- iii. Skills flight;
- iv. Long project roll out lead times;
- v. Lack of an integrated approach in transport policy formulation;
- vi. High rates of accidents; and
- vii. Inadequate funding for projects.

4.3.1.3 Policy Objectives

- i. To have a well developed trunk road network; and
- ii. A well developed and maintained rural and urban road network.

4.3.1.4 Policy Targets

- i. Putting in place legislation Framework for PPPs;
- ii. Dualisation of the Belbridge to Chirundu road by 2015;
- iii. Pot holes repaired on urban roads by 2013;
- iv. Well maintained rural roads by 2012; and
- v. Enhance maintenance performance of rural access roads by 2012.

4.3.1.5 Policy Measures

- i. Finalize and adopt the draft National Transport Policy to facilitate the development of an integrated transport system;
- ii. Long term planning and development of the transport service to optimise resource use and to ensure various transport modes complement each other;
- iii. Harmonize management of roads to avoid overlaps and gaps amongst the responsible institutions, i.e. Department of Roads, Rural District Council, Urban Council and District Development Fund;



- iv. Establish an Independent Border Posts Authority through legislation for managing, administering and regulating all the land ports at the border ports country-wide;
- v. Zimbabwe National Road Authority (ZINARA) to execute its functions as defined by the Road Act; and
- vi. Develop and adopt environmental best practice for road development and management.

4.3.1.6 National Programmes and Projects

- i. Rehabilitation and maintenance of the existing road networks in both rural and urban areas. Community participation in road maintenance in rural areas through public works programmes which are properly planned, implemented and monitored;
- ii. Rehabilitation of rural roads by Government to ensure access to markets and other development needs;
- iii. Upgrading of Regional Trunk Road Network (RTRN) to develop Zimbabwe into a regional hub. The first project will be the dualisation of the Beira-Harare-Chirundu road (935 km) through PPPs commencing 2011;
- iv. Rehabilitation of bridges;
- v. Construction of tollgates infrastructure and introduction of a computerized accounting system for accountability and effective monitoring of the funds;
- vi. An effective National Road Safety Programme with transport safety and security regulations to reduce the incidences of road accidents, loss of lives and property and their impact on the economy;
- vii. Road network expansion in both urban and rural areas;
- viii. Promotion of the Rural Fleet Renewal programme for the renewal and refurbishment of old buses by the Private Sector through the provision of incentives; and
- ix. Commence the development of corridors, e.g. the Harare-Mutare-Beira and Harare-Nyamapanda-Changara.



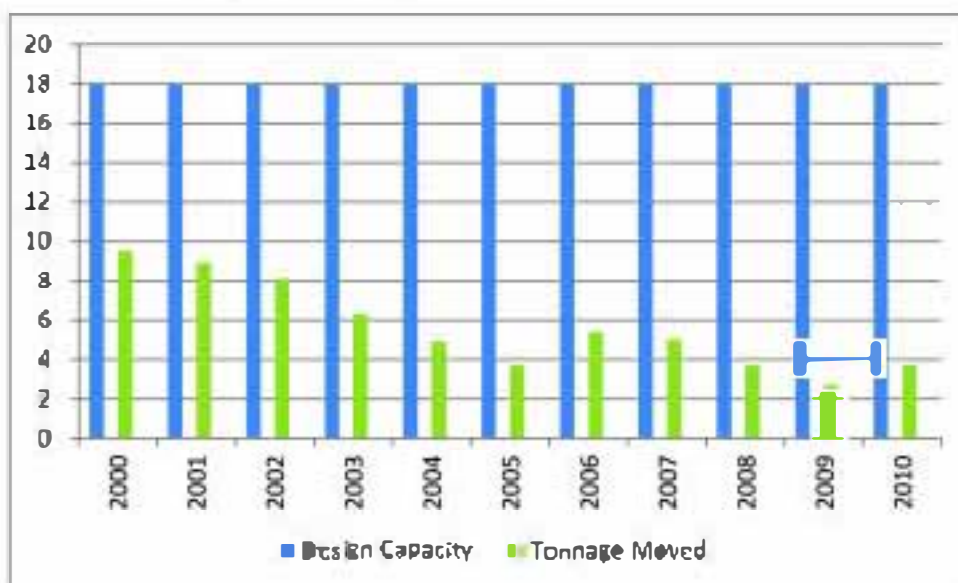
4.3.2 Rail

4.3.2.1 Introduction

The rail network is critical for economic recovery and development as it connects all major economic centres providing transport for bulk raw materials, finished goods and passengers. The rail track infrastructure, signalling and telecommunication system has deteriorated due to theft and lack of regular repairs and maintenance resulting from financial constraints.

The rail network covers 3,077km of which 318km is concessioned to Bulawayo-Beltbridge Railway (Private) Limited. Of the 2,759km maintained by the public sector through the National Railways of Zimbabwe, only 313km (Dabuka to Harare) was originally electrified, but it has since been vandalized and will need to be restarted from scratch. This, coupled with reduced economic activity has negatively impacted capacity utilization as shown in Figure 4.2 below:-

Fig 4.2: Rail Capacity Utilisation (2000-2010) in millions



Source: NRZ

NRZ's designed capacity is to move a tonnage of 18 million annually. Between 1995 and 1999 NRZ managed to move an average of 12 million tonnage annually. However, from 2000 to 2010 there has been a sharp decline that has seen movement of an average of 5 million tonnage owing to a number of challenges and constraints in NRZ.

There has been a massive deterioration of traction and rolling stock assets in NRZ. This emanated from inadequate maintenance and non-replacement of obsolete assets resulting in low availability of rolling stock as indicated in table 4.5 below.

Table 4.5: Rolling stock as at 2010

Asset	Total number of Assets	Functional Assets	Functional as a percentage
Locomotives	168	55	33%
Wagons	8,682	4,646	54%
Coaches	315	117	37%

Source: NRZ

4.3.2.2 Challenges and Constraints

The challenges faced by the sector include the following:

- i. Dilapidated rail infrastructure;
- ii. Theft and vandalism of signalling and telecommunications systems;
- iii. Skills flight in key positions;
- iv. Obsolete equipment and locomotives, coaches and wagons;
- v. Ineffective safety programmes; and
- vi. Absence of a regulator.



4.3.2.3 Policy Objective

Have a functional and robust rail track infrastructure.

4.3.2.4 Policy Targets

- i. Remove cautions from the rail track by 2011;
- ii. Restore signalling system by 2012;
- iii. Introduce a multi-user system by 2011;
- iv. Establish an independent Regulatory Authority by 2011; and
- v. Expand the railway by construction of new links and new lines by 2015.

4.3.2.5 Policy measures

- i. Review the regulatory framework governing railway transport and establish an independent Regulatory Authority;
- ii. Pursue strategic partnerships;
- iii. Concessioning of sections of the track;
- iv. Establish a separate body to own/operate infrastructure while rail services are opened up to a number of sector players for a fee; and
- v. Introduce a National Rail Safety Programme with transport safety and security regulations.

4.3.2.6 National Programme and Projects

- i. Rehabilitation of the existing rail track infrastructure, signalling and telecommunications systems and recovery of track cautions;
- ii. Increasing the availability of locomotives, coaches and wagons;
- iii. Rehabilitation of NRZ through PPP programmes; and
- iv. Rail infrastructure expansion programme including construction of new links and new lines to provide shorter routes to/from the seaports to develop Zimbabwe into a viable and efficient regional hub.



4.3.3 Air

4.3.3.1 Introduction

The country has three international airports, Harare International Airport, Joshua Mqhabuko Nkomo International Airport in Bulawayo, and Victoria Falls Airport. There are also domestic airports and airstrips that could be further developed in areas such as Masvingo, Hwange, Mushumbi Pools, Bumi Hills, Buffalo Range, Kariba, Gweru and Mutare. The country has more than 200 privately-owned airstrips/aerodromes countrywide. The Civil Aviation Authority of Zimbabwe (CAAZ) is the regulator, custodian and manager of the aviation infrastructure and provides air traffic control services.

The national state-owned airline, Air Zimbabwe, is the provider of cargo and passenger services with a total fleet of eight aircrafts, of which five have been in use for longer than the 15 years industry average, resulting in high cost maintenance and fuel consumption.

There is an urgent need for a strategic partner for the recapitalisation, rehabilitation and efficient management of the national airline to achieve competitiveness. Most national airlines world over have either been privatised or have invited private sector strategic partners to improve efficiency and international competitiveness.

4.3.3.2 Challenges and Constraints

The sector is characterized by a number of challenges including:

- i. Skills flight;
- ii. Lack of funds for maintenance, rehabilitation and replacement of aged fleet;
- iii. Lack of state of the art terminals and obsolete equipment and facilities;
- iv. Lack of an Independent regulatory authority; and
- v. Debt overhang resulting in limited lines of credit.



4.3.3.3 Policy Objectives

- i. To provide reliable air transport; and
- ii. To develop a regional hub.

4.3.3.4 Policy Targets

- i. A viable and reliable national airline by 2012; and
- ii. Increase number of airlines into Zimbabwe to 40 by 2015.

4.3.3.5 Policy Measures

- i. Engage a strategic partner for Air Zimbabwe;
- ii. Upgrade and rehabilitate all airports;
- iii. Formulate and implement the Civil Aviation Policy Framework;
- iv. Restructure CAAZ into an independent Regulatory Authority;
- v. Implement the Open Skies Policy fully to ensure provision of an efficient and modern air transport system;
- vi. Make Harare International Airport a viable hub for African airports connections; and
- vii. Develop and adopt environmental best practice for aviation with focus on aviation impact on climate change.

4.3.3.6 National Programmes and Projects

The following programmes will be implemented under the Airports Infrastructure Development and Equipment Modernisation Programme:

- i. Rehabilitation of Harare International Airport runway;
- ii. Completion of the JM Nkomo terminal building;
- iii. Modernization of air navigation equipment for all airports; and
- iv. Replacement of air terminal meteorological equipment.



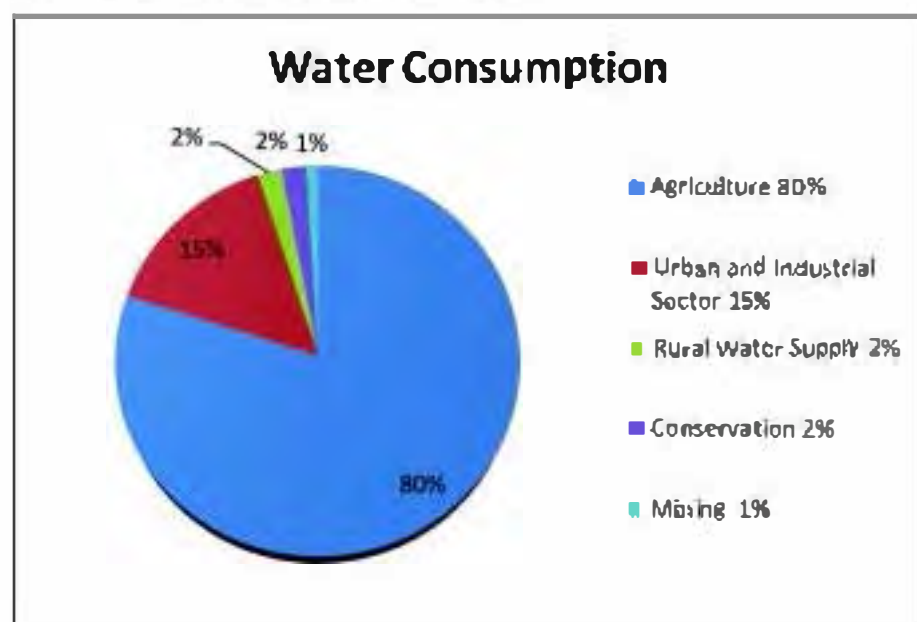
4.4 WATER AND SANITATION

4.4.1 Introduction

Zimbabwe's water supply and sanitation services have deteriorated due to persistent droughts that have resulted in a severe strain on both surface and underground water. This has been exacerbated by aged infrastructure and lack of repair and maintenance services due to financial constraints. In addition, population growth and continued rural and urban migration has put pressure on the already strained infrastructure.

The erratic water supplies resulted in a decrease in industrial production and a nationwide cholera epidemic which claimed over 4,000 lives and affected over 100,000 people in 2008. The current water capacity utilization is about 63% of installed capacity and the consumption distribution is as follows:

Figure 4.3: Water Consumption



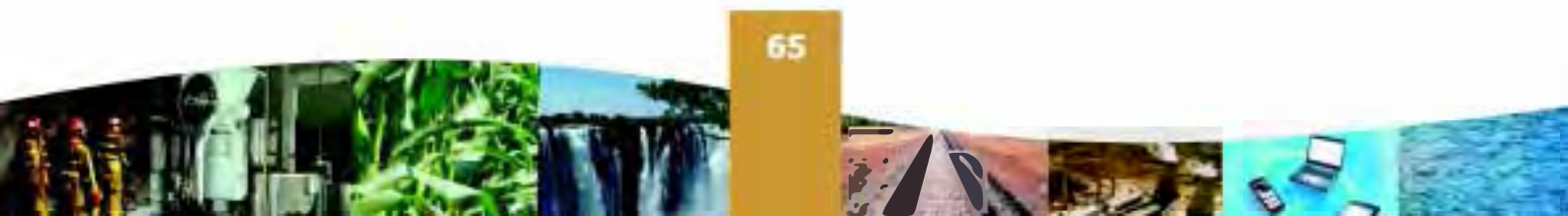
Source: MWRD

In urban areas, small towns and growth points, safe coverage levels for water and sanitation are around 90%. However, access to safe and reliable water and sanitation has fallen to levels of around 40-60%.

In rural areas, safe access and coverage levels of water are around 40-50% and about 65% of water facilities are non functional. Access to sanitation has fallen to levels below 25%.

4.4.2 Challenges and Constraints

- I. Aged Infrastructure Including conveyance systems, pumps and burst water pipes resulting in erratic water supplies;
- II. Inadequate water treatment chemicals;
- III. Lack of long term planning regarding urban expansion and resettlement schemes resulting in some new settlements without access to water and sewerage system;
- iv. Lack of adherence to existing legislation and weak policy implementation;
- v. Lack of funding for repairs and maintenance, expansion works and chemicals;
- vi. Skills flight;
- vii. Billing and collection challenges;
- viii. Unpredictable impact of climate change which further exacerbates water shortages; and
- ix. The filling up of toilets, with little/no new investments in the rural areas.



4.4.3 Policy Objectives

- i. Supply adequate and clean water for urban and rural community use;
- ii. Adequate water for irrigation, agricultural and industrial use;
- iii. Efficient Water, Sanitation and Hygiene (WASH) management;
- iv. Improve water conservation; and
- v. Utilise water bodies for hydro electricity schemes.

4.4.4 Policy Target

Halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation.

4.4.5 Policy Measures

- i. Introduce a regulatory framework governing water and enforcement of quality assurance issues;
- ii. Establish an independent Water and Sanitation Regulatory Commission to ensure appropriate pricing of water;
- iii. Review allied Acts such as the Mines and Minerals Act, Urban Councils Act, Rural District Councils Act, Environmental Management Act, and other regulations that govern water and sanitation and synchronize them with the Water Act;
- iv. Review and develop WASH sector policies and strategic plans including understanding impact of programmes on health and nutritional outcomes;
- v. Clarify institutional roles and strengthen institutional capacity for integrated WASH management;
- vi. Promote local manufacture of water treatment chemicals; and
- vii. Carry out regular dam safety inspections and assessments.

4.4.6 National Projects and Programmes

- i. Rehabilitation and upgrading of water and sewerage infrastructure in 2011 in all major towns, small towns and service centres;



- ii. Provision of metres including pre-paid metres for new connections and replacement of non-functional ones by local authorities;
- iii. Rehabilitation of all non-functional water points in rural areas;
- iv. Drilling of boreholes in rural areas;
- v. Construction of latrines in rural areas;
- vi. Completion of Mtshabezi pipeline to increase Bulawayo water supplies commencing 2011;
- vii. Completion of Tokwe Mukosi Dam commencing 2011;
- viii. Construction of Kunzvi Dam commencing 2011; and
- ix. Construction of Gwayi - Shangani Project



4.5 LOCAL GOVERNMENT

4.5.1 Introduction

Zimbabwe boasts of a remarkable local Government system that covers the entire country right down to the village level where the ultimate beneficiary population are found. The strength of the local Government system is the premise of which all development initiatives are built and without a solid foundation, the best and most noble development goals will not be achieved.

There are currently ninety-two (92) local authorities throughout Zimbabwe offering a variety of services, though at a less desirable level. These local authorities have weathered the turbulent economic period and have emerged somewhat battered and bruised. If Zimbabwe is to return to its former vibrancy then a concerted capacity building programme of local authorities is essential during the Plan period.

It is also note worthy those local authorities and traditional leaders operate on delegated powers. It is therefore imperative that the monitoring offices are also reinforced to carry out this obligation for Central Government.

There is currently a regional initiative to mainstream local Government into the Southern African Development Community (SADC) under the Social and Human Development Desk. The rationale behind this is to ensure the realisation of the Millennium Development Goals by all members States as underpinned by vibrant local Government regimes through their implementation at local level.

4.5.2 Challenges and constraints

The following challenges are faced in the local Government sector:-

- i. Financial non viability;
- ii. Obsolete equipment;



- iii. Outdated billing systems and accounting packages;
- iv. Inadequate or non available trunk services;
- v. Aging on site infrastructure; and
- vi. Non compliant internal planning and monitoring systems.

4.5.3 Policy Objective

- i. To enhance service delivery by all local authorities; and
- ii. To capacitate the Ministry to monitor, regulate, facilitate and promote sound local governance.

4.5.4 Policy Target

- i. To restore local authorities to the level of service delivery of 1995 by 2012; and
- ii. To enhance local authority service delivery to optimum levels by 2015.

4.5.5 Policy Measures

The Ministry is in the processing of examining the regulatory framework that governs the local Government sector. This is currently contained in four main Acts with a view to harmonising and modernising the legal environment so as to create a conducive legislative framework within which the various actors would deliver services to the rate payers.

Further to this, the Ministry has identified four areas of intervention:-

- i. Monitoring through Systems Audits undertaken regularly at sub national level and by regular attendance at local authority meetings;



- ii. Regulation through the constant review of the guiding principles;
- iii. Facilitation by creating a conducive environment in which local authorities operate;
and
- iv. Promotion through capacity building of local authorities.

The Ministry will utilise these four methods at all levels of its structures to achieve the desired outcome.

4.5.6 National Projects and Programmes

- i. The harmonisation and modernisation of the legislative framework;
- ii. The recapitalisation of local authorities;
- iii. The capacity building of local authorities;
- iv. The introduction of Results Based Management into local authorities;
- v. The training of councillors and staff;
- vi. The provision of up-to-date manuals on the various council operations; and
- vii. The provision of equipment to the Ministry to undertake its functions and roles.



4.6 HOUSING AND CONSTRUCTION

4.6.1 Introduction

The Zimbabwean housing sector has been characterized by inadequate affordable and decent housing, low level of urban home ownership and inappropriate dwelling units. The increase of population in urban areas has led to an escalation in demand for housing. The decline in the delivery of housing units is attributed to contracting budgetary allocations since the sector has largely been dominated by the public sector with minimal private sector participation. This has also been compounded by liquidity constraints making it difficult for private sector participation.

The performance of the construction industry in Zimbabwe has been on the decline due to shortages of key raw materials, high operational costs, skills flight and also downsizing of some construction companies.

4.6.2 Challenges and Constraints

The key challenges faced by the housing and construction sector are:

- I. Shortage of building materials;
- II. Skills flight and downsizing of some construction businesses;
- III. Lack of financing for construction projects and maintenance;
- IV. Uncoordinated town planning and rural resettlement; and
- V. Increased demand for urban housing resulting from rural to urban migration.

4.6.3 Policy Objective

- i. Increase the ability for local authorities to provide adequate social services;
- i. To strike a balance between population and infrastructure;
- ii. Increase the availability of safe and affordable housing; and
- iii. Increase the availability of social amenities.

4.6.4 Policy Targets

- i. Eliminating housing backlogs by 2015; and
- ii. Halve housing dependency ratio at household level by 2015.

4.6.5 Policy Measures

The MTP seeks to provide adequate, affordable and decent housing to the population. In this regard, the following measures will be put in place:-

- i. Government will revitalise provincial and district administration, local authorities and sub-district institutions through institutionalised training and resource mobilisation;
- ii. The Government will review and harmonize the National Housing Policy through the Ministry of National Housing, evaluate the National Housing Delivery Programme and mobilize resources for project completion. The national housing policy will be interrogated along with population growth projections and long term infrastructure development planning to ensure adequate provision of the entire basic infrastructure;
- iii. Establish PPPs framework to facilitate Private Sector participation in residential, commercial and public sector property development;
- iv. Promote construction of sustainable and environmentally Integrated buildings through use of environmentally friendly materials and designs which promote water harvesting, use of renewable energy and good waste management;
- v. Consider relocation of the Harare Remand Prison Complex on a swap deal and sell the present land as prime real estate business area;



- vi. Ministries of Public Works and National Housing and Social Amenities will centrally administer the construction of all public buildings and civil service housing;
- vii. The Ministry of Local Government, Urban and Rural Development will integrate long term planning for urban expansion with the respective line ministries responsible for infrastructure provision. This will involve determining the projected size of cities and planning the establishment of satellite towns to avoid unsustainable population growth;
- viii. Local Authorities will come up with measures to ensure that land is allocated in line with approved town planning to ensure reserved land is used for its intended purposes, e.g. land reserved for industrial parks should not be used for residential purposes; and
- ix. Review laws and regulations pertaining to lease arrangements, including the role and functions of the Rent Board to encourage Private Sector housing and construction.

4.6.6 National Programmes and Projects

- i. Rehabilitation and maintenance of all public buildings;
- ii. Assessment, then completion of stalled housing projects where it is necessary to do so, social amenities and public works construction projects particularly connected to education and health;
- iii. Construction of core houses and provision of associated housing and social amenities services to provide affordable housing to the low income earners;
- iv. Construction of affordable housing for the civil servants;
- v. Provision and designation of land for Private Sector development for the low to middle income earners;
- vi. Enhancement of rural housing programmes through the Rural Housing Fund; and
- vii. Construction of a new Parliament and the Members of Parliament village commencing 2012 to reduce the high accommodation expenses currently incurred by the Government.



4.7 INFORMATION COMMUNICATION TECHNOLOGY (ICTS)

4.7.1 Introduction

The emergence and convergence of ICTs has remained at the centre of global social-economic transformations. As a result of the convergence of information, telecommunications, broadcasting and computers, the ICT sector now embraces a large range of industries and services. Indeed the ICT sector is now a key infrastructural enabler on one hand whilst it is also a competitive industry on the other.

During the Plan period and beyond, ICT will act as a catalyst for national socio-economic growth thereby propelling Zimbabwe into a knowledge society with ubiquitous connectivity by 2015. This will enhance the country's competitiveness in the world in order to stimulate and sustain economic growth through the systematic application and innovative use of Information Communication Technology (ICT).

During the Plan period, the ICT sector is expected to grow in leaps and bounds as Zimbabwe journeys towards the knowledge economy. Currently the ICT sector is dominated by 15 internet access and public data service licenses issued and over 30 internet services providers. The Government is working on co-ordinating and rationalising the investment in fibre optic cable to the undersea cable to facilitate speedy and reliable connectivity at a lower cost.

4.7.2 Challenges and Constraints

The challenges facing the ICT sector are:-

- i. Lack of co-ordination amongst service providers in infrastructure development and usage including sharing;
- ii. Limited data management capacity;
- iii. Inadequate ICT skills;
- iv. Limited financial resources for ICT development;
- v. Lack of updated regulatory framework; and
- vi. Theft and vandalism of ICT infrastructure and equipment.

4.7.3 Policy objectives

- i. To make ICT products and services accessible to the wider population at affordable prices;
- ii. To transform Government operations and service delivery through effective use of ICTs; and
- iii. To transform the country into a knowledge based society.

4.7.4 Policy Targets

- i. Enactment of the ICT Bill by 2011; and
- ii. E-Government connectivity and services to all Government ministries and public institutions e.g. educational and health establishments by 2012.

4.7.5 Policy Measures

- i. Finalize and adopt the draft ICT Bill to pave way for the liberalization of the sector to promote investment and increase competition;
- ii. Establish a policy on E-Government that will facilitate connectivity of all Government ministries and agencies and promote access to Government services by the public and potential investors;
- iii. Review and amend the current ICT policy to ensure compliance with modern trends, standards and quality of ICT services;
- iv. Design a policy framework to promote sharing of infrastructure amongst industry players including use of existing and proposed fibre links infrastructure, sharing of mobile phone base stations to facilitate faster expansion of networks, shared costs in upgrading to new technologies and reduced end user costs;
- v. Develop a national policy strategy for cyber security and a national quality assurance framework for ICTs;
- vi. Support local software and other ICT products developers through market-mediated incentives; and
- vii. Creating a conducive environment for the development of ICT such as ICT technology parks by 2012.



4.7.6 National Projects and Programmes

- i. Network Expansion and Capacity Building Programme including the establishment of high-bandwidth national and on the international gateways by connecting to the undersea cables through Harare-Mutare to Mozambique and Harare-Beitbridge to South Africa; and establishment of terrestrial link to Botswana;
- ii. E-Government programme that ensures connectivity of all Government ministries and agencies thus promoting access to Government information and services by the public/potential investors and Intra Government;
- iii. National Cyber Security Programme and other related policies for the ICT sector;
- iv. Promote awareness and advocacy for ICT literacy and utilisation paying particular attention to people living with disabilities, women and children.
- v. Advocate for inclusion of compulsory inclusion of the ICT subjects in the curricula at all levels of education. Ensure optimal utilisation of computers in the education sector and seek to provide computers to schools;
- vi. Promote national research projects, innovative locally developed applications, technology solutions and large-scale assembly of electronic products through establishment of ICT technology parks and incubation hubs working in collaboration with international/regional organisations;
- vii. Establish Community Information Centres in urban and rural communities for easy access to information;
- viii. Establish an e-business framework and community connectivity with e-services provision countrywide;
- ix. Local production of software and its marketing locally, regionally and internationally; and
- x. Establish National Digital Archives and Computerisation Programme in a bid to upgrade from manual record keeping to digital electronic operations.



4.8 MEDIA, INFORMATION AND PUBLICITY

4.8.1 Introduction

Effective information dissemination is key to mobilizing the citizenry for the implementation of national programmes. To that end, revamping and expanding infrastructure and platforms for information dissemination and consumption is important to the overall execution of the various Government programmes envisaged under the Medium Term Plan.

4.8.2 Challenges and Constraints

- i. Information dissemination infrastructure that is geographically skewed in favour of urban areas; and
- ii. Obsolete and inefficient Information dissemination Infrastructure.

4.8.3 Policy Objectives

- i. To modernize the grid by digitalizing it in compliance with the SADC and world-time benchmarks; and
- ii. To expand the capacity at each site to accommodate new signals from new broadcast players.

4.8.4 Policy Targets

- i. To make Zimbabwe digitally compliant by 2015;
- ii. To expand the broadcasting network to ensure coverage of the whole territory of Zimbabwe by 2015; and
- iii. To put up 48 television transmission sites, 34 frequency Modulation sites and 60 sites for community radios by 2015.

4.8.5 Policy Measures

The following policy measures will be put in place over the plan period:-

- i. Adequately resource and capacitate the Film School;
- ii. Promote investments in studios and production facilities for music, drama, film and multimedia creative information packages; and
- iii. Switch-over to modern and versatile digital broadcast system which will govern global broadcasting in place of the outdated analogue broadcast system.

4.8.6 National Programmes and Projects

The following National Projects and Programmes will be carried out under the MTP:-

- i. Digitilisation and Expansion of the National Transmission Network;
- ii. Digitalization and Expansion of National Studios. This project will embrace Outside Broadcasting (OB) Units and Satellite Uplinks. It will extend to securing transponder space for national stations to ensure global satellite transmission;
- iii. Establishment of a Content Development Centre;
- iv. Equipping the National Film School;
- v. Development of Community Radios with a major focus on rural communities;
- vi. Development of National Information Kiosks/Hubs to complement community radios to plug the rural information deficiency. The initial phase envisages setting up one such centre in each district on a pilot basis; and
- vii. Mobile Video Vans Project to show educational and entertainment material for rural development and mobilization.



4.9 SCIENCE, TECHNOLOGY AND INNOVATION

4.9.1 Introduction

The integration of Science, Technology and Innovation is key to economic growth and transformation and is central to global economic competitiveness and sustainable development. Zimbabwe recognises the critical role played by Science, Technology and Innovation in national development. However, Zimbabwe has not benefited sufficiently from the vast, diverse and rich knowledge on science and technology due to uncoordinated research and innovation efforts.

4.9.2 Challenges and Constraints

The sector is faced by the following challenges:-

- i. Inadequate skills;
- ii. Lack of critical resources and infrastructure to develop and integrate Science, Technology and Innovation;
- iii. Lack of an integrative policy framework resulting in uncoordinated research work; and
- iv. Weak links between the productive sector, regional and International counterparts.

4.9.3 Policy Objectives

- i. To increase the adoption of technology and enhance competitiveness;
- ii. To increase processing and value addition of primary products; and
- iii. To establish technology based industries.

4.9.4 Policy Targets

- i. Commercialise research projects recommended by SIRDC and similar institutions by 2012; and
- ii. Streamline existing universities to increase the teaching and interface of science, technology and mathematics with business by 2013.



4.9.5 Policy Measures

- i. Review the National Science and Technology Policy to strengthen the role of Science, Technology and Innovation in the economy;
- ii. Establish a Science, Technology and Innovation Performance Management Framework for effective co-ordination of national Science, Technology and Innovation activities, tracking implementation of various initiatives and evaluation thereof. This will also seek to leverage the activities of international organisations working in the country;
- iii. Collaborate with regional and International research institutions and continuous monitoring of science and technology developments globally to the benefit of Zimbabwe on Science, Technology and Innovation issues;
- iv. Strengthen policies to enhance awareness and public understanding of Science, Technology and Innovation and improving the quality of scientific and technological learning;
- v. Promote science and technology as an integral component of individual life improvement. The identification of the Science, Technology and Innovation issues will be done through analysis of all socio-economic sector needs;
- vi. Engage international organisations for funding of identified research and development projects and other Science, Technology and Innovation initiatives;
- vii. Draft and implement a policy to raise Research and Development (R&D) funding to at least 1% of GDP in line with the position adopted following the ratification of the SADC Protocol on Science and Technology;
- viii. Encourage the Private Sector to provide capital to bridge the gaps in science and technology and in financing innovation programmes in a manner that is mutually beneficial;
- ix. Promote the use of Indigenous Knowledge Systems (IKS) especially those with science and technology dimensions;
- x. Promote the teaching of mathematics and sciences at every level of education together with enhanced training of teachers and lecturers to augment Science Technology and Innovation awareness and appreciation of its importance and impact on everyday life among policy makers and the general public;



- xi. Set up networks of science and technology with Zimbabwean experts in the Diaspora with specific locally based focal points and specific technology mobilisation goals. The focus will be on technologies that accelerate productivity; and
- xii. Promote development of local alternative energy technologies.

4.9.6 National Programmes and Projects

- i. Develop a databank for R&D results appropriate for commercialisation;
- ii. Establish a National Science, Technology and Innovation Fund to secure both domestic and International funding in support of the national Science, Technology and Innovation sector;
- iii. Upgrade technology based initiatives generated by the Informal sector; and
- iv. Comprehensive programme on the exploitation of nanotechnology.





CHAPTER 5 **INVESTMENT PROMOTION,** **CO-ORDINATION AND REGULATION**

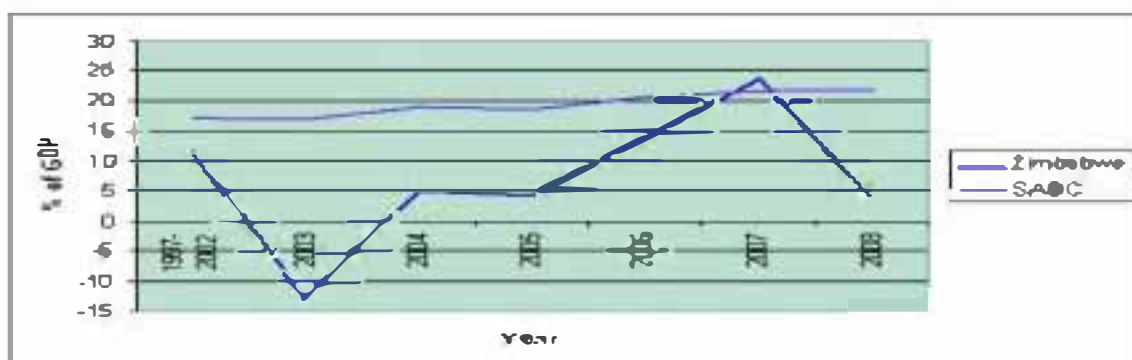


5 INVESTMENT PROMOTION, CO-ORDINATION AND REGULATION

5.1 Situation Analysis

Levels of investment in the Zimbabwean economy have historically been low, averaging around 4% of GDP since Independence. This is in stark contrast to the fast growing economies of East Asia where investment levels reach over 30% of GDP. China's consistent high GDP growth rate, for example, was underpinned by investment rates in the order of up to 40% of GDP.

Fig 5.1: Zimbabwe Investment Trends: 1997 - 2010 (as % of GDP).



Source: 2009 Mid-Term Monetary Policy

5.2 Challenges and Constraints

- i. The time taken to approve and acquire residence and work permits is too long;
- ii. Time taken to approve investment projects is too long;
- iii. Poor infrastructure;
- iv. Negative publicity;
- v. High Start up costs;
- vi. The imposition of sanctions by the USA and Western Europe led to the flight of Investment;
- vii. Market Imperfections; and
- viii. Violation of BIPPAs.

5.3 Policy Objective

To create a conducive investment climate which triggers investment flows that will foster sustainable economic growth and development.

5.4 Policy Targets

- i. Operationalisation of Zimbabwe Investment Authority (ZIA) One Stop Shop investment centre;
- ii. Come up with an Investment Promotion and Protection bill by December 2011;
- iii. Finalisation of the amendment of the Mines and Minerals Act;
- iv. Set up a National Investment Council by 2011; and
- v. Identifying competitive Investment sectors and corridors.

5.5 Drivers

The conclusion of negotiated BIPPA arrangements and their implementation will provide a significant boost to much needed investment and credit expansion in critical sectors of the economy. Investment opportunities will exist in national priority projects, such as in energy, transport, ICT, and water & sanitation among others.

Table 5.1 below shows the investment opportunities identified by the MTP in the various sectors.



Table S.1: Investment Opportunities

SECTOR	SUB SECTOR	INVESTMENT OPPORTUNITIES
Manufacturing	Agro-processing	The country's economy as an agro based economy provides abundant opportunities for investment in value addition in the agriculture sector, for instance, meat processing, fish processing, food processing, fruit juice manufacturing, horticulture and floriculture, processing of cotton lint, cigarette manufacturing sugar milling and timber processing.
	Textiles	Cotton ginning, spinning, weaving, finishing textiles and knitting products
	Clothing & Footwear	Apparels and footwear
	Chemicals	Fertilisers, insecticides, pesticides, paints, varnishes, soaps, detergents, inks, glues, polishes, pharmaceuticals, industrial chemicals, petroleum products, rubber and plastic products
	Wood & Furniture	Saw milling, wooden products, furniture and fixtures
	Metal & metal products	Machinery and equipment,
	Technology	Information processing, computer assembly, solar technology and consumer electronics: radio and communication equipment
Mining		<p>Prospecting and mining of various minerals including gold, coal, diamond, granite and platinum (of which The country has the second largest reserves in the world after South Africa) Opportunities also exist in the beneficiation of the minerals e.g. cutting and polishing of diamonds, jewellery manufacturing and tile manufacturing from black granite. Quarrying and mineral exploration. The country boasts of 26 billion tonnes of in situ in its MidZambezi and Sub-Limpopo regions.</p>



SECTOR	SUB SECTOR	INVESTMENT OPPORTUNITIES
Tourism	Infrastructure and Development	Construction of hotels and lodges in designated tourism zones. Opportunities also exist for upgrading airport and ancillary infrastructure.
	Tourism services	Running and operating tourist facilities e.g. in the South Eastern part of the country
Agriculture	Primary Agriculture	Primary production of food and other cash crops, Primary horticulture, game, wild life ranching, livestock, Poultry farming, fishing and fish farming
Infrastructure Development	Construction of Buildings	Medium priced residential accommodation, Commercial and industrial buildings (industrial parks, factory shells & office accommodation)
	Public Infrastructure	Development of Toll roads, building and upgrading of airports, construction of dams and bridges, The government also invites the private sector into joint ventures in the Public Private Partnerships ("PPP's"), while investors can also participate in Build Operate and Transfer ("BOT") and Build Own Operate and Transfer ("BOOT") investment structures. BOT & BOOT structures qualify for tax concessions as shown under the incentives section.
	Transport	Road haulage, tourist transport, car hire and taxis
ICT		Construction and upgrading of telecommunication facilities. Again PPP's, BOT, BOOT are welcome
Energy		Building of power generation & Transmission facilities. PPP's, BOT, BOOT are welcome

Other critical investment areas for sustainable development include:-

- i. Mineral extraction and beneficiation;
- ii. Agro-processing;
- iii. Wood and furniture;
- iv. Industrial chemicals;



- v. Tourism-related projects; and
- vi. Contract farming in tobacco, cotton, poultry and horticulture

ZIA will continuously identify investment priorities, promote investment and make Zimbabwe the preferred investment destination. In line with this, ZIA was transformed into a One Stop Shop Investment Centre in December 2010 to facilitate the promotion of both domestic and foreign investment.

Other infrastructure drivers or support policy measures to be put in place during this plan period include the following:-

- i. The speedy conclusion of on-going BIPPA negotiations with Iran, and India; and the opening up of new negotiations for more BIPPAs with other countries;
- ii. Further improvements to the ease of doing business in Zimbabwe, as per international criteria's described in the Global "Doing Business Report" (see table 5.2);
- iii. The setting up of a Legislative and Regulatory Framework to govern PPPs; and
- iv. To legislate the transformation of ZIA into a One Stop Shop Investment Centre following its establishment through a cabinet directive.



Table 5.2: Selected Ease of Doing Business Rankings: Zimbabwe and Regional Comparators, 2008-2009

Country	Ease of Doing Business	Starting Business	Registering Property	Protecting Investors	Enforcing Contracts
Mauritius	1	1	6	2	8
South Africa	2	6	11	1	15
Botswana	3	8	4	5	13
Namibia	4	18	24	12	4
Rwanda	5	2	3	3	3
Zambia	6	10	12	12	16
Kenya	8	19	20	15	21
Uganda	11	21	31	21	20
Swaziland	12	34	37	46	24
Nigeria	13	13	46	8	17
Lesotho	14	23	27	27	18
Tanzania	15	17	29	15	1
Malawi	16	20	15	12	28
Mozambique	18	11	32	5	23
Zimbabwe	28	28	9	18	12
DRC	45	31	21	34	40

Source: World Bank-International Finance Corporation (IFC) 2010 Report

5.6 Policy Environment

The policy environment will be governed by the need to create an investor-friendly and level playing field for both domestic and foreign investors anchored to a stable macro-economy. During the Plan period Government will embark on rigorous drive to attract investment and make the country the most preferred investment destination in the region.

Such a policy environment will include:-

- i. Liberal capital account transactions;
- ii. Tax incentive packages for large-scale investors;
- iii. Corporate tax deductions for infrastructure development;
- iv. Duty and VAT exemptions on imported capital goods for PSIP investment activities or other Priority areas described in this plan; and



- iv. Zero taxes on dividends and other forms of profit-sharing paid to residents or non-residents. The MTP seeks to facilitate the speedy handling of VISA applications for potential investors;

5.7 Policy Measures

The MTP seeks to:-

- i. Influence speedy conclusion of negotiated BIPPA's and also seeks to expedite the negotiation of more BIPPA's with other countries;
- ii. Reduce the procedures involved in the doing business arena;
- iii. Come up with a clear Legislative and Regulatory Framework for governing PPPs;
- iv. Encourage the urgent finalisation of amendment of the Mines and Minerals Act;
- v. Ensure that investment road shows are done in order to project Zimbabwe's image;
- vi. Operationalise the Prime Minister's Investors Round Table to improve the investment climate; and
- vii. Ensure that incentive structures are continuously assessed for them to be in tandem with International best practices.

5.8 Incentives Currently Available

- i. Remittance of 100% of after tax profit;
- ii. Investors in the mining and tourism sector enjoy a tax holiday for the first 5 years and taxed at a special rate of 25% after the first five years;
- iii. 10% corporate tax for income derived from infrastructure developed for a period of 15 years;
- iv. Duty exemption on imported capital goods;
- v. Not liable to tax from dividends paid to residents or non-residents; and
- vi. VAT exemptions for the procurement of materials imported for use in the infrastructure development, Industrial land supplied by the Government on a thirty year renewal lease.





CHAPTER 6
**PRIVATE SECTOR
DEVELOPMENT**



6 PRIVATE SECTOR DEVELOPMENT

6.1 Introduction

In order to implement the plan and achieve the vision of the MTP, Private Sector led economic recovery has been identified as a key strategic priority. The other strategic priorities are employment creation and poverty reduction; human development and social security; good governance; and, cross-cutting priorities including infrastructure.

The MTP will establish a platform for Zimbabwe to embark on a vibrant Private Sector driven economy that is growing and transforming from a primary product producer to a producer of diversified manufactured products and services. The Private Sector will be the engine of economic recovery and growth in Zimbabwe, necessitating far reaching initiatives and reforms to reduce the risk for investors and make Zimbabwe an attractive investment destination. There will be need to re-orient the public sector to facilitate private sector growth and development. Drawing on the lessons from the Eastern tigers and on the resilience and commitment of our people, this is achievable.

The following sectors will be key to ensuring progress in this area:-

- i. Manufacturing;
- ii. Mining;
- iii. Agriculture;
- iv. Tourism;
- v. Finance; and
- vi. Small and Medium Enterprises and cooperatives.

A deliberate effort will be made to grow and promote Private Sector development on the back of the following:-

- i. Building on a long history of local enterprise and risk-taking;



- ii. Improving access to international markets by focusing on the regional markets emphasizing both SADC and COMESA;
- iii. Increasing access to capital by better aligning the financial sector to the real economy;
- iv. Strengthening the work of economic attachés in Zimbabwean embassies to market Zimbabwean products and services, investment opportunities as well as look out for opportunities available in other countries;
- v. Identifying activities that can be performed by SMEs, taking advantage of low overheads, e.g. dry food processing, textile, plastics and toys;
- vi. Commercialization and privatization of PEs;
- vii. Local procurement initiatives of products and services; and
- viii. Support for engineering and metal fabrication enterprises.

To achieve these objectives, the Government will provide a conducive policy environment that will ignite Private Sector initiative, entrepreneurship as well as promote a saving and investment culture. The emergence of a thriving and vibrant Private Sector that builds on the combined strength and links between large firms on one hand, and micro, small and medium enterprises (MSMEs) on the other, is an essential prerequisite for triggering economic dynamism. It will enhance productivity, transfer and diffusion of new industrial technologies whilst maintaining competitiveness, and contributing to entrepreneurship development and ultimately reducing poverty, as called for under MDG 1.



6.2 Challenges and Constraints

- i. A weak institutional framework for sustaining economic growth;
- ii. Lack of a conducive business environment for the needs of Private Sector Development (PSD);
- iii. Lack of institutionalization of governance in MSMEs and Co-operatives; and
- iv. Rampant corruption.

The basic prerequisites for driving Private Sector led economic recovery will include:-

- i. The restoration of the confidence of the Private Sector;
- ii. Sound macro-economic management of institutions; and
- iii. Good corporate governance systems.

6.3 INDIGENISATION AND ECONOMIC EMPOWERMENT

The Government will focus on broad based economic empowerment during the Plan period. Key on Government's agenda will be to ensure that the majority of Zimbabweans are integrated into mainstream economy so that they become the major drivers and beneficiaries of the economic activities in the country. The form of the broad based empowerment will include share ownership, stable employment, housing ownership and awarding of contracts.

Emphasis will also be given towards the Implementation of Community Empowerment Programmes and implementation of social projects in areas where companies operate and beyond. The Zimbabwe Investment Authority OSS Investment Centre will, through the Indigenisation and Empowerment desk, facilitate and co-ordinate a broad based empowerment programme.

Objectives of Indigenisation and Economic Empowerment

The main objectives for the indigenisation of the economy are as follows:-

- i. Economic empowerment of indigenous Zimbabweans by increasing their ownership of productive assets in the economy so as to create more wealth and reduce poverty;



- ii. To create a conducive environment that will allow the indigenous Zimbabweans to participate in the economic development of their country and earn themselves self respect;
- iii. To develop a competitive private sector that spearheads economic growth and development; and
- iv. To develop a self sustaining economy.

The Government will encourage locals to participate in key sectors like the manufacturing, tourism, mining, and financial sectors, among others. For example, in sectors like mining where resources are finite, the involvement of the people of Zimbabwe becomes more critical. Besides shareholding, local people will also be empowered through the provision of mandatory social services and local procurement of goods and services. The Government, through ZIA, will promote domestic investment particularly into the reserved sectors.

6.4 PUBLIC PRIVATE PARTNERSHIPS

The Government realises its limitation in providing funding for developing the infrastructure needed to make Zimbabwe regionally and globally competitive. The Government has taken a decision to vigorously pursue a policy of PPPs, where the Private Sector will be invited to bring funding and technological capacity to develop the country's infrastructure.

In the medium term, Government gives priority to PPP projects in the following areas: ICTs, Local Government, Mining, Health, Water, Transport, Tourism and Natural resources, Energy and Power Development, Agriculture, and Social Amenities and Education.

To facilitate effective implementation of the PPP objectives, the Government will review and update the legislative framework, develop the institutional framework and produce a detailed manual on how to initiate, implement and manage PPP projects. Finally the MTP



envisages the setting up of a PPP Unit for national coordination of PPP projects within the defined national projects.

6.5 REGIONAL INTEGRATION

6.5.1 Introduction

Zimbabwe is signatory to SADC, COMESA, African Union, ACP EU and World Trade Organisation protocols. The main purpose is to gain greater market access. This is especially critical since, for example, the population of Zimbabwe is around 1.4% of the total SADC population. The integrated market may be developed but is of little use unless there is trade facilitation. The region is also promoting corridor development programmes and spatial development initiatives as part of trade facilitation. The current focus is on the North South Corridor with Chirundu having established a pilot One Stop Border Post project and Beitbridge is implementing Beitbridge Border Efficiency Management System.

Zimbabwe together with other African countries is actively involved in negotiating Economic Partnership Agreements (EPAs) with the European Commission (EC) under the East and Southern Africa configuration. The objective of the EPAs is *"to reduce poverty by supporting the sustainable development and the gradual integration of the ACP countries into the world economy"*.

Under the Chairmanship of Zimbabwe, COMESA launched the COMESA Customs Union in 2009 and Zimbabwe has started the process to ensure the signing of the COMESA Common Investment Area. The creation of a COMESA Common Investment Area is particularly useful, as national markets in most COMESA countries are too small to attract investment on their own, particularly so is Zimbabwe. Furthermore, multinationals, fund managers and other investors now give preference to regional, rather than national markets in making decisions where to invest.



Zimbabwe will thus be able to benefit from the COMESA Common Investment Area whose main objective is to enable the region to attract greater and sustainable levels of investment by allowing for free movement of capital, labour, goods and services across borders of Member States.

There are however, challenges and constraints that are affecting Zimbabwe in the regional integration process. These are outlined below:-

6.5.2 Challenges and Constraints

- i. Delays in the clearance of commercial cargo and movement of persons across major ports of entry and exit;
- ii. Budgetary constraints to develop infrastructure projects;
- iii. Cooperating partners not approving Zimbabwe's Infrastructure Development Projects; and
- iv. Limited resources to fully participate in negotiations thereby compromising the country's input into the negotiating processes

6.5.3 Policy Objective

To facilitate trade through development and implementation of trade facilitation.

6.5.4 Policy Targets

- i. To establish One Stop Border Post at Beitbridge by 2012;
- ii. To manage implementation issues at Chirundu One Stop Border Post by 2012;
- iii. To establish border efficiency management systems at Forbes, Nyamapanda, Plumtree, and Victoria Falls border posts by 2015; and
- iv. To coordinate Corridor Development Projects by 2012.

6.5.5 Policy Measures

- i. Establish One Stop Border Post concept at other ports of entry in addition to Chirundu to facilitate easier movement of imports and exports. This will be done



within the framework of Spatial Development Initiatives and in line with the North South Corridor Framework; and

II. Promote Public Private Partnerships (PPPs).

6.5.6 National Programmes and Projects

- i. Coordinate Implementation of the Chirundu One Stop Border Post;
- ii. Spearhead Beitbridge Border Efficiency Management System and One Stop Border Post;
- iii. Introduce border efficiency management systems at Forbes, Nyamapanda, Plumtree, Victoria Falls;
- iv. Conduct Stakeholder consultations on regional and international issues;
- v. Facilitate National and Regional exhibitions and Fairs;
- vi. Leverage Zimbabwe's geographic location to become an efficient hub in the regional transport, communication and ICT sectors. In this regard Government will vigorously pursue the design and implementation of national projects with a regional dimension; and
- vii. Mobilize the donor community, civil society and the business sector in the implementation of regional development programmes and projects.





CHAPTER 7

EMPLOYMENT CREATION AND POVERTY REDUCTION



7 EMPLOYMENT CREATION AND POVERTY REDUCTION

7.1 Introduction

The biggest challenge facing Zimbabwe is the high incidence of, and increasing poverty. It is in this regard that the main focus of the MTP is on growing the economy for poverty reduction. The MTP envisages significant employment creation across all sectors of the economy over the plan period. As the economy's capacity to produce goods and services increases, it is expected that this will translate into employment creation opportunities. The resurgence of economic activity underpinned by sustained sectoral growth will result in a formal economy capable of creating jobs across all sectors.

The recurring theme is that the MTP will avoid jobless growth. It will focus on growth with employment creation resulting in poverty reduction (MDG 1).

7.2 Challenges and Constraints

- i. Lack of sustained high levels of growth resulting in high unemployment and under-employment;
- ii. The quality of growth has resulted in serious decent work deficits;
- iii. The lack of integration of the non-formal sector, into the main stream economy which is the domain of more than 80% of the labour force, means focus has remained on a shrinking formal sector to generate employment;
- iv. The mismatch between supply and demand for skills remains an inhibiting factor to decent employment creation;
- v. Low levels of productivity and low earnings;
- vi. Lack of capital to undertake income generating projects;
- vii. The brain drain and exodus of Zimbabweans into the Diaspora; and
- viii. The scourge of HIV/AIDS and its adverse impact on the economy, and in particular, on productivity.



7.3 Policy Objectives

- i. To create an enabling and conducive environment for sustainable employment creation;
- ii. To reduce poverty among Zimbabwean citizens in line with MDG 1 targets;
- iii. To promote the integration of marginalized and vulnerable groups such as women, youths, people living with disabilities and the retrenched in the mainstream economy; and
- iv. Promote and secure sustainable, full, productive and freely chosen decent employment under the conditions of freedom, equity, security and human dignity.

7.4 Policy Targets

- i. To halve, the proportion of people whose income is less than the Total Consumption Line (TCPL) by 2015;
- ii. To halve by 2015, the proportion of people in Human Poverty, as measured by the Human Poverty Index (HPI);
- iii. To halve by 2015, the proportion of people who suffer from hunger; and
- iv. To reduce by two thirds, the proportion of under-five children who are undernourished by 2015.

7.5 Policy Measures

- i. Operationalize the National Employment Policy framework which will be underpinned by active labour market policies;
- ii. Review the regulatory framework to encourage the growth of SMEs and promote decent employment creation;
- iii. Create an efficient and effective labour market information system to enhance labour market analysis and human resources development and utilisation;
- iv. Avail adequate resources for economic empowerment projects including people living with disabilities, women and youths;



- v. Support SMEs and cooperatives to facilitate integration of small businesses into the mainstream economy;
- vi. Align wage increases to productivity growth;
- vii. Promote synergies between training institutions and industry to produce appropriate skills;
- viii. Target sectors and processes that enhance the labour absorptive capacity of the economy; and
- ix. Establish and Operationalise the National Productivity Institute.

7.6 National Programmes and Projects

- i. Disaster and Public Works Programme;
- ii. Community Recovery and Rehabilitation Programme;
- iii. Orphans and Vulnerable Children Programme;
- iv. Capacity Building for SMEs and cooperatives;
- v. Loan Booth Programme;
- vi. Development of savings and credit cooperative societies;
- vii. Business Management and Entrepreneurship Training Programme;
- viii. Career Guidance and Staff Development Programme;
- ix. Networking and Linkages Programme;
- x. Common Services Centres/Business Shelters;
- xi. Corporate Entrepreneurship Programme;
- xii. Micro Sector Entrepreneurship Training;
- xiii. Zimbabwe Development Communities Programme;
- xiv. Schools and Clinics Rehabilitation and Construction Public Works Programme;
- xv. Development of Rural Infrastructure such as roads, water, power and Rehabilitation Public Works Programme;
- xvi. Environmental Conservation Public Works Programme;
- xvii. Dams and Irrigation Infrastructure Rehabilitation and Construction Public Works Programme;
- xviii. Pro-poor Urban Public Works Programme; and
- xix. Vocational Training Programme.





CHAPTER 8 AGRICULTURE



8 AGRICULTURE

8.1 Introduction

Agriculture plays a pivotal role in Zimbabwe's economy and has the potential to significantly reduce poverty, enhance economic growth and entrench economic stability. The sector provides employment and income for about 70% of the population, supplies 60% of the raw materials required by the industrial sector and contributes 40% of total export earnings. Strong performance in the sector translates into overall improvement of the country's GDP and poverty reduction. The sector is estimated to contribute between 15% and 18% of GDP.

In recognition of the importance of Agriculture in Economic Development, the AUC through the Maputo declaration encourages member states to spend about 10% of the budget towards Agriculture.

Agriculture's impact to poverty reduction goes far beyond its direct impact on farmers' incomes. Increasing agricultural productivity benefits millions through higher incomes, more plentiful and cheaper food, and by generating patterns of development that are employment-intensive and benefit both rural and urban areas. More importantly, it provides the spur to economic development outside agriculture through backward and forward linkages.

In view of its linkages with other sectors of the economy, the MTP earmarks and envisages agriculture sector to play a critical role for sustained high growth and poverty reduction.

8.2 Situational Analysis

Agricultural production in Zimbabwe constitutes of crop and livestock production. Crop production consists of maize, cotton, wheat, small grains oilseeds, tobacco, coffee, sugar, tea, horticultural products and sunflower among others. On the other hand, livestock production consists of cattle, goats, sheep, pigs and poultry.



Crop Production Trends and Food Security

Production of major cereal crops that contribute significantly to national food security increased during the 1980s and 90s. Although Zimbabwe had to import food during the drought years, it used to be the largest net food exporter within the region during that period and was then referred to as the "Bread basket of Southern Africa".

However, production has taken a downward trend during the recent past and the country has not been meeting its national requirements particularly in maize and wheat, leading to imports to meet the national requirements. Total maize production has come down from a peak of 2,057,000 tonnes in 1996 to 1,451,629 tonnes in 2011, against national requirements of 1,800,000 tonnes whilst wheat declined from a peak of 263,000 tonnes in 1996 to 41,000 tonnes in 2010. The performance of major cereal and food security crops is illustrated in Table 8.1 below.

Table 8.1: Production of food security crops (in '000 tonnes) (1995-2010)

Crop	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Maize	2,066	1,552	1,195	1,606	1,545	1,476	885	1,059	1,400	750	1,485	999	575	1,240	1,328	1,452	
Wheat	285	285	242	291	229.8	197.5	185	122	247	223	241	143	24	49	41	.	
Soyabean	97	97	116	121	99	175.1	61	41	85	98	70	102	48	115	70	84	
Sorghum	90	64	85	68	84	59.7	22	71	129	162	101	76	75	181	132	96	
Guinea corn	29	19	142	129	18	31.5	5	17	20	14	20.0	29.7	5	39	14	12	
Groundnut	68	124	46	68	114	171.8	59	141	190	150	68	129	131	216	186	231	

source: ZIMSTAT, MAMID

Maize yields were on average between 1 - 1.4 tonnes per hectare in the 1980s and 90s. However, during the 2010/2011 season average maize yields declined to 0.7 tonnes per hectare. Wheat yields declined significantly from the peak of 5.4 tonnes per hectare in 1990s to 2.32 tonnes per hectare in 2010.

Small grain crops cover red and white sorghum, millet and rapoko, which are important crops for smallholder farmers. Production of these crops has been fluctuating over the years although on overall, output has not changed significantly since 1980.

Oilseed crops such as soyabeans, groundnuts, dry field beans and cowpeas have experienced growth in recent years, although yields have been low. This growth was ascribed to an expansion of area grown, driven by reasonable returns and low cash input demands.

Production of major cash crops has also been declining. Tobacco production dropped from 226, 000MT in 1998 to 123, 000MT in 2008 and then improved to 122, 000MT in 2010 (Table 8.2). Cotton Production has been fluctuating downwards whilst Horticulture declined from a peak of 82, 000MT in 2002 to 43,000MT in 2010.

Table 8.2: Production levels for cash crops (in "000" tonnes) (1995-2010)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Tobacco	177	178	171	226	197	198	208	173	94	68	74	55	80	56	59	123
Cotton	56	229	273	274	303	304	282	190	228	333	198	260	235	226	211	260
Horticulture	34	41	46	54	63	64	78	82	75	57	60	64	66	60	35	43

Source: MAMID

(Note: 2010 figures for Horticulture are estimates)

Livestock Production Trends

Livestock sector was mainly driven by the large scale commercial sector who dominated in the production of formally marketed livestock and livestock products in the 1990s. However this has changed and most livestock is now in the small-scale sector. Small holder sector owns 90% of cattle, 98% of goats, and 80% of pigs.

Cattle population currently stands at 5 million herd which is a decline compared to 6.18 million in 2000. Of the 5 million cattle, 235,946 are found in A2 farms and large scale commercial farms, compared to 2.9 million cattle that were in commercial farms in 1999. Off-take from the former commercial sector, which used to be about 20%, has declined as



most producers are concentrating on herd rebuilding, while in small holder is traditionally low. Dairy production has declined from above 100 000 dairy cows in 2000 to about 22 000 dairy cows in 2010.

Table 8.3: Livestock population 2009

	Cattle	Sheep	Goats	Pigs
A1	423,203	47,351	280,336	14,607
A2	214,250	24,559	99,049	31,228
Commercial	21,699	688	884	19
Communal	3,688,440	291,550	2,556,266	140,025
Resettlement	588,199	23,080	164,707	9,058
Small Scale	170,882	10,572	69,291	7,297
Grand Total	5,106,673	397,800	3,170,533	202,234

Source: Department of Veterinary Services, 2009

8.3 Challenges and Constraints

- i. Continued disruptions on agricultural activities as a result of conflicts between former farm owners and allocated beneficiaries holding offer letters;
- ii. Lack of investor confidence in the agricultural sector;
- iii. Poor irrigation infrastructure;
- iv. Failure by financial institutions to recognise existing tenure systems in the country;
- v. Inadequate financial support for the Agrarian Reforms;
- vi. Lack of extensive programmes to enable new farmers to be trained and acquire business skills;
- vii. Inadequate research and extension services especially for A1, A2 and communal farmers;
- viii. Poorly functioning markets due to capital constraints and inadequate infrastructure;
- ix. Gender inequalities in access to and control over resources;
- x. A high prevalence of HIV/AIDS which compromises the quality of labour;
- xi. Susceptibility to droughts, plant and animal diseases;



- xii. Unaffordable inputs; and
- xiii. Low capitalisation levels.

The thrust of the Medium Term Plan is to create a self-sufficient and food surplus economy and see Zimbabwe re-emerge as the *"Bread basket of Southern Africa"*. During the plan period, agriculture is projected to grow as shown in Table 8.4.

Table 8.4: Projections for selected crops for the Agricultural sector in the Medium Term Plan "000" tonnes

Crop	2011	2012	2013	2014	2015
Maize	1,450	1,800	1,850	1,900	1,950
Sugarcane	385	450	500	600	600
Tobacco	170	180	200	220	240
Cotton	265	315	330	347	363
Beef	98	100	102	105	107
Overall Growth	18.5%	14.8%	8.8%	7%	5.9%

Source: MEPI, MOF and RBZ

8.4 Policy Objectives

- i. To ensure food security at both household and national levels;
- ii. To improve and increase food crops, industrial crops, livestock and horticulture productivity through the use and application of modern technology for domestic processing and consumption;
- iii. To increase production for export;
- iv. To provide adequate financing infrastructure and working capital for both the farmer and supporting institutions;
- v. To preserve land for future posterity by promoting conservation agriculture; and
- vi. To strengthen service delivery, particularly research and extension.

8.5 Policy Targets

- i. Attain national food security by 2012;
- ii. All ARDA estates to be in full production by 2012; and
- iii. Complete Land Audit by end of 2012.

8.6 Policy Measures

The agricultural sector remains the mainstay of the economy and as such, it is vital that a holistic approach be taken in drawing policies that can revamp this sector.

In order to achieve the projected growth levels shown in table 8.4, the MTP will focus on increasing productivity in all sub sectors and strengthening input and product markets. The aim is to restore yield levels to where they were in the 1990s, and create new capacities for increasing yields, widening opportunities for new strategic choices that lead to modernisation and commercialisation of agriculture across all sub sectors.

The MTP will focus on key strategic policy interventions in the following areas:-



8.6.1 Rationalisation of the Land Reform

There is need to rationalise the land reform process in order to bring stability in the agricultural sector. Rationalisation will entail the following:-

- i. Finalisation of the Land Audit;
- ii. Finalisation of the Fast Track Land Reform Programme;
- iii. Rationalisation of vacant and abandoned land based on the results of the Land Audit; and
- iv. Adoption and issuance of appropriate documents that provide security of tenure - whilst they provide collateral for securing funding and making agricultural land an economic asset.

Crop Production and Food Security

Strategies in cereal production in the MIP will focus on increasing yields for maize and small grains in order to ensure national and household food security through:-

- i. Improving and promoting proper use of fertilizers, efficient utilisation of water bodies and applying improved farming techniques such as conservation farming;
- ii. Promote the production of small grains especially in the drought prone areas;
- iii. Strengthening of Research and extension capacities through training, provision of materials as well as equipment and improving conditions of service for research scientists and extension officers; and
- iv. Capacitate ARDA and restore it to its position as a major producer of wheat and maize, to contribute towards national food security.



Tobacco

Under the MTP the focus is to revert tobacco production to the 1990s production levels of more than 200 million kgs. During this period, tobacco accounted for more than 33% of total foreign exchange earnings.

The MTP will ensure that there be maximum utilisation of the excellent tobacco training framework that already exists to bring new farmers up to required skill levels to recover and grow the country's main export crop.

Cotton

Communal farming of cotton has been sustained by contract production schemes that have boosted input provision. As such the MTP will continue to support contract farming in cotton production.

In addition, Government will create an environment that:-

- i. Allows smallholder producers to benefit from contractual arrangements; and
- ii. Promotes continuous improvements of the crop through research and effective extension services in order to increase average yields per hectare. This will be undertaken through the following strategic actions:-
 - Institute regulations for the deduction of a levy on cotton lint to provide for funding for inputs;
 - Enforce the various policy instruments including those relating to cotton pest control, improvement of farming methods and increased yield, broadening of the value addition band at the local levels;
 - Allow more players in the industry; and
 - Improve rural roads to increase access to markets and reduce transportation costs.



Horticultural Production

The MTP recognises the importance of horticultural production to its export generation capacity and employment creation. In this regard, Government will:-

- i. Facilitate access to and negotiate lines of credit for the sector;
- ii. Facilitate the provision of training especially for new farmers in the sector, who need to fulfil certification requirements and processes to ensure that they participate in the export market;
- iii. Strengthen research and extension services to the subsector;
Ensure that the Horticultural Promotion Council is represented in regional and global trade negotiations; and
- iv. Promote smallholder farmers participation in the production of fresh produce.

8.6.2 Livestock

Strategic policy interventions in the Medium Term Plan for Livestock production will focus on beef, dairy and small stock.

Beef

In order to rebuild the nation herd, the following strategies will be implemented:-

- i. Government will facilitate the improvement of output per unit of livestock through genetic improvements which include preservation and multiplication of pedigree herds and provision of access to artificial insemination services in smallholder areas;
- ii. Government will increase funding for research in livestock husbandry in order to increase improved conception and birth rates and reduce the age at first breeding;
- iii. Government in collaboration with faculties of agriculture in Universities will undertake research work on improved animal nutrition. This will be accomplished through improved availability of high quality stock feed, by creation of fodder banks, promotion of improved pasture and rangeland management;



- iv. Government, in collaboration with stakeholders, will strengthen field and diagnostic veterinary services, animal management and health centres (AMHCs) and local manufacture of animal vaccines;
- v. Department of Veterinary services, in collaboration with local communities, will facilitate investments in disease surveillance and prevention measures, including fencing, erection and rehabilitation of dip tanks and vaccination programmes;
- vi. In order to increase off take of livestock from smallholder sector, Government will conduct campaign to raise awareness on the need to treat livestock production as a business and not just a symbol of social status; and
- vii. Revamping of ARDA to strengthen its participation in the rebuilding of the national herd for both dairy and beef production.

Dairy

The overall objective of the dairy industry in the MTP is to increase milk production. This will be achieved through the following:-

- i. Increase size of dairy herd by setting up dairy cattle multiplication centres in all the provinces, training farmers on dairy management and expanding the number of AI and breeding centres;
- ii. Increased average milk production per cow through improved availability of high quality stock feed by creation of fodder banks, promotion of irrigated pastures, improved pasture and rangeland management;
- iii. Improved dairy herd health programme by ensuring availability of animal vaccines and drugs, improved animal movement control, improved field and diagnostic veterinary services; and
- iv. Strengthening of extension services especially to smallholder dairy farmers, promoting private extension services, training smallholder farmers and strengthening farmer organizations.



Sheep and Goats

Small stock is mainly kept for meat purposes in rural communities. The strategic intervention for small stock in the Plan period is to develop markets for their products. This will be achieved through creating small stock multiplication centres in all provinces to increase production and off take.

Piggery

Pig production at any level is a fairly intensive undertaking. To achieve improved production the following will be necessary:-

- i. Improve the design of facilities and other technologies in line with improvements in more advanced production systems;
- ii. Provision of appropriate and fast growing pig breeds;
- iii. Provision of vaccines; and
- iv. Facilitate access to credit lines to finance operations.

Poultry and Ostrich

Poultry production is one of the most important livestock undertakings in Zimbabwe and is dominated by the rearing of chickens. The ostrich industry largely focuses on slaughter birds for meat and a skin for export. The goal of the poultry industry is to increase production of poultry products to meet local demand and produce surplus for export.

Government will take a critical role in creating an environment that allows smallholder producers to benefit from contractual arrangements especially in poultry.

8.6.3 Irrigation Rehabilitation and Development

The MTP will focus on the rehabilitation of existing irrigation infrastructure and completion of ongoing projects in order to mitigate the effects of adverse weather conditions, as well as increasing and stabilizing agricultural output.



Government will develop a comprehensive irrigation development master plan, which will pay special attention to smallholder irrigation and develop policies and institutional arrangements that attract Private Sector Investment. PPPs as well as engagement with international cooperating partners will be promoted in order to mobilize the necessary resources for irrigation expansion.

To this end Government will:-

- i. Ensure fair access to common irrigation infrastructure through establishment of effective co-management structures with clear assignment of rights and obligations of plot holders;
- ii. Provide Incentive for developing communal and commercial Infrastructure rehabilitation. Such incentives will include import duty exemption for equipment;
- iii. Encourage NGOs, farmers' unions and associations and private agents to develop more micro-irrigation and intensive production schemes;
- iv. Ensure that there exists a clear database of plot holders to help ZINWA in re-planning water allocations on resettled farms;
- v. Collaborate with the Private Sector, to facilitate mobilization of resources for investing in expansion and building of dams and tapping of underground water resources for sustained irrigation development;
- vi. Support the establishment of more damming sites; and
- vii. Facilitate river irrigation mechanisms.

8.6.4 Agricultural Mechanisation

Agricultural mechanisation services are currently not easily accessible to farmers. Some agricultural engineering disciplines are not well developed, while farmers have low skills on building and repairing farm structures. The level of post harvest losses is high.

There have been recent schemes to improve access to various agricultural equipment and tractors, especially for newly settled farmers. These efforts should be sustainable, possibly through the creation of a mechanization revolving fund. In addition, it is necessary to ensure that this equipment is serviced and that farmers use it efficiently and effectively.



The MTP will ensure that farmers have access to mechanisation and engineering services, through:-

- i. Facilitating farmer access to farm equipment and machinery as well as promoting the provision of training service to enable farmers to repair and maintain farm structures such as tobacco barns, storage sheds, pump houses and irrigation equipment;
- ii. Promotion of setting up of rural workshops to service and repair tractors and equipment;
- iii. Promotion of the provision of training to farmers on the correct use of tractors and equipment through rural-based training centres; and
- iv. Promoting the involvement of local dealers to ensure the availability of appropriate spares for maintenance.

8.6.5 Agricultural Research

The Government recognizes that Zimbabwe needs to focus more on applied/adaptive, developmental and strategic agricultural research that responds to and addresses national, sectoral and local farmer problems/needs, as well as to national, regional and international marketing trends. Government also recognizes that Agricultural Research for development should be demand driven covering the whole commodity chain.

The following measures will be adopted:-

- i. Provision of adequate budgetary allocation to ensure adequate funding to enable functioning of a world class public sector research system;
- ii. Embarking on institutional reforms that strengthen research- extension- teaching/training-farmer linkages that will improve the transfer and adoption of improved technologies;
- iii. Committing more resources to research on value addition and post harvest technologies;
- iv. Strengthening research on soil fertility and water management to enhance agricultural productivity;



- v. Supporting the establishment and strengthening of commodity-based farmers' associations which foster interaction, provide for research, technical and marketing support for farmers as well as facilitate the development of own extension services; and
- vi. Government will set up and strengthen the Agricultural Biotechnology Advisory Committee that, among other things, will work on a policy and strategy to guide the country to effect the necessary legislation on agricultural biotechnology. The committee should also advise on a monitoring system on biotechnology and bio-safety.

8.6.6 Agricultural Extension Services

To promote Agricultural extension services during the plan period, Government will:-

- i. Expand capacity in extension so that it can effectively facilitate the transfer of research findings and technologies for adoption by farmers;
- ii. Promote extension approaches that give farmers a key role in technology transfer;
- iii. Review the institutional framework structure of extension to give more planning autonomy to provincial and district levels;
- iv. Promote gender responsive extension approaches to take into account special circumstances of women farmers who dominate the smallholder sector; and
- v. Promote and provide incentives for Private Sector extension service delivery.

8.6.7 Agricultural Education and Training

Agricultural education and training is key in developing a progressive agricultural sector since it feeds into all the other facets of the sector's support services in research, extension and farmer organisations.

To be effective, the following will be undertaken:-

- i. Agricultural education and training of practitioners need to be adequately resourced;



- ii. Human capacity building requires adequate infrastructure, training materials and computers to cover the needs of training centres around the country; and
- iii. Resources to attract and keep highly qualified and motivated educators and trainers.

8.6.8 Agricultural Financing

Under the MTP, financing of the agriculture sector will predominantly come from the Private Sector with financial institutions such as commercial banks expected to provide agricultural credit facilities.

As already set out in STERP, crop financing requirements for all planting seasons going forward, will predominantly be met from ordinary banking sector financial resources, contract farming arrangements in conjunction with farmers' own resources.

The MTP will facilitate the full commercialization of Agribank and foster partnership with other players in the Private Sector. This will assist the Government to:-

- i. Encourage financial institutions to develop collateral mechanisms that are responsive to the prevailing land holding arrangements;
- ii. Negotiate and guarantee international lines of credit for the benefit of farmers and agro-industrial firms;
- iii. Facilitate the creation of a conducive regulatory environment for the development of rural savings;
- iv. Develop Savings and Credit Co-operative Societies (SACCOS); and
- v. Promote microfinance at community level.

8.6.9 Agricultural Inputs Supply Management

The MTP envisages a departure from state organized programmes of inputs to allow a greater interplay of market participants in the procurement and provision of agriculture inputs. The MTP will:-

- i. Ensure that fertilizer and chemical companies charge economic prices and plan their production and delivery schedules for agricultural inputs. The Government will



encourage periodic meetings with the Private Sector in order to clear obstacles as they arise;

- ii. Facilitate sourcing of external lines of credit by fertilizer manufacturers for recapitalization to expand capacity and repair dilapidated equipment;
- iii. Promote fair trade through judicious application of anti-dumping mechanisms to prevent the dumping of fertilizer products onto the local market;
- iv. Promote exploitation of special fertilizer related resources, in particular, Coal Bed Methane (CBM) and coal; and
- v. Facilitate effective utilization of the existing marketing infrastructure to promote access to inputs by all.

8.6.10 Agricultural Marketing and Trade

The MTP seeks to ensure that the Agriculture Marketing Authority (AMA) is well financed to ensure that there is efficient and reliable marketing, and regulation of agricultural commodities in the country.

There are two major areas of intervention so as to increase and grow agricultural trade. These are:-

- i. Creating an enabling environment for trade by simplifying border regulations, boosting air freight services to create greater traffic flows to aid in export of perishables and strengthening trade facilitation institutions; and
- ii. Exploiting comparative advantages that the country has in tobacco, cotton, sugar and horticulture.

8.7 National Programmes and Projects

i. Completion and Rationalisation of the Land Reform Programme

The GPA identified the completion and rationalisation of the Land Reform Programme as one of the first steps towards resuscitating the agricultural sector. In this regard, the Government will carry out a comprehensive non-partisan land audit for the purposes of



establishing accountability, gender equity and eliminating multiple farm ownerships as well as ensuring restoration of full productivity. The following measures will be implemented:

a) Establishment of secure tenure systems

This project will focus on issuance of leases and permits of collateral value. This will build confidence to invest on land as well as facilitating agricultural financing. Tenure systems will ensure equitable access and control of land by women.

b) Land use planning

This project will entail planning of state land and completion of demarcation of the land to ensure efficient and sustainable use of land and land based resources. This project will ensure that existing technical policy guidelines are adhered to.

ii. Irrigation Rehabilitation, Expansion and Development Programme

The following Irrigation projects have been identified for rehabilitation and expansion with the aim of increasing irrigation capacity in the country:-

- Chisumbanje;
- Middle Sabi Irrigation Expansion;
- Mushumbi Pools/ Dande;
- Biri;
- Chirundu;
- Zihove; and
- Gwayi-Shangani.

iii. Strengthening National Agricultural Research, Extension and Training Systems

This will entail restoration of the capacity of national agricultural research systems and building new capacities for research and development of production enhancing technologies as well as strengthening their adoption.





CHAPTER 9 MANUFACTURING



9 MANUFACTURING

9.1 Introduction

For more than a decade, performance in the manufacturing sector has been declining, as all sub-sectors have been operating well below capacity which fell to about 10% in 2008. Table 9.1 below shows Growth rates in the manufacturing sector between 1996 and 2010.

Table 9.1: Manufacturing Growth Rates

	1996	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Manufacturing real growth rates (%)	14.7	-11.5	-5.4	-13.2	-13.6	-10.2	3.8	1.7	-32.6	-17.9	10.2	2.8
Contribution to GDP (%)	19.7	13	9	18	17	16	23	27	8	7	13	13
Manufactured exports as % of total exports	34	37	40	39	42	37	35	31	27	27	27	27

Source: ZIMSTAT, MEPIP, MOF and RBZ

However, in 2009, the sector began to recover as a result of sound macroeconomic policies although most companies are still operating below 45% capacity utilisation.

9.2 Challenges and Constraints

The decline in the contribution of the manufacturing sector to GDP is attributable to a number of challenges including:-

- De-industrialisation;
- Shortage of working capital and absence of lines of credit;
- Unfair competition from imports;
- Highly inadequate and erratic supply of key economic enablers namely electricity, fuel, coal, and water as well as poor infrastructure;



- v. Low throughput from key sectors such as agriculture and mining;
- vi. Loss of skilled manpower;
- vii. High cost of establishing a business;
- viii. Low technological capacity; and
- ix. Low levels of effective domestic demand.

9.3 Policy Objectives

- i. To restore the sector's competitiveness;
- ii. To raise capacity utilization in all manufacturing subsectors;
- iii. To promote utilization of available local raw materials in the production of goods and services through intensified value addition;
- iv. To promote new technologies for new products, import substitution and expansion of the export base;
- v. To produce higher value chain products through embracing e-technology and ICT;
- vi. To enhance product quality through enforcement of standards; and
- vii. To channel significant financial resources to the sector so as to retool and create employment.

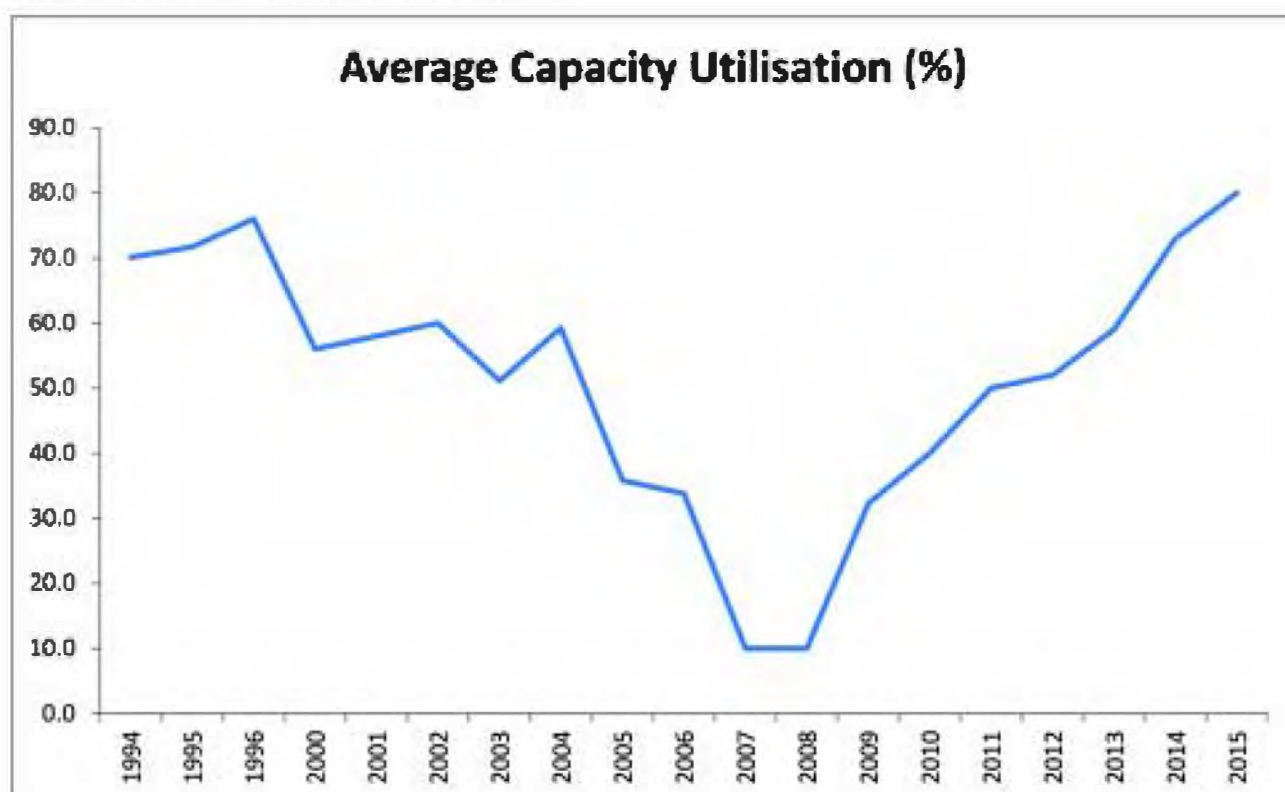
9.4 Policy Targets

- i. Increase capacity utilisation to 80% by 2015; and
- ii. Restore manufactured exports to 50% of total exports by 2015 in line with the Industrial Development Policy 2011-2015.

The manufacturing sector has potential to go back to its peak level of 76% capacity utilisation of 1996. Figure 9.1 shows the historical capacity utilisation levels and the targeted levels during the Plan period.



Fig 9.1: Capacity Utilisation targets



Source: CZI, ZIMTRADE, IDC, ZNCC

The anticipated growth in the capacity utilisation levels will feed into the growth of the manufacturing sector. As such the sector is projected to grow on average by 5% during the Plan period as shown in Table 9.2 below.

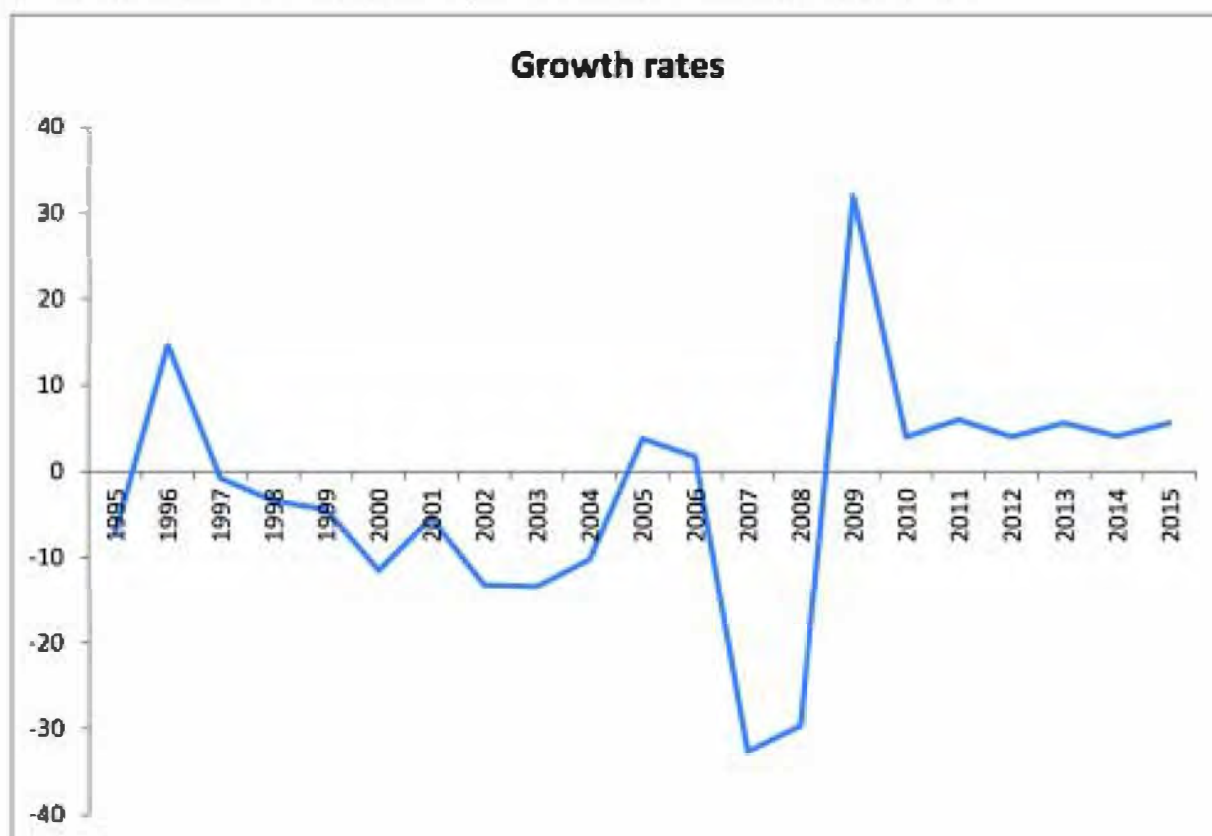
Table 9.2: Projected manufacturing growth rates

	2011	2012	2013	2014	2015
Manufacturing real growth rate (%)	6.0%	7.0%	5.0%	4.0%	5.0%

Source MOEP/PI, MOF and RBZ projections

A graphical presentation of the historical and projected manufacturing sector real growth rates are shown on Figure 9.2 below:-

Fig 9.2 Historical and projected manufacturing growth rates



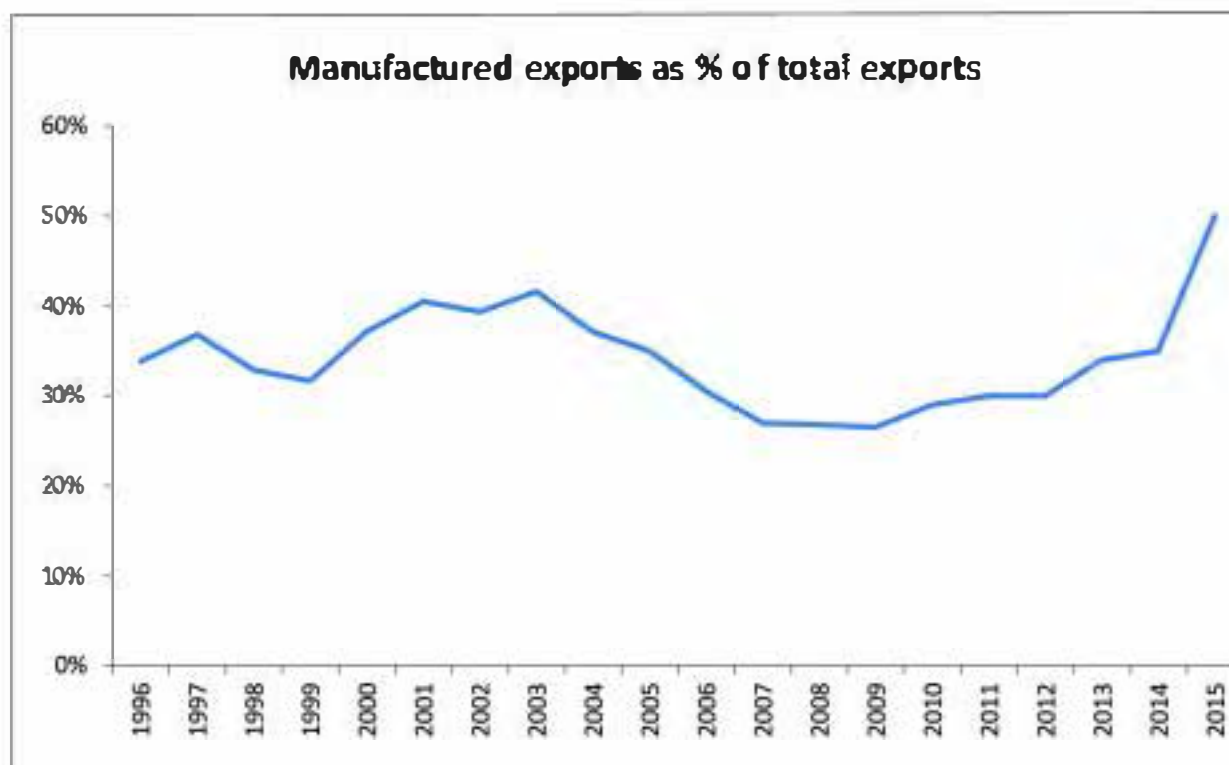
Source: CSO, MEPIP, MOF and RBZ

The successful turnaround of the economy requires a manufacturing sector that is vibrant, diversified and with strong functional linkages with agriculture, mining, construction and the services industry.

In this regard, it is important that Zimbabwe becomes a low cost producer to be able to compete at both regional and global levels. The increase in global competitiveness will lead to increased manufactured exports.

Figure 9.3 illustrates the sectors historical performance and the targeted manufactured exports as a percent of total exports during the plan period.

Fig 9.3: Historical and projected manufactured exports growth rates



Source: RBZ, MEPI/P, MOF

9.5 Policy Measures

The following measures will be put in place during the Plan period to reverse de-Industrialisation as well as promote development of new industries:-

- I. **Recapitalisation of the local industry** through the following measures:-
 - Establish an Institutional Development Bank primarily dedicated to funding the manufacturing sector;
 - Restructure local development financial institutions to provide funding for industrial development;
 - Facilitate International lenders of capital to avail long term lines of credit to the local banking industry; and
 - Government will come up with a debt strategy which will enable lenders to consider availing new lines of credit for Zimbabwe.
- II. **Promote enhanced value addition** across all sectors. For example, in the cotton sector, the complete chain will require investment into the establishment of de-linters and de-hullers to further process the cotton by products into



special paper, inks, emulsifiers and undercoats. This will create downstream industries through the following:-

- Increase support for R&D to promote efficient production of quality manufactured products;
- Pursue a deliberate programme to acquire new technologies from technologically advanced countries on a bilateral basis with a view to securing technology transfers in areas such as electronics, chemicals, heavy engineering and nanotechnology, bio-fuels and natural gas extraction;
- Enabling SIRDC and the Research Council of Zimbabwe to commercialize research outcomes and to dramatically increase the research effort;
- Educate the public about the critical incentives that intellectual property protection provides for innovation;
- Step up vigorous enforcement of existing copyright and trademark laws, both domestically and internationally;
- Produce natural resource endowment maps to assist potential investors to better appreciate investment opportunities for value addition of the natural resources;
- Develop the manufacturing sector across the country using the cluster initiative strategy; and
- Introduce measures to encourage exports which have gone through substantial transformation relevant to local capacity.

iii. **Increase availability of utilities** such as water, electricity, coal and liquid fuels at the right prices for increased industrial competitiveness. This will be made possible by promoting Public Private Partnerships to revamp key infrastructure for electricity, water and transport.

iv. **Promote trade and regional integration through:-**

Adopting tariff reduction schedules in line with COMESA and SADC tariff regimes while taking cognisance of sensitive products. Industrial raw



materials and packaging materials to enhance competitiveness and protect the economy from unfair trade practices;

Pursue opportunities under COMESA Customs Union and SADC Free Trade Areas as well as exports into the EU and the far East;

Establish "One Stop Border Post" concept at other ports of entry in addition to Chirundu to facilitate easier movement of imports and exports. This will be done within the context of the Spatial Development Initiatives (SDIs) and in line with the North-South Corridor Framework; and

Train trade attachés and other staff involved in trade matters in market profiling, market identification techniques and trade negotiation skills.

v. **Implement the following institutional measures:-**

Review the structure of Industrial Development Corporation (IDC) for it to effectively carry out its mandate of promoting industrial development;

Restructure ZIMTRADE in order to enhance its effectiveness; and

Ensure the establishment of the National Productivity Institute.

vi. **Produce the following supporting policies for the sector:-**

A comprehensive National Trade Policy to facilitate trade development, export promotion, market access and compliance with international trade protocols;

A revised comprehensive Industrial Development Policy to address challenges facing the manufacturing sector; and

Revised flexible labour regulations to ensure that companies can recruit and lay off labour, while at the same time observing fair labour practices



9.6 Investment Opportunities In Manufacturing

Table 9.4 below shows the areas in which investment opportunities exist in the manufacturing sector.

Table 9.4 Investment Opportunities

Sub-sector	Opportunities
Textiles and Clothing	Cotton ginning, spinning, weaving, finishing textiles and knitting products.
Agro-processing	Processing of meat products, canning of agricultural produce and sugar milling.
Wood and Furniture	Saw milling, production of furniture, newsprint, board and manila,
Chemicals and Pharmaceuticals	Pharmaceuticals, Industrial Chemicals
Metals and Metal Working Industries Value Addition	Building and construction, steel based furniture, motor vehicles, rail wagons

Source: MIC, MEPIP

New Investment areas

New opportunities in the sector exist in the following areas:-

- i. Fertiliser plants (Including value addition to phosphates and coal bed methane gas);
- ii. Steel manufacturing plants;
- iii. Diamond cutting & polishing, jewellery production;
- iv. Granite cutting & polishing;
- v. Refinery for Platinum Group Metals (PGM);
- vi. Lithium beneficiation;
- vii. Electronics Technology – this include information processing, computer assembly, solar technology and consumer electronics;



- viii. Chemicals production for Industrial use, agriculture, water treatment, and food processing; and
- ix. Information Communication Technology (ICT) – the boom in the ICT sector is currently supported almost entirely by imports providing an opportunity for local manufacture of some of these components such as hardware, circuit boards, microchips, including the development of the software industry providing reliable substantial bandwidth to the country at competitive cost raises the prospects of a whole new industry which leverages the country's higher education standards and high literacy rates including international customer support, database hosting, invoice and accounts receivable hosting, programming and software consulting and support.

Table 9.5 below summarises the above as well as illustrating raw material availability status and economic sector benefits from the possible investments.

Table 9.5 New Investment Opportunities

Investment Opportunities	Status of Raw Material Availability	Sectors Benefiting
Fertiliser manufacturing plants	Locally available	Local and regional agriculture.
Steel manufacturing plants	Locally available	Local and regional manufacturing, construction, agriculture, etc
Diamond cutting & polishing	Locally available	Mining, manufacturing and tourism.
Granite cutting & polishing	Locally available	Construction and tourism.
Refinery for Platinum Group Metals (PGM)	Locally available	Mining, manufacturing, energy, construction.
Lithium beneficiation	Locally available	Manufacturing, energy
Electronics Technology	Local and imported	All sectors



9.6.1 Cluster Initiatives

The above investment opportunities can be implemented using the cluster initiative as it can also accommodate SMEs and assist in their growth as the identified cluster grows.

Other clusters will be developed around:-

- i. Oil refinery (edible oils);
- ii. Automotive;
- iii. Beverages;
- iv. Metals and metal products;
- v. Chemicals; and
- vi. Pharmaceuticals.





CHAPTER 10 MINING



10 MINING

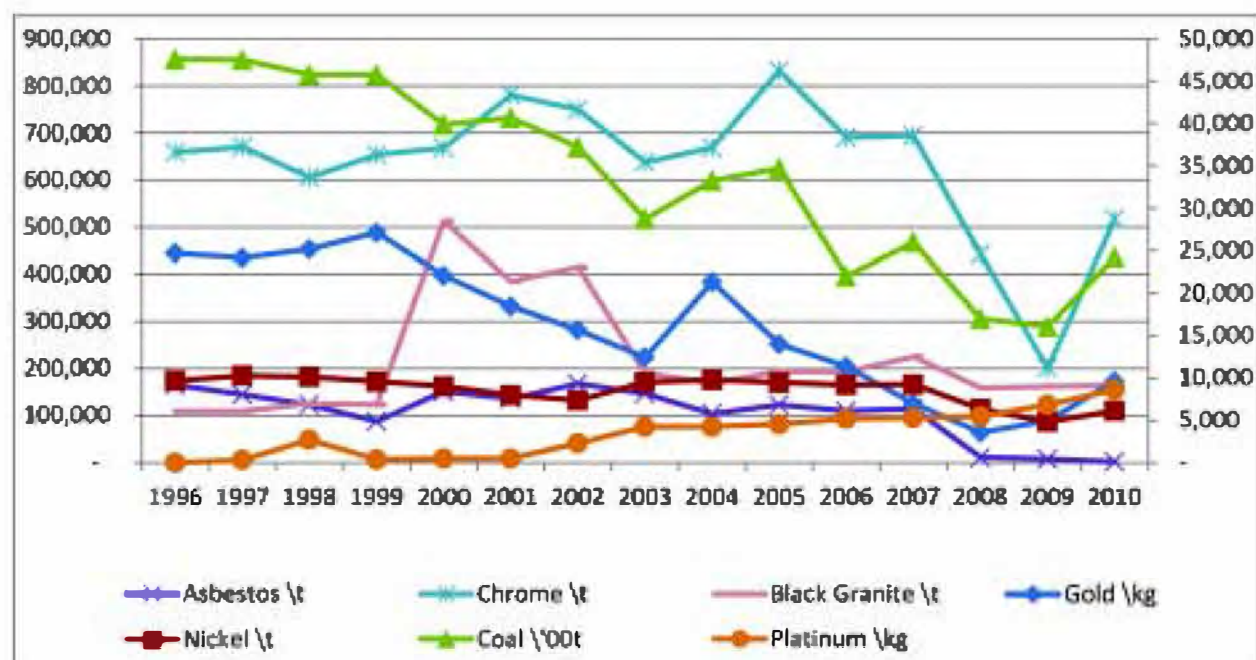
10.1 Introduction

The mining sector has the capacity and potential to create substantial impetus for economic growth and value addition. The sector has forward and backward linkages with many sectors of the economy – manufacturing, small and medium industries, construction and infrastructure, among others.

Mining currently accounts for nearly 50% of total exports and is a major source of Foreign Direct Investment. The industry creates jobs directly and indirectly, provides transfer of technology and knowledge and contributes significantly to economic activity.

Skewed macroeconomic policies over the past decade, including extended periods of overvalued exchange rate and steep foreign exchange surrender requirements adversely affected investments in the mining sector. Trends in mineral production during the same period show sustained decline, particularly in gold output with notable exception of Platinum Group Metals (PGMs). This is shown in figure 10.1 below:-

Fig: 10.1 Mineral Production 1996-2010



Source: Chamber of Mines

10.2 Challenges and Constraints

The key challenges facing the mining sector are:-

- i. Frequent power outages;
- ii. Shortages of funds for working capital and recapitalisation;
- iii. Skills flight; and
- iv. Inefficient infrastructure.

The mining sector has the capacity to sustain double digit growth, but the above challenges are impeding faster recovery in the sector. Mines continue to lose production time through unscheduled electricity outages, as the country grapples with power shortages. The situation is compounded by the fact that the regional energy demand far outstrips supply, hence sources of imports are diminishing.

Shortage of funds for recapitalization and working capital finance remains as a huge challenges facing the sector. As a capital intensive sector, mines are grappling with securing reliable sources of long term capital to finance their operations. The domestic economy does not have sufficient capacity to provide such capital to the mining houses. Accordingly, several mining houses have resorted to internally generated funds as well as offshore debt financing for their working capital requirements. Going forward the mining sector is projected to grow as projected in table 10.1 below:-

Table 10.1: Projected Growth rates 2011 - 2015

	2011	2012	2013	2014	2015
Gold \kg	13,000	15,000	18,000	21,000	25,000
Nickel \t	7,675	8,842	10,611	12,733	15,279
Coal \t	3,000,000	6,360,000	7,146,000	7,146,000	7,146,000
Asbestos \t	2,100	2,100	2,100	2,100	2,100
Chrome \t	610,000	700,000	700,000	700,000	700,000
Platinum \kg	12,000	13,287	15,751	19,721	19,666
Paladium \kg	9,600	10,630	12,601	15,776	15,732
Black Granite \t	168,000	170,811	173,748	176,602	179,511
Diamonds (carats)	8,065,651	12,111,867	14,837,707	18,443,797	21,463,054
Growth rate	44%	20.0%	18.3%	19.4%	8.0%

Source: MEPIP, RBZ and MOF



This projected growth would be premised on the following key assumptions:-

10.3 Key assumptions growth in the mining sector

During the Plan period the sector is projected to grow based on the following:-

- i. New capital injections;
- ii. Firming international commodity prices;
- iii. Improved power supply;
- iv. Improved investment environment;
- v. Improved access to credit lines; and
- vi. The release of new ground for exploration.

10.3.1 Gold

Gold production is expected to increase due to the following factors:-

- i. Improved marketing arrangements for gold;
- ii. Booming international price of gold, averaging US\$1 300/ounce in the first quarter of 2011, compared to the average of less than US\$ 1 000 in 2009;
- iii. Increased capacity utilization in major players in the sector; and
- iv. Increased deliveries from small scale miners.

10.3.2 Nickel

Nickel production will be driven by the following:-

- i. Improved activity in PGMs;
- ii. Resumption of operations by Bindura Nickel Mining Company Limited (BNC); and
- iii. Successful recapitalization of Rio Zim's Empress Nickel Mine.

10.3.3 Chrome

Chrome is expected to increase based on the following factors:



- i. Implementation of ZIMASCO production expansion plans;
- ii. Re-opening of Maranatha Mine, which is a major chrome producing company; and
- iii. Resumption of production by ZimAlloys.

10.3.4 Platinum and Palladium

The platinum sector has significant growth potential with output expected to increase due to the following factors:

- i. Commissioning of Zimplats' Ngezi Mine and Mimosa phase 2 expansion programme estimated at around US\$450 million and US\$500, respectively; and
- ii. Increased investment by platinum houses.

10.3.5 Coal

Coal production is expected to increase based on the following assumptions:

- i. Successful re-capitalisation of Hwange Colliery Company through funding from Development Bank of Southern Africa;
- ii. Increase in production as a result of the efficient use of the dragline;
- iii. Underground production will be boosted by the introduction of the second continuous mine; and
- iv. Hwange purchased a coal screening machine which is expected to increase coal output by 30 000 tonnes per month.

10.3.6 Diamond

Diamonds are a major source of growth during the plan period. Progress that the Government has made to date with regards to the Kimberly Process Certification will help spur the contribution of the sector going forward. The Government will continue to work on improving accountability and transparency with regards to the exploitation of the diamonds in the country.



10.4 Policy Objective

To profitably exploit Zimbabwe's natural resources and mineral endowments for socio-economic development.

10.5 Policy Targets

- i. Conclusion of the Zimbabwe Mineral Policy and Plan for the development of the country's resources by 2011;
- ii. Finalisation of the amendment of the Mines and Minerals Act by 2011; and
- iii. Adoption and implementation of the Extractive Industries Transparency Initiative (EITI) by 2011.

10.6 Policy Measures

10.6.1 Royalty Policy

The concept of a Royalty is that countries in which mining activities take place get a direct share in wealth produced from the exploitation of their mineral riches. In other words, a Royalty is a charge or compensatory fee levied for the exploitation of the finite resources. The country hosting the minerals should receive fair compensation for the utilization of its resources. The tariff levels should take into account the level of local ownership and local beneficiation initiatives. Government will continue to review the royalty rate in line with mining sector performance.

10.6.2 Mineral Resource Management-Adoption of the Extractive Industries Transparency Initiative

The Extractive Industries Transparency Initiative (EITI) helps resource rich countries to maximise the economic development gains from the exploitation of their oil, gas and mineral resources by encouraging greater Extractive Industries revenue transparency. The EITI was established after the realisation that many resource rich countries were found to



be living in vicious circles of poverty and depressed economic development and growth regardless of the high value of their extractive resources on the global markets.

This initiative ensures that future generations will benefit from current extractive industries revenues given the depletable and non-renewable nature of these resources.

The benefits of adopting EITI include:

- i. An improved investment climate as it provides a clear signal to investors and international financial institutions that the Government is committed to greater transparency;
- ii. Strengthened accountability and good governance, as well as promotion of greater economic and political stability. This, in turn contributes to the prevention of conflict emanating from the mining sector;
- iii. Transparency of payments made to Government can also help to demonstrate the contribution that the sector makes to the country; and
- iv. Increases in the amount of information in the public domain regarding the revenues that Governments manage on behalf of citizens, thereby making Governments more accountable.

During the Plan period, the Government will adopt and implement the EITI.

10.6.3 Minerals Value Addition

Minerals such as nickel, chrome, lithium, copper and platinum are products of the Zimbabwean mining industry but most of these are exported in a raw state and thus fetching low prices. Mineral beneficiation will create new jobs and other downstream benefits. The revival of the mining sector presents opportunities for the following:-

- i. Diamond cutting, polishing and processing;
- ii. Platinum refinery;
- iii. Processing of gold and diamonds to produce jewellery;
- iv. Lithium processing and manufacture of lithium batteries; and
- v. Granite processing.



10.6.4 Mines and Minerals Act

The Government will focus on concluding the long overdue mineral policy with a view to mapping a strategic way forward for the development of the country's mineral resources. The thrust of the Government is to maintain investor friendly legislation and a legislative framework that takes into account the benefits that must accrue to Government and the local communities.

The **Use it or Lose it** principle will be effected to minimize speculative holding of claims. Currently there are a number of claims that are not being developed because the current Act allows for companies to hold claims and titles by paying an insignificant amount. A fee will be charged at levels that discourage holding claims for speculative purposes. All registered claims should be developed for the benefit of the country. The Mining Affairs Board will administer the policy, empowered and resourced to ensure that excessive and/or speculative holding of claims will not be permitted.

The amended Mines and Minerals Act will create an environment that allows the mineral endowment to be profitably exploited for the socio-economic development of Zimbabwe.

Main tenets of the amended Mines and Minerals Act will include the following:

- i. A mining titles administration system that is easy to understand, apply and enforce;
- ii. Reforming the Mining Affairs Board;
- iii. A system that guarantees security of tenure while ensuring efficient use of land under title;
- iv. Incorporating communities in the development agenda; and
- v. Environmental management best practices.

10.6.5 Skills Development and Retention Policy

The Government will strive to offer competitive remuneration packages in order to attract and retain key skills like geologists, engineers, technicians and managers as part of the mining turnaround strategy. The Government will also give priority to building of new capacity of these skills by giving sufficient resources to training institutions like the University of Zimbabwe and the School of Mines.



10.6.6 Small Scale Mining

One of the key focus areas of Government Intervention during the Plan period will be on empowering small-scale miners so that they become self sustained and to develop bankable projects. Financial and technical support to the small scale miners will be critical during the plan period.

10.6.7 Environmental Management

The mining industry will be encouraged to develop and adopt best environmental protection and management practices. As the scale of operations in the mining sector is set to increase during the Plan period, integrated environment management guidelines will be implemented and emphasized. Best practice environmental management in mining will focus on:

- i. Giving priority to environmental management during the licensing process through the development and implementation stage of mining operations;
- II. Imposing stringent penalties on defaulters will be imposed;
- III. Greater advocacy being placed on the adoption of environmentally sound technology and the use of less toxic chemicals;
- IV. Post extraction environmental recovery; and
- v. Building resilience against climate change through improved optimal procedures and effective waste management.

10.7 Opportunities

Vast opportunities exist in the mining sector both in mineral extraction and value addition. The country is known to have over 40 different mineral occurrences, some of which have not been exploited to any meaningful degree.



Table 10.2: Mining Investment Opportunities in Zimbabwe

Investment opportunity	Mineral	Industry
Mineral Extraction	Gold, Coal, Coal bed methane, Chrome, Black granite, Diamonds, lithium & nickel	New project development Resuscitating closed mines and recapitalization of mines
Value Addition	Lithium	Lithium chemicals Lithium batteries
	Limestone	Cement
	Gold	Jewellery
	Black granite	Construction industry
	Diamond	Cutting and polishing Jewellery
	Iron ore	Steel manufacturing
	Coal	Conversion of coal to liquid fuel Electricity generation Cement and bricks manufacturing (using ash from combusted coal) Fertilizer manufacturing
	Phosphate methane	Fertiliser manufacturing
	Platinum	Refinery



10.8 CORPORATE SOCIAL RESPONSIBILITY (CSR)

An important aspect of mining development is Corporate Social Responsibility (CSR). CSR is the commitment of business to contribute to sustainable economic development, especially by working with employees, their families, the local community and the society at large to improve the quality of life in ways that are good for business and good for development. CSR activities are being undertaken by some mining companies in Zimbabwe. During the Plan period, the Government will encourage the greater implementation of CSR activities in the mining and other sectors.

CSR activities can take many forms. Common CSR activities include investments in social and physical infrastructure and services – such as building and operating schools, clinics, water supply and sewerage, roads and market places – the promotion of agriculture and nutrition, local employment generation and procurement of services, and contribution to development funds. Such CSR activities are implemented by all size of business, especially larger ones, and are aimed at communities rather than for individuals.

There are three parties to CSR: industry, community and government. Each has a specific role. Industry develops a CSR program in conjunction with the local community and consistent with the scale and stage of mine development; it also largely pays for program activities and oversees their implementation. The community works with industry to explain its development concerns and to agree on which ones could be supported through a CSR program. The community contributes to CSR activities by providing some materials and labour, and undertakes to contribute to the security and maintenance of facilities. Government's roles are to advise industry and communities on the type of CSR activities that are likely to be successful, and to ensure that CSR and government development plans and activities are complementary. Government will also ensure there is full transparency about CSR activities and other contributions that the mining industry makes to the local and national economy, including revenues to government and their use.

During the Plan period, the Government will prepare guidelines on acceptable forms of CSR for the mining sector. These guidelines will include incentives for mining companies to invest in CSR, such as equity credit under the Indigenization and Economic Empowerment



Act and tax credits, as well as consequences of their non-compliance with CSR expectations as outlined in the guidelines. Mining companies, in consultation with local communities and government, will propose and implement CSR programs consistent with those guidelines. The Government will ensure that the CSR guidelines and activities are consistent with its proposed membership in the Extractive Industries Transparency Initiative and the foreseen Sovereign Fund. Government policy on CSR will also be included in the Mines and Minerals Act.

10.9 Sovereign Wealth Fund

This is a specific Fund that will be established to manage natural resource rents such as royalties. The Fund will be created by transferring a significant amount of the royalties and any other designated inflows. It will be used in developmental programmes in all provinces and surrounding communities where the mining companies are located and also in environmental protection in the case of abandoned operations amongst other issues. This Fund will basically be storing and creating wealth for the country.

The management of this Fund is very critical. It will have overseers from Government, the Mining Industry and Civil Society. It will also be important to follow international guidelines as espoused by Extractive Industries Transparency Initiative (EITI). The Sovereign Wealth Fund is necessary in order for Zimbabwe to avoid the resource curse.

10.10 Natural Resources Charter

A Natural Resources Charter which will seek to ensure maximum benefit to the citizens in the exploitation of their resources and give guidelines to the extractive industries will be developed during the Plan period. Openness and accountability in the extraction of our natural resources will be the cornerstone of this Charter. The role of the civic society in the management of natural resources will also be clearly defined in the Charter.





CHAPTER 11 TOURISM



11 TOURISM

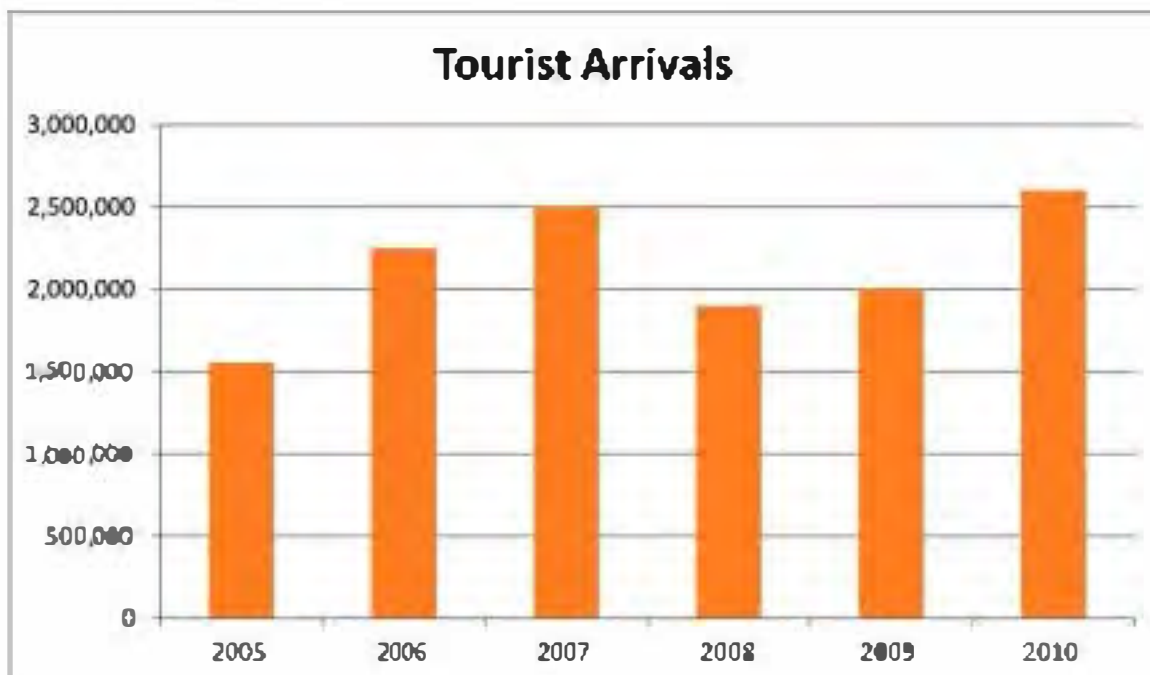
11.1 Introduction

The Government has earmarked tourism as one of the country's strategic sectors for economic growth and development due to its quick win nature. Tourism has linkages with other industries and makes a significant contribution to GDP, employment, foreign currency earnings and investment. The main thrust during the plan period is to have a sustainable and productive private sector driven tourism industry that promotes economic growth and improves livelihoods.

11.2 Recent Performance

The sector is on a recovery drive from the decline in 2008 and is set to contribute more to the economy. In 2008, Zimbabwe recorded a decline in arrivals due to safety and image issues and economic instability. The years 2009 and 2010 recorded an increase in arrivals and the upward trend is expected to continue over the plan period. Figure 11.1 below shows the recent trends in the tourism sector in terms of annual tourist arrivals.

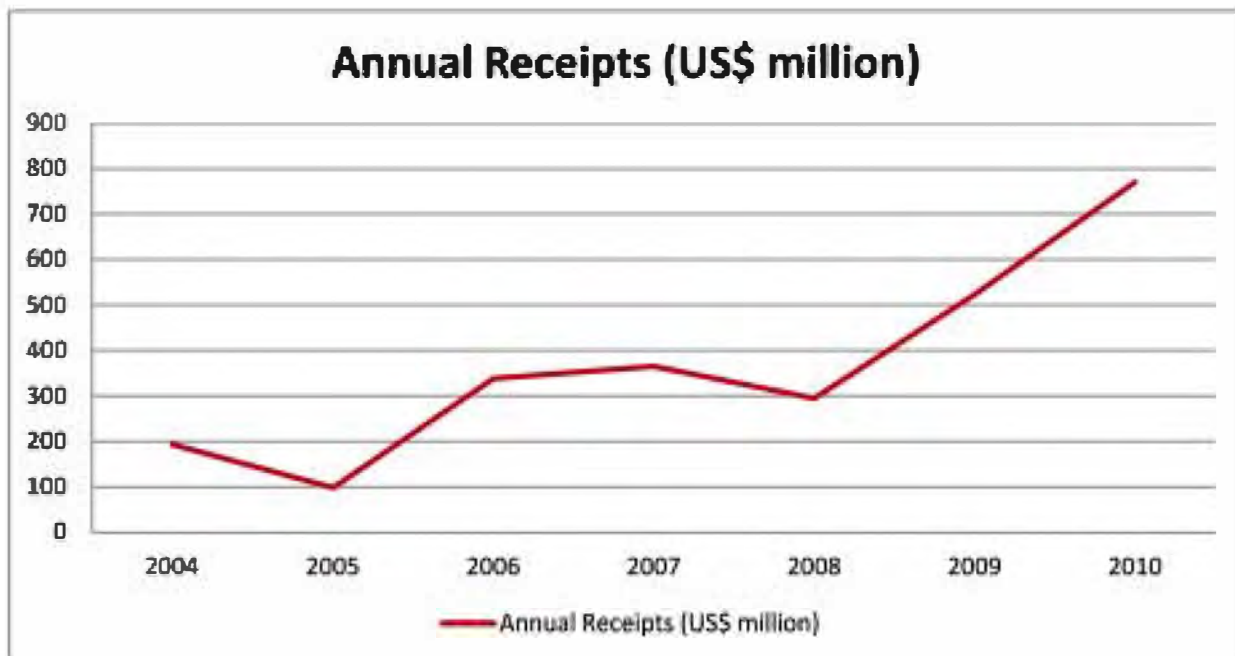
Fig 11.1: Annual Tourist arrivals 2005-2010



Source: ZTA

Figure 11.2 below shows the total amount of receipts per year received from tourism activities.

Fig 11.2: Annual Tourism Receipts 2004 – 2010



Source: ZTA

Zimbabwe is home to the mighty Victoria Falls and other major tourist attractions, including the Great Zimbabwe, Hwange National Park, Gonarezhou National Park, Lake Kariba, Mana Pools, and the Eastern Highlands, a number of which are UNESCO World Heritage sites.

11.3 Challenges and Constraints

The main challenges and constraints in tourism are:

- i. Skills flight;
- ii. Poor state of the roads;
- iii. Tourism infrastructure that is not adequately maintained;
- iv. Water and electricity shortages;
- v. Few direct flights to and from source markets; and



- vi. High utility charges which increases the cost of doing business in Zimbabwe thus making the destination regionally uncompetitive.

11.3.1 Policy Objective

To enhance Zimbabwe's domestic, regional and international tourism and make Zimbabwe a destination of choice.

11.3.2 Policy Targets

- i. Increase the number of Hotel rooms from 6,248 in 2010 to 15,000 by 2015;
- ii. Increase the number of Hotel beds from 12,000 in 2010 to 18,000 by 2015;
- iii. Increase total tourist arrivals from 2.23 million in 2010 to 4 million by 2015;
- iv. Development of the National Tourism Plan; and
- v. Implementation of the Victoria Falls Master plan.

During the plan period, tourism is set to record significant growth in response to the aggressive marketing campaigns as well as improved perceptions and a favourable business environment. The Table 11.1 below shows the projected growth rates for Tourism in relation to GDP growth over the plan period.

Table 11.1: Projected Growth rates 2011 – 2015.

	2011	2012	2013	2014	2015
Growth Rates	6%	6%	7%	7%	7%

Source: MEPI, MOF, RBZ, ZIMSTATS

11.4 Policy Measures

The following policy measures will be put in place during the plan period in order to achieve the objectives and targets of the Tourism sector:-



11.4.1 Upgrading and Diversification of the Tourism Product

- Existing operations and properties will be upgraded in a drive to modernise the tourism product;
- The tourism product will be diversified through launching of new activities and hosting of mega events to make the destination more diverse; and
- Promote other tourist destinations around the country to complement the Victoria Falls and ensure visitors stay longer.

11.4.2 Streamlined Customs and Immigration Formalities

- The Government will continue to streamline the formalities at the points of entry to make the country more easily accessible; and
- Facilitate the introduction of the UNIVISA for tourists.

11.4.3 Marketing

- The Ministry of Tourism and Hospitality Industry (MTHI), the Zimbabwe Tourism Authority (ZTA) and the industry at large will continue on an intensive international campaign targeting the world's top tourism generating markets and top tourism spenders (Germany, USA, UK, Japan, France, China, etc) portraying Zimbabwe as a safe tourism destination through rebranding, marketing at world travel expos and through advertising;
- Strengthening of the existing ZTA foreign offices in order to market Zimbabwe's Tourism endowments;
- Review of national and regional tourism marketing strategies;
- Development of Market specific marketing programmes; and
- Conduct market research on the base market and potential market.



11.4.4 Image enhancement and re-branding:

The new tourism brand "*Zimbabwe – a world of wonders*" will be supported by a web-driven E-marketing campaign, which will include redevelopment and improvement of the national website. The re-branding campaign was launched as a collective public-private sector effort in re-defining and designing a refreshed brand identity.

11.4.5 Domestic Tourism

During the Plan period, emphasis will be placed on promoting domestic tourism. This initiative will be supported by incentives such as family packages and discounts for Zimbabwe residents exploring tourism resorts. This will ensure viability of the smaller resorts and SME tourism enterprises.

11.4.6 Capacity Building in the Tourism and Hospitality Industry

Institutions of higher learning will continue to be engaged to teach languages spoken in the country's major tourism markets with a bias towards European and Asian Languages. This will ease the language barrier between the operators and the international tourists visiting the country.

Service excellence training will also be encouraged as this is an area that has great impact on the visitors' impression of the destination, and requires relatively small capital input.

Rebuilding capacity of hospitality training institutions such as the Bulawayo Hotel School will be prioritised. Tourism programmes at other colleges, and the establishment of private training institutions to cater for this aspect will be promoted. Upgrade of skills at all levels shall be encouraged.

Training on the Tourism Satellite Account will continue over the plan period in order to build capacity for effective recording of tourism statistics.



11.5 Tourism Growth Strategy

During the Plan period, Government will work with the private sector and international partners, within the context of RETOSA and UNWTO to grow the tourism sector to achieve the projected growth rates through the following activities:

- i. Assessing Zimbabwe's competitive positioning, differentiation strategy and brand identity and establish a suitable market position and image that sets the country apart from competitors;
- ii. Identifying key success drivers for tourism performance and capitalise on them;
- iii. Preparing a promotions programme, including an indication of products to be promoted and promotional activities to be undertaken in each of the main markets on a year by year basis during the Plan period;
- iv. Reviewing and evaluating the existing promotional and tourist information material in use and make improvements in order to increase the effectiveness of these materials;
- v. Evaluating and prioritizing key product development opportunities and projects; and
- vi. Reviewing the tourism administrative system and improving the management of tourism resources, planning, project developments, investment attractions, and tourism operations and services.

11.6 National Programmes and Projects

- i. Development and implementation of a National Tourism Master Plan;
- ii. Review the Tourism Act to streamline the roles of the Ministry of Tourism and Hospitality Industry and the Zimbabwe Tourism Authority;
- iii. Strengthen the national web portal for ease of access of information and reservations by tourists locally and internationally;
- iv. Establishment of efficient, well stocked and equipped Tourist Information Centres at all major ports of entry;
- v. Rehabilitation and development of tourism infrastructure;
- vi. Establishment of MTHI's administrative structures at provincial and district levels; and
- vii. Establishment of visitor's bureaus in the top ten source markets.



11.7 Opportunities

Zimbabwe is strategically positioned at the heart of Southern Africa. Government will therefore take advantage of this geographic location to promote Zimbabwe as the Hub of Tourism in Southern Africa since it is well connected to all other SADC countries. This will involve promoting Zimbabwe as a green destination as the Victoria Falls Green Fund has been successfully launched.

There is a commitment to invest around the Victoria Falls to make it the prime tourism destination in Africa. The envisaged investments under the **Victoria Falls Master Plan** include the re-routing of the road and rail to Zambia, the construction of more conference centres, hotels, golf courses and holiday homes.

Other areas of investment in tourism include the following:-

- i. Tourism Resorts;
- ii. Accommodation (Hotels and Lodges);
- iii. Sports Facilities;
- iv. Restaurants;
- v. Conference Facilities and Convention Centres;
- vi. Theme Parks and Tourist village centres;
- vii. Air Services, luxury tourist coaches and safari trains;
- viii. Travel and Touring Services;
- ix. Hunting Safaris;
- x. Transfrontier Conservation Areas (TFCAs) and Tourism Development Zones (TDZs);
and
- xi. Community Based Tourism Enterprises.





CHAPTER 12 FINANCIAL SERVICES



12 FINANCIAL SERVICES

12.1 Introduction

The financial sector plays a critical intermediary role in mobilizing savings and reallocating them for investment. Following the adoption of the multi currency system, financial intermediation by the banking sector is slowly recovering in line with the performance of the economy and gradual improvement in banking sector stability and confidence.

As of June 2011, there were 27 banking institutions; 16 licensed Asset Management Companies; and 114 operating microfinance institutions under the supervision of the Reserve Bank.

Total bank deposits rose from US\$298 million in January 2009 to US\$2,6 billion as at 31 December 2010. Loans and advances were US\$1.3 billion in December 2010, translating to a loan to deposit ratio of 65%. As at December 2010, short term deposits, which are transitory in nature, constituted 93.6% of total deposits, a reflection of an inclination towards a cash economy, generally low salaries in the economy and a sluggish money market.

The national payment system which was resuscitated in March 2009 is gradually being modernized and diversified through collaborative efforts of the banking industry and other relevant partners. The Zimbabwe Stock Exchange, which plays an integral part in mobilizing investment resources, has also improved its performance since the introduction of the multi currency system. The improved performance in volumes and share prices has been reflected in the increase in market capitalisation.



12.2 Challenges and Constraints

The main challenges facing the sector are the following:-

- i. Relatively low market liquidity coupled with limited resources for Lender of Last Resort function of the Central Bank;
- ii. Lack of long term finance;
- iii. High interest rate spreads; and
- iv. Limited range of money market securities.

12.3 Policy Objectives

- i. Greater mobilization of local financial resources towards productive activities, through a deepening of the activities of banks, non-bank financial institutions, and the capital markets.
- ii. Increased access to financial services for the currently underserved segments of the economically active population, in particular the informal sector, SME and micro enterprise sectors, and the rural and agricultural sectors.
- iii. Lower and competitive interest rates.

12.4 Policy Targets

- i. Implementation of the revised RBZ Act by 2011;
- ii. Money and Capital Market development – create viable money and capital markets;
- iii. Enhanced financial sector supervision and surveillance;
- iv. Expansion of SME and micro-finance banking;
- v. Creation of new risk weighted and appropriately priced financial Instruments; and
- vi. Establishment of a secondary bourse or alternative market to cater for SMEs by 2013.



12.5 Policy Measures

At the macro level, the key features of Financial Sector Reforms will revolve around a three-pronged policy strategy as follows:

- i. Promote policies that seek to achieve macroeconomic stability;
- ii. Foster the pursuance of market determined interest rates; and
- iii. Implementation of the amended RBZ Act to enforce prudent banking practices through effective supervision.

12.6 National Programmes and Projects

- i. National Payments System;
- ii. Create a Central Securities Deposit (CSD); and
- iii. Adopt an Automated Trading System (ATS).



CHAPTER 13 SMALL AND MEDIUM ENTERPRISES



13 SMALL AND MEDIUM ENTERPRISES AND COOPERATIVES

13.1 Introduction

The Small and Medium Enterprises (SMEs) and Cooperatives sector is considered to be a major player in the Zimbabwean economy contributing an estimated 60% of GDP and 50% to total employment. The last ten years of economic downturn experienced in Zimbabwe forced many large corporations to cease or downsize their operations. This resulted in the increased informalization of the economy.

Subsequently, the sector assumed greater prominence through its absorption of retrenchees and as a source of livelihoods. The institutional structure providing support to SMEs and Cooperatives includes the Ministry of Small and Medium Enterprises and Cooperatives Development, Small Enterprise Development Corporation (SEDCO), Small and Medium Enterprises Association and other related and supportive institutions.

The MTP will support pro-poor viable projects through the provision of SMEs and Cooperatives financing and micro finance credit provision to women and youth engaging in viable projects. This is an area that can effectively be addressed through win-win partnerships with development partners and the local banking institutions. The empowerment of SMEs is an effective way of indigenizing the economy.

13.2 Challenges and Constraints

- i. Limited access to finance mainly due to limited availability of finance in the Micro Finance Institutions and Banks;
- ii. High cost of finance;
- iii. Entrepreneurial and management skills deficiencies;
- iv. Limited access to markets in domestic, regional and international markets;
- v. Absence of strong supportive institutional structures; and
- vi. Limited access to infrastructure and technology.



13.3 Policy Objective

To create an enabling environment for SMEs and Cooperatives to grow and enhance their contribution to national development.

13.4 Policy Targets

- i. SME Policy and Strategy Framework to be in place and operational by 2011;
- ii. SME Act to be in place by 2011;
- iii. Creation of an SMEs database by 2011;
- iv. Increase market opportunities for SMEs by 2012;
- v. Improve bookkeeping and recording systems to enable SMEs to grow into formal companies;
- vi. Improving access to infrastructure by the SMEs including construction of vendor markets, factory shells and flea markets by 2011;
- vii. Develop targeted financial tools for women, youth and rural entrepreneurs and people living with disabilities in the SME sector; and
- viii. Give priority to enhance value addition and technology diffusion to enable SMEs to export to regional and international markets.

13.5 Policy Measures

- i. Provide training in business planning, management and financial discipline;
- ii. Restructure and commercialize SEDCO to facilitate quick response to market signals;
- iii. Formalization of entrepreneurs in the informal sector;
- iv. Promote linkages of SMEs with established entities;
- v. Provide workspace for SMEs, through PPPs, BOT, BOO, to construct vending stalls, sanitary facilities, factory shells etc;
- vi. Finalize the SME Bill, the SME policy and Strategy Framework through stakeholder consultations and involvement;
- vii. Enforce the implementation of the legal and regulatory framework for SMEs;



- viii. Create awareness of regional and international markets;
- ix. Sustain support for pro-poor viable projects through the provision of SME financing and micro finance credit provision to women and youth engaging in viable projects. This is an area that can effectively be addressed through win-win partnerships with development partners and the local banking institutions;
- x. Collate up-to-date statistics on the prevailing extent of the informality and size and nature of the SME sector to support national policy frameworks; and
- xi. Review the possibility of concessioning the running of the Registrar of Companies and the Deeds Office to enhance efficiency.

13.6 National Programmes and Projects

- i. Establishment of Industrial incubation centres to facilitate development of innovations in collaboration with universities and research institutions;
- ii. Construction of factory shells, vendor malls and flea markets;
- iii. Clustering of entrepreneurs and promoting linkages;
- iv. Training programmes for the formalization of entrepreneurs and to promote successive growth;
- v. Support relevant institutions to promote small and large firm linkages, provide training, and strengthening of business associations;
- vi. Institutionalization of environment issues for SMEs;
- vii. Facilitate subcontracting arrangements between big business and small business; and
- viii. Strengthen existing SME Associations.

13.7 Gender based entrepreneurship development

- i. The Gender based entrepreneurship development programme will seek to reduce gender inequalities and urban-rural disparities as its driving force for poverty reduction strategy;



- ii. Mobilize the productivity potential of both urban, peri-urban and rural people, and particularly of women, to achieve Private Sector led growth that will pull people above the poverty datum line through productive employment;
- iii. Review the regulatory environment pertaining to the initiatives taken by and on behalf of rural and women entrepreneurs;
- iv. Promote affordable and effective business development services by strengthening the capacity of both public and private providers to develop the entrepreneurial, managerial and technical skills of rural and women entrepreneurs, thus enhancing their competitiveness and facilitating their technology absorption capacities and access to finance; and
- v. Build the capacities of rural and women entrepreneurs as well as civil society organizations to strengthen their policy advocacy roles and collective self-help initiatives.





CHAPTER 14

ENVIRONMENT



14 ENVIRONMENT AND NATURAL RESOURCES

14.1 Environment

14.1.1 Introduction

Zimbabwe is endowed with considerable natural resources that serve as a cornerstone for economic development and wealth creation. The environment cuts across most sectors of society and the economy, directly and indirectly affecting their functioning by providing a range of goods and services. The country's GDP is derived from resource based sectors like agriculture, energy, mining, tourism, forestry and water. Economic activity from these sectors, however, has long term direct and indirect negative environmental impacts. Many of these problems are due to patterns of consumption of natural resources in which the rates of extraction exceed the regenerative capacity of the resources.

Under the MTP, the key principle to sustainable development is that people have the right to use environmental goods and services for their benefit, but also have the responsibility to look after the environment to ensure that the next generations are able to derive similar benefits. Key emphasis will be to ensure that natural resources are preserved and used sustainably to generate net benefits now, while safeguarding opportunities for the future generations to be able to sustain their development.

As a cross-cutting issue, the adoption of a strong environmental and social sustainability framework will go a long way towards re-branding of Zimbabwe in the international community. The Government will actively seek assistance from relevant International organizations to support the development of a sound environmental management policy and regulatory framework for all critical economic sectors.



14.1.2 Challenges and Constraints

The key environmental challenges Zimbabwe faces are:

- i. Deforestation mainly as a result of population pressure;
- ii. Land, air and water pollution;
- iii. Waste management;
- iv. Droughts, floods and land degradation mainly due to soil erosion;
- v. Impact of climate change;
- vi. Veld fires;
- vii. Poor management of forests, veld, wetlands, wildlife and protected areas;
- viii. Biodiversity loss and natural resource degradation;
- ix. Lack of awareness of environmental issues by the public; and
- x. Lack of adequate law enforcement.

14.1.3 Policy Objectives

- i. Ensure sound management of the environment to promote sustainable use of natural resources and conservation of biodiversity;
- ii. Encourage sustainable development by optimising the use of natural resources, energy, and minimising irreversible environmental damage, waste production and pollution, through incorporating provisions for environmental assessment and management in economic and development activities;
- iii. Increase public participation through education, awareness and public involvement on the conservation of natural resources, mitigation and adaptation to climate change and sound environmental management, especially amongst disadvantaged and less literate groups;
- iv. Promote equitable access to and sustainable use of natural and cultural resources with an emphasis on satisfying basic needs, improving people's standard of living, enhancing food security and reducing poverty;



- v. Promote the use of appropriate conservation measures and support the rehabilitation of degraded agricultural cropping and pastoral grazing areas; and
- vi. Promote and put in place incentives to reduce waste production and encourage recycling of waste.

14.1.4 Policy Targets

- i. Increase public participation and use of Private, Public, Community Partnerships (PPCPs) in natural resource and environmental management up to 40% by 2015;
- ii. Local environmental management action plans to be established and implemented by all councils by 2013;
- iii. Reduction of veldt fires by 80% by 2011;
- iv. Reduction of deforestation and improved forestry management by all communities by 2011;
- v. "Every person a tree" reforestation initiative by 2015 (indigenous and fruit trees);
- vi. Upscale a minimum of 30% of successful climate change adaptation and mitigation pilot projects and initiatives by 2015;
- vii. Reduction of national greenhouse gas emissions by at least 2% by 2015; and
- viii. Reduction of industrial pollution by at least 5% by 2015.

14.1.5 Policy Measures

The following legal and regulatory measures will be worked on to strengthen national environmental policy:

- i. Development of a National Climate Change Strategy and Policy;
- ii. Incorporate provisions for environmental assessment and management in all economic and development activities;
- iii. Enforce regulations that ensure effective and sustainable use of natural resources;
- iv. Regulation and policy development of key environmental issues in Zimbabwe, pollution, environmental degradation, climate change strategy;
- v. Review existing legislation to include stiffer penalties for non compliance;
- vi. Promote the development and enforcement of locally developed conservation by-laws;



- vii. Enhance sound management of forests, veldt, wildlife and protected areas;
- viii. Ensure that the culture of starting veldt fires is stopped; and
- ix. Embark on extensive afforestation and re-afforestation programmes which are spear headed by local communities.

In addition, further Institutional and policy thrust measures to ensure environmental sustainability will be as follows:

- i. Promote appropriate land use options for the different natural regions;
- ii. Conservation of natural resources, reduced deforestation, sustainable use of resources, management of forests, wildlife and protected areas;
- iii. Public participation, education, awareness and engagement of the public in environmental management;
- iv. Reduce uncontrolled extraction of natural resources by developing the agricultural, industrial, mining, retail and social service sectors to reduce unemployment;
- v. Support the extension of the CAMPFIRE concept to all natural resource exploitation activities in the respective communal areas endowed with tradable natural resources; and
- vi. Develop appropriate national strategies and action plans in line with multilateral environmental agreements signed by Zimbabwe.



14.2 Climate Change and Development

14.2.1 Introduction

Climate change poses a significant and complex challenge to social and economic development in Zimbabwe. Increased frequency and intensity of extreme weather events, such as droughts, and gradual increases in average temperatures, and declines in precipitation, will adversely affect key sectors of the economy. This is largely because natural resource based sectors like agriculture, energy, tourism, forestry and water, which are sensitive to climate change, contribute a significant proportion to the country's GDP. Importantly, 70% of the population derive its livelihoods from agriculture, with a significant proportion living in dry-land areas that are drought prone. In short, climate change threatens the country's development objectives.

However, development choices that the country makes, under the MTP, may contribute to increased emission of green house gases (GHG), thereby contributing to climate change. For instance, the development of thermal power stations, and the further exploitation of huge coal reserves, will increasingly need to be compliant with conditions stipulated for clean energy.

It is within this context that there is need to not only respond to the challenges that climate change poses to social development and economic growth, but also to develop climate-smart policies. To this end, the Medium Term Plan places climate change concerns at the centre of development strategies, plans and programmes in all sectors of the economy, particularly agriculture, energy, water, forestry, mining and tourism. This will ensure the sustainability of current strategies for social and economic development as well as their compatibility with international best practices on climate change adaptation and mitigation.

As previously stated in section 14.1.5, the development of a National Climate Change Strategy and Policy, under the MTP, will partly ensure that these twin objectives can be attained. This will also ensure that the country embarks on a low-carbon growth path.



14.2.2 Challenges and Constraints

- i. Existence of an uncoordinated policy and institutional framework governing climate change issues;
- ii. Existence of multiple and diverse organisations working on climate change;
- iii. Fragmented policy responses to the country's development challenges without much coordination between the Government and other stakeholders, and more importantly, across sectors; and
- iv. Lack of sufficient funds and technical capacity to undertake policy relevant research, and conduct any long term planning, undermine the development of a national climate change strategy and policy.

14.2.3 Policy Objective

To promote climate change mitigation and adaptation strategies in social and economic development at national and sectoral level.

14.2.4 Policy Targets

- i. Development of a National Climate Change Strategy and Policy by end of 2013;
- ii. Development of National Action Plan for Adaptation and Mitigation by end 2012; and
- iii. Increase the integration of climate change adaptation and mitigation strategies in economic and development activities and policies at national and sectoral level by end 2012.

14.2.5 Policy Measures

- i. Facilitate the formulation of a National Climate Change Strategy and Policy;
- ii. Facilitate the strengthening of institutional and policy framework for addressing climate change;



- iii. Support the integration and implementation of climate change and adaptation strategies in economic and development activities at sectoral and national level;
- iv. Promote the use of evidence-based approaches to policy planning and programming related to climate change and development;
- v. Promote broadbased participation in the formulation and implementation of a national climate change Strategy and Policy; and
- vi. Create awareness of National Climate Change Strategy and Policy.

14.3 Forestry

14.3.1 Introduction

Zimbabwe's forest resources constitute 45% of the land area and contribute approximately 3% of GDP. The forestry sector's contribution to the economy is largely from exotic plantations and commercial indigenous timber. The commercial forestry sector employs approximately 14,000 people. It is estimated that 23% of rural household incomes come from forest based activities. Forests provide important safety nets during food crises.

The country's forest resources fall under four main categories namely:

- i. woodlands, forests and trees mainly in communal areas and resettlement schemes (10 million ha);
- ii. woodlands and forests in small scale and large scale commercial farming areas (7 million ha);
- iii. woodlands and forests on State land and in protected areas (6 million ha); and
- iv. exotic plantation forests (110,000 ha). Gazetted forests cover 0.8 million ha and national parks and other protected areas occupy some 5.4 million ha.

There are 250,000 ha available for plantations and only 75,000 are utilised. The Government will facilitate investment in this area through PPPs on specific plantations.



14.3.2 Challenges and Constraints

- i. Deforestation due to land clearance for agriculture, over exploitation of trees for fuel wood for domestic and agricultural uses;
- ii. Overgrazing, wild fires, localised damage due to elephant grazing;
- iii. Brick making; and
- iv. Illegal harvest for wood carp carvings.

14.3.3 Policy Objectives

- i. Forest reservation, plantation development, and commercial exploitation;
- ii. Rural reforestation and Community Forestry Projects;
- iii. Co-management Initiatives Involving communities and the Forestry Commission;
- iv. A sound framework for benefit sharing to ensure sustainable utilisation; and
- v. Emphasis on regulation, e.g. regulation of trade in indigenous hardwood timber products and innovative self-funding mechanisms or initiatives advocating forestry as a viable land use option.

14.3.4 Policy Targets

- i. New Forestry Commission Act updated by 2011; and
- ii. Introduce licenses for selling firewood by 2011.

14.3.5 Policy Measures

- i. Facilitate the implementation of a forest-based Land Reform Policy. In this context any settler on a plantation, research plot or gazetted forest should be required to continue with forestry operations;
- ii. Introduce forest levy. All forest owners or those dealing in forest products should pay a certain percentage of their earnings to the Forestry Commission to allow it to



perform its State function. Forest levies will fund some of the activities in conservation and management of forest resources as well as regulation and supervision of timber extraction by private land owners and concessionaires;

- iii. Facilitate the setting up of plantations on the unutilised land that is available for plantations;
- iv. Promote inclusive business models that support the youth and women;
- v. Introduce strict penalties and licensing for harvesting forest resources to reduce over exploitation and deforestation; and
- vi. Enhance and standardise the role of traditional leaders in preservation of forests through training.

14.3.6 National Programmes and Projects

- I. Expansion of tree planting initiatives; and
- II. Strengthening preparedness against fires to reduce the impacts of wild fires.

14.4 Parks and Wildlife

14.4.1 Introduction

The principal and most important form of utilisation of wildlife in Zimbabwe is safari or trophy hunting. This hunting takes place in Safari Areas of the Parks and Wildlife Estate, Indigenous Forest areas, the Communal lands where the Communal Area Management Programme for Indigenous Resources (CAMPFIRE) occurs and the Private Game Farms and Conservancies. The total value of trophy hunting in the country is in excess of US\$40 million per year. Of this revenue, elephant hunting contributes about US\$12 million.

The country's wildlife resources are found in four (4) major geographic ranges namely, North-West Matabeleland, Mid-Zambezi Valley, Sebungwe and South-East Low-Veld. These ranges cover all different land tenure categories in Zimbabwe which include Parks Estate, privately owned land, communal lands and the Indigenous forest areas.



The State protected areas constituted by Parks Estate and Forestry Areas form part of the major ranges contributing 70% while the Communal Lands and Private Land contribute 25% and 5% respectively.

The geographical ranges available to wildlife are constant within the state protected areas and in private-owned conservancies. The current land reform exercise recognizes the critical role played by wildlife and seeks to maintain integrity of production systems in conservancies by extending benefits to impoverished rural communities. With the Transfrontier Conservation initiatives most of the Communal Lands implementing the CAMPFIRE programme will form major wildlife corridors that Zimbabwe share with neighbouring countries.

14.4.2 Challenges and constraints

The major challenges in wildlife management in the country are inadequate resources for wildlife management, poaching, deforestation due to land clearance for agriculture or urban development, wild fires, increasing human/wildlife conflict.

At the same time, there is a massive demand for wildlife products from within and outside the country. The increasing demand on the world market for wildlife products creates opportunities for the wildlife industry.



14.4.3 Policy objectives

- i. Wildlife Conservation, Management and Sustainable Utilization;
- ii. Communal Area Management Programme for Indigenous Resources (CAMPFIRE);
- iii. Co-management Initiatives involving communities and the private sector; and
- iv. A sound framework for benefit sharing to ensure sustainable utilization of wildlife resources.

14.4.4 Policy targets

- i. The Parks and Wildlife Act updated by end of 2011; and
- ii. Extend extension services to all beneficiaries of wildlife farms by 2012.

14.4.5 Policy measures

- i. Facilitate the implementation of a wildlife based land reform policy. In this context any settler on a farm, plot, or gazetted land should be required to engage in wildlife production;
- ii. Introduce wildlife breeders' levy. All wildlife producers or those dealing in captive breeding and wildlife products should pay a percentage of their earnings to Zimbabwe Parks and Wildlife Management Authority (ZPWMA) to allow it to perform its state function;
- iii. Facilitate the setting up of conservancies on un-utilised land particularly in agro-ecological region V;
- iv. Promote inclusive business models that support the youth, women and disadvantaged;
- v. Introduce deterrent sentences for poaches of specially protected species; and
- vi. Engage traditional leaders in conservative of wildlife resources.

14.4.6 National Programmes and Projects

- i. Expansion of wildlife ranching initiatives; and
- ii. Enhance anti- poaching measures, to reduce negative impacts on wildlife resources.



14.5 Fisheries

The Plan recognises the need to promote sustainable use of aquatic resources in order to enhance food security. It seeks to promote effective management of available fish stocks and support improvements in production, value addition and marketing of fish. Government will create a conducive environment for informal fishing activities to be integral parts of the formal fisheries sector. This will be critical for effective management of resources and employment creation.

AGRITEX, universities, international research centres and Private Sector collaboration will be critical in achieving set objectives through the following measures:

- i. Establishing a stock assessment and fisheries management system;
- ii. Strengthening the monitoring, control and surveillance of fishing activities;
- iii. Introduction of highly productive fresh water species;
- iv. Building capacity for better fisheries management, handling and processing;
- v. Development of fish farming in small water bodies throughout the country; and
- vi. Development and implementation of regulations on orderly fishing.





CHAPTER 15 PUBLIC SERVICE



15 PUBLIC SERVICE

15.1 Introduction

Since 2000, the Public Service has been experiencing severe social and economic challenges characterised by limited resources, massive brain drain, essential skills flight and capacity depletion.

The Public Service inevitably plays an instrumental role in driving the economic recovery and transformation of Zimbabwe. A skilled and dedicated resource base across all Ministries is critical to the effective design and implementation of policies and programme that will achieve the strategic policy objectives of the Medium Term Plan.

The Inclusive Government has realised the urgent need to revitalise the Public Service through effective and efficient training, attraction and retention of suitably qualified and experienced personnel.

In this regard, the Ministry of Public Service was mandated to train and capacitate all public servants with relevant competencies in order to enhance the efficiency and effectiveness of public service performance and service delivery.

The Government of Zimbabwe is committed to reforming the Public Service to make it more efficient, effective, accountable and transparent in order to enhance service delivery. This is consistent with the Government Work Programme (GWP), which prioritizes improvement of basic services through institutional reforms and capacity development. To give effect to these aspirations the transformation of the public service into a results oriented organization is of paramount importance.



15.2 Challenges and Constraints

- i. Inadequate funding;
- ii. Inadequate and obsolete training equipment and materials;
- iii. Critical skills flight of trainers due to poor conditions of service and inappropriate organizational culture;
- iv. Dilapidated infrastructure at all the fourteen (14) Public Service training Institutes including the Zimbabwe Institute of Public Administration and Management (ZIPAM);
- v. Poor communication systems and network;
- vi. High staff turnover, and limited skills base;
- vii. Unattractive conditions of service; and
- viii. Non-competitive remuneration packages.



15.3 Policy objectives

- i. Improve the welfare of public service employees;
- ii. Review public service administration and management systems;
- iii. Enhance the Ministry's ability to conduct research;
- iv. Initiate public service reform policies and programmes;
- v. Strengthen the capacity of the Public service through effective and efficient training, attraction and retention of suitably qualified and experienced personnel;
- vi. Develop holistic capacity building programmes and comprehensive public service policies and strategies;
- vii. Restore the effective and efficient training capacity of all public service training institutes. Strengthen the role of research and development as a critical tool for crucial reform measures, public service needs assessment and targeted human capital training programmes;
- viii. Increase competence levels of all civil servants;
- ix. Train and attract skilled, sufficiently qualified and experienced personnel;
- x. Promote gender parity at all levels in the Public Service; and
- xi. Restore quality service delivery countrywide.

15.4 Policy Targets

- i. Improve operational competences of public servants by closing existing competence gaps by 2014;
- ii. Cascade Personnel Performance System (PPS) to all levels of the civil service by 2012;
- iii. Harmonised collective bargaining framework by 2012;
- iv. Skills and payroll audit results by 2011;
- v. Reviewed national training and development policies by 2012; and
- vi. Reviewed Public Service Act and related statutes by 2012 in line with harmonised labour laws.



15.5 Policy Measures

- i. Provide adequate personnel, transport and communication networks, and modern training equipment at all Public Service Training Institutes;
- ii. Conduct induction training for the newly appointed, promoted, advanced and re-graded civil servants;
- iii. Rehabilitate and refurbish all Public Service Training Institutes;
- iv. Increase and maintain consistent funding for research and development;
- v. Initiate Public Service Reform policies and programmes;
- vi. Increase the capacity of civil servants through effective and efficient training to attract and retain suitably qualified and experienced personnel;
- vii. Review the public service training curricula to reflect the requirements of a responsive and results-oriented work culture;
- viii. Review and update the national training policy to support the capacity building programme;
- ix. Develop a medium-term policy to address the skills gaps in the public service; and
- x. Develop a comprehensive public service reform strategy to guide the design and implementation of public service reforms.





CHAPTER 16

HEALTH



16 HEALTH

16.1 Introduction

A healthy population contributes to economic development through increased productivity and lengthened working life, on the other hand economic development is expected to improve the health status of the general population. A healthy population reduces the amount spent on health thereby increasing the funds available for investment in other sectors. Therefore, there is the need to invest in human capital through improved health and education for sustainable economic development.

Prior to 2009, Zimbabwe experienced economic challenges which resulted in a sharp decrease in funding to the sector. This contributed towards an unprecedented deterioration of health infrastructure, loss of experienced health professionals, drug shortages and a drastic decline in the quality of health services.

Currently most of the equipment for diagnosis, treatment and monitoring of patients is old, obsolete and non-functional. Fixed plant and equipment such as laundry machines, kitchen equipment and boilers are also non-functional resulting in most institutions failing to sterilize theatre and maternity equipment, cook, or provide clean linen or to meet basic hospital standards for patient care and infection control measures.

Factors that contributed to the decline of some health indicators include the HIV and AIDS pandemic, brain drain, poor state of health facilities, inadequate drugs and medical supplies, breakdown of sewage and water supply and water treatment systems and high poverty levels. Table 16.1 below shows the levels of selected indicators in health:-



Table 16.1 Selected Indicators in Health

Indicator	Base	Most Recent
Life Expectancy (1988)	63 years	43 years
Maternal Mortality per 100 000 (1994)	578	725
Infant Mortality per '000 (1994)	53	60
Under five Mortality per '000 (1994)	77	86
HIV prevalence (2008)	15.6%	13.7%
Persons on ART '000 (2008)	110	180
TB incidence per 100 000 (2006)	402	1136
Malaria deaths (2006)	1200	1000

Source: MHCW

The above figures reflect a huge disparity with the following MDG targets:-

- i. Infant mortality rate of 22 deaths per 1000 live-births by 2015;
- ii. Under five mortality rate of 34 deaths per 1,000 live-births by 2015; and
- iii. Maternal mortality rate of 145 deaths per 100,000 live births by 2015.

16.2 Challenges and Constraints

The key challenges and constraints facing the health sector are as follows:-

- i. Insufficient financial resources to procure essential medicines, equipment, antiretroviral therapy, efficient transport and communication;
- ii. Lack of decentralized health budgets to support local development priorities;
- iii. Low salaries for health staff in the public sector and lack of and lack of incentive to work in remote areas;
- iv. Limited access to health services delivery especially by vulnerable groups;
- v. Household food insecurity and the resultant malnutrition;
- vi. Inadequate Health Information, Education and Communication (HIEC);



- vi. High morbidity due to HIV and AIDS, malaria, vaccine preventable disease;
- vii. Dilapidated infrastructure for the delivery of health services;
- ix. Poor community participation and involvement in health issues;
- x. Inadequate capacity in human resources development, including training and personnel management; and
- xi. Poor quality of care in both public and private sector.

16.3 Health Tourism

Health tourism entails the establishment of specialist clinics and hospitals to cater for specific interest groups in the health sector. This is an investment opportunity in the health sector open to all specialized medical practitioners both in Zimbabwe and abroad. This opportunity is also open to Zimbabwean medical personnel domiciled in the Diaspora who have acquired specialist skills and are also aware of investment opportunities in this field.

Pursuit of health tourism will enable the country regain its previous status as a regional referral centre.

16.4 Primary health care approach

Over the plan period the main strategy that will be used to address diseases and conditions and ensure quality institutional care will be the Primary Health Care Approach (PHC) in line with Ouagadougou Declaration on PHC. The main argument for PHC is that most of the diseases can be prevented or managed at primary health care level which in itself can lower the cost of referral curative care by reducing the number of people seeking services.

As one of the elements of PHC, community participation is expected to play a key role in the provision of health services. Over the plan period community participation will no longer be limited to provision of free labour but will be actively involved in the



identification of health needs, setting priorities and mobilising and managing local resources for health.

Primary Health Care Approach is expected to steer the nation towards attainment of the Millennium Development Goals. Table 16.2 shows relationship between priority diseases, MDGs and PHC:

Table 16.2: Relationship between priority diseases, MDGs and PHC

Priority disease	MDGs	Primary Health Care Elements
HIV, AIDS, TB, STI	MDG No 6: halt/ reverse the spread of HIV/AIDS, Malaria, TB	Education concerning the diagnosis, prevention and control of locally prevalent health problems
Nutrition deficiencies, hunger	MDG, No 1: eradicate extreme poverty and hunger	Food supply and security
Diarrhoeal diseases	MDG No 7: ensure environmental sustainability	Drinking water and sanitation
Maternal illness and conditions	MDG No 5: reduce maternal mortality ratio by two thirds	Maternal and child health care including family planning
Child health illness (acute respiratory infections)	MDG No 4: reduce under five child mortality rate by two thirds	Immunization against major infectious diseases
Malaria and other prone diseases	MDG No 6: halt/ reverse the spread of HIV/AIDS, Malaria, TB	Prevention and control of locally endemic diseases

Source: MHCW



16.5 Policy Objective

The major objective during the Plan period is to achieve 100% access and utilization of comprehensive quality primary health care services and referral facilities by 2015.

16.6 Policy Targets

- i. Increase availability of medicine to 100% for vital and essential to 80% by 2012;
- ii. Reduce under five mortality rate from 94 deaths per 1000 live-births in 2009 to 34 by 2015 (MDG 4);
- iii. Reduce maternal mortality rate from 725 deaths per 100 00 live births to 145 by 2015 (MDG 5);
- iv. To have halted, by 2015, and begun to reverse the spread of HIV and AIDS (MDG 6);
- v. To have halted, by 2015, and begun to reverse the increasing incidence of Malaria, TB and Diarrhoeal diseases (MDG 6);
- vi. Increase functionality of biomedical equipment to at least 80% by 2012;
- vii. To increase the local production of drugs, medicines and medical equipment over the plan period;
- viii. Allocate 15% of the National Budget to the health sector in line with the Abuja Declaration by 2015;
- ix. Increase the staffing levels to 100% by 2012;
- x. Rehabilitate health Infrastructure to at least 80% functionality by 2012; and
- xi. Improve the availability of reliable transportation and telecommunication systems in at least 60% of public health facilities.

16.7 Policy Measures

The following strategies will be employed during the Plan period:-

- i. Implement the National Health Strategy;



- ii. Review remuneration and other conditions of service to attract and retain skills in the health sector;
- iii. Intensify training of health personnel at all levels;
- iv. Set up referral medical institutions to attend to high end medical problems and initiate medical tourism;
- v. Enforce the implementation of a comprehensive Primary Health Care approach;
- vi. Strengthen the PPP concept for the rehabilitation of health infrastructure and provision of medicine and equipment during the Plan period;
- vii. Promote health insurance schemes;
- viii. Encourage local production of pharmaceuticals through an appropriate incentive regime;
- ix. Promote health tourism;
- x. Provide continuous supply of medicines and medical supplies;
- xi. Expand behaviour change communication, drugs availability, community support and counselling to mitigate the impact of HIV and AIDS;
- xii. Provide basic packages of preventive and curative maternal and child health, HIV and AIDS, TB and Malaria; and
- xiii. Strengthen the Medicines Control Authority of Zimbabwe.





CHAPTER 17 EDUCATION



17 EDUCATION

17.1 Primary and Secondary Education

17.1.1 Introduction

Human capital investment in the form of education is a major tool to sustainable development. It is recognized the world over as a fundamental and universal human right and a prerequisite for economic growth, human development and poverty reduction. It enables the population to make informed decisions about its economic, social and political well-being.

From independence in 1980 until the early 1990s, Zimbabwe's education system was the envy of Africa. Today the system is in danger of falling to meet the MDG 2 of achieving universal primary education by 2015, whose target is to ensure that all Zimbabwean children, boys and girls alike, will be able to complete a full programme of primary education. Unavailability of teaching materials and essential infrastructure, especially in marginalized rural areas is a challenge. In primary schools, the pupil: textbook ratios for English and Mathematics are 3:1 and 6:1 respectively, and a similar challenge exists at secondary school. The pupil-text book ratio is however, worse in rural schools.

Furthermore, the high proportions of children without Early Childhood Development, school dropouts especially for girls at higher levels and low pass rates are a cause for concern. In 2006, a total of 30 359 primary school pupils dropped out of school while in the same year, at secondary schools a total of 21 190 pupils dropped out of school. Of the total secondary school dropouts 51% were female. Since 2000 the pupil teacher ratio has been 38:1 whilst the net enrolment ratio declined from 99% in 2000 to 91% in 2009.



The indicators mentioned above present a challenge in meeting the 2015 MDG targets as indicated below:-

- i. Pupil teacher ratio of 28:1;
- ii. Completion ratio of 100%;
- iii. Net enrolment ratio of 100%; and
- iv. Pupil textbook ratio of 1:1.

Education is one of the sectors most affected by the brain drain as qualified personnel migrated to neighbouring countries. Government will consolidate the current efforts to reverse the brain drain through intensive postgraduate training programmes, attract back lost skills and reposition the country as a centre of excellence in human capital development in the region.

17.1.2 Challenges and Constraints

The education sector is faced with the following challenges:-

- i. Inadequate funding;
- ii. Inadequate learning and teaching materials;
- iii. Skills flight due to poor remuneration;
- iv. Deteriorating educational Infrastructure and equipment at institutions including teachers accommodation;
- v. Prohibitive distances especially in newly resettled areas;
- vi. High cost of education including examination fees; and
- vii. HIV and AIDS pandemic.



17.1.3 Policy Objectives

- i. Provide universal primary education including Early Childhood Development (ECD);
- ii. Restore quality of education;
- iii. Enhance the credibility of the local examination management system;
- iv. Retain and attract skilled human resources;
- v. Promote gender parity at secondary and tertiary levels;
- vi. Rehabilitate existing schools; and
- vii. Promote teaching of Sciences, Mathematics and Voc-Tec education.

17.1.4 Policy targets

- i. Reduce pupil-teacher ratio at primary school to 28:1 by 2015;
- ii. Reduce pupil-textbook ratio at primary school to 1:1 by 2015;
- iii. Allocate 30% of total budget to education sector by 2015;
- iv. Achieve gender parity at secondary and tertiary level by 2015; and
- v. Increase literacy rate from 88.4% to 98% by 2015.

17.1.5 Policy measures

- i. Increase and maintain consistent funding for the education sector;
- ii. Introduce free and compulsory primary education;
- iii. Promote access to secondary education by every child;
- iv. Promote compulsory education for children especially the girl-child up to secondary level;
- v. No child, especially the girl-child should fail to go to school due to lack of fees;
- vi. Incorporate gender, Constitution and human rights, hygiene and life skills as well as livelihood skills in the education curriculum at all levels;
- vii. Provide adequate teaching and learning materials;
- viii. Expand vocational and professional education to the youth, including mainstreaming and teaching of practical subjects in secondary schools;



- ix. Establish a Women's Education Fund to ensure no girl child drops out due to lack of school fees;
- x. Support people with disabilities with free education at all levels;
- xi. Increase the involvement of parents in the running of schools through appropriate legislative reforms;
- xii. Restructure and commercialise ZIMSEC;
- xiii. Integrate environmental best practices and community engagement towards the development of sustainable schools; and
- xiv. Computerize all schools to lay the base for the e-economy and scientific orientation of the education sector.



17.2 Higher and Tertiary Education

17.2.1 Introduction

Government's current policy on Higher and Tertiary education is premised on the enhancement of quality education with focus on the achievement of the UN Millennium Development Goals (MDGs) agenda, the implementation of the priorities of the Second Decade of Education in Africa Plan of Action and the provisions of the SADC Protocol on Education and Training.

The Ministry of Higher and Tertiary Education will ensure the delivery of a highly skilled workforce that will significantly enhance the country's competitiveness.

The execution of the Ministry's mandate is to re-build a high quality higher education system adapted to the current and projected needs of the economy. It also aims to be the leading provider of quality and relevant education internationally by 2020 and guarantee Zimbabwe as a regional leader in the creative use of new and existing knowledge, skills, attitudes, and resources through the local mobilisation of and provision of quality higher and tertiary education.

Over the plan period, Higher and tertiary education will focus on the strategic objectives articulated in the current Strategic Plan 2009-2014 in three areas namely; teacher education, technical and vocational education and training and university education.



17.2.2 Challenges and Constraints

The higher and tertiary education sector has encountered a number of challenges which include the following:-

- i. The brain drain has resulted in a large professional skills gap that has impacted negatively on service delivery and the full utilisation of institutional capacities;
- ii. Inadequate provision of incentives and retention schemes for the recruitment and retention of qualified and experienced staff at tertiary institutions;
- iii. Concern over the social well-being and career progression of the growing numbers of students studying abroad (6000 in South Africa, 220 in Algeria);
- iv. Failure to attract back the skilled and qualified professionals to contribute to the development of the country;
- v. Lack of adequate financial assistance to students without capacity to pay tuition fees;
- vi. Lack of an enabling regulatory framework for forging Public Private Partnerships in Higher and Tertiary Education Institutions; and
- vii. Inadequate funding for the refurbishment of infrastructure and completion of projects.



17.2.3 Policy Objectives

- i. Provide attractive incentive schemes for the retention and recruitment of highly qualified professionals;
- ii. Intensify the democratisation of higher and tertiary education and training for all through conventional and open and distance learning strategies;
- iii. Attract back the skilled and qualified Zimbabwe nationals in the Diaspora through the Human Capital Website to contribute to the development of the country;
- iv. Provide an enabling regulatory framework for the operations of Public Private Partnerships in Higher and Tertiary Education Institutions; and
- v. Enhance the resource base and management of higher and tertiary education.

17.2.4 Policy Targets

- i. Establish and operationalise the Zimbabwe Examinations and Qualifications Authority (ZIMEQA) by 2011;
- ii. Develop a comprehensive legal and Institutional framework for PPPs in higher education by 2011;
- iii. Refurbish infrastructure and complete unfinished projects by 2012; and
- iv. Appoint two Education attache's to South Africa and Algeria by 2011.

17.2.5 Policy measures

- i. Implement attractive retention packages for staff at Higher and Tertiary Institutions;
- ii. Monitor the social well being and career progression of students studying outside the country;
- iii. Provide adequate financial assistance to students with no capacity to pay tuition fees at universities, polytechnics and teachers colleges through the cadetship scheme;
- iv. Provide funds to refurbish infrastructure and complete ongoing projects;



- v. Appoint Education attachés to attend to the welfare of the growing number of students studying in South Africa and Algeria;
- vi. Extend the use of ODeI technologies to universities, polytechnics and teachers colleges;
- vii. Provide adequate funds for the cadetship scheme;
- viii. Formulate a regulatory framework for Public Private Partnerships In Higher and Tertiary Education Institutions;
- ix. Intensify income generating projects and forge public private partnerships (PPPs); and
- x. Market and formalise the Human Capital Website.





CHAPTER 18 SPORT, ARTS AND CULTURE



18 SPORT, ARTS AND CULTURE

18.1 Introduction

Sport, arts and culture play a significant role in human development as they contribute to creating an environment in which people can develop their full potential and lead productive and creative lives in accordance with their needs, competencies and interests. In addition to enabling citizens to participate at all levels, express and exercise their choices, sport, arts and culture can be harnessed to contribute positively to economic growth. It also has the great potential to bring a nation together. The successful hosting of the World Cup by South Africa in June 2010 has shown the tremendous contribution Sport, Arts and Culture can make towards economic, social and political development. The MTP will support National programmes that promote the development of Sport, Arts and Culture.

18.2 Challenges and Constraints

The main challenges and constraints faced by the sector are as follows:-

- i. Inadequate funding by both public and private sectors;
- ii. Inadequate trained and skilled personnel;
- iii. Insufficient sport infrastructure;
- iv. Piracy;
- v. Limited marketing channels and opportunities; and
- vi. Absence of a systematic pricing regime of arts and culture products.



18.3 Policy Objectives

- i. Increase access to and participation in sport, arts and culture activities for all pupils and the public;
- ii. Improve the management and performance of sport, arts and culture throughout the country;
- iii. Improve the sector participation at regional and international levels; and
- iv. Facilitate cooperation with other countries.

18.4 Policy Targets

- i. Establish at least one institution of high performance athletes and professional artists per province by 2015;
- ii. Increase number of medals and accolades won for artists by 50% by 2015; and
- iii. Achieve sustainable and profitable businesses in the sector that contribute at least 10% to the GDP by 2015.

18.5 Policy Measures

- i. Commercialise sport, arts and culture;
- ii. Establish rural sport development centres in each district;
- iii. Promote development of domestic sports, arts and culture through accession to International Protocols, Treaties, Agreements and Conventions;
- iv. Facilitate the development of more arts and cultural industries;
- v. Enforce regulations on copyrights;
- vi. Develop and strengthen the local, regional and international markets of arts and culture products;
- vii. Establish state of the art, sport infrastructure and culture centres in each province;
- viii. Establish skills development fund for artists, culture and other sporting disciplines;
- ix. Establish effective and culturally relevant instruction of sport and arts by appropriately trained personnel;
- x. Develop rural sports centres and sport academies; and



- xi. Develop recording studios for music and film industries.

18.6 National Programmes and Projects

- i. National Heritage/Culture Week;
- ii. Zimbabwe National Youth Games;
- iii. Zimbabwe National Paralympic Games;
- iv. Zone V Youth Games;
- v. All Africa Games; and
- vi. Sport and cultural exchange programmes.





CHAPTER 19 POPULATION AND DEVELOPMENT



19 POPULATION AND DEVELOPMENT

19.1 Introduction

Population growth is directly linked to economic and sustainable social development. High population growth places increasing pressure on Government to provide services that will not only sustain but also improve existing standards of living for the populace. If the rate of population increase is more than GDP growth, the GDP per capita will fall resulting in the decline of quality of life. Population is the nation's most important resource for development.

However, if human numbers are not managed within acceptable limits and the right qualities, it can impede development efforts and also reverse any gains made in human development. Population size, structure, spatial distribution and quality with respect to education, health and employment, all affect, and are affected by the development planning process. Given that development is principally aimed at improving the quality of life of the populace, any effort towards socio-economic development should as far as possible take into consideration the dynamics (fertility, mortality and migration) of the population.

Zimbabwe is characterised by a youthful population (45.6%) implying a potential increase in population size as the young enter the reproductive ages (See table 19.1). This poses a challenge for Government to cope with backlogs in employment, education, housing, health, water and sanitation, and other social services to meet the needs and aspirations of the people. During the period 2002 to 2009, the annual average rate of population growth was projected at 1% which was higher than the annual average GDP growth rate of -4.1% registered during the same period. As such, a national position is needed to formulate appropriate strategies that will help manage population growth at a level that is supportive of economic growth and development.



Table 19.1: Zimbabwe's Population Profile at a Glance in 2010

Total Population	12.2 million
Population Growth Rate	1%
Doubling Time	63 years
Total Fertility Rate (TFR)	3.3
Average Life Expectancy	43.3 years
Infant Mortality Rate	67 deaths per 1,000 live-births
Under-five Mortality rate	94 deaths per 1,000 live births
Maternal Mortality Rate	725 deaths per 100,000 live births
Percentage of Population under 10	23.9%
Percentage of Population aged 10-30	45.6%
Percentage of Population aged 31-64	26.8%
Percentage of Population above 65	3.7%
Dependency Ratio	81%
Percentage urban Population	29%
Percentage rural Population	71%
Population Density	31.3 persons/ sq km
Sex Composition	52% Females, 48% Males

Source: ZIMSTAT

Key to population management will be the establishment of a National Population Council (NPC) to implement the provisions of the Population Policy as recommended in the revised National Population Policy of 2009. The ultimate goal of the National Population Policy is to achieve a high standard of living, through influencing development trends of the population dynamics of fertility, mortality and migration, in a desirable direction which can contribute to the achievement of socio-economic and other collective goals of the nation. This will be achieved through the implementation of multi-sectoral programmes and projects.

19.2 Challenges and Constraints

The major challenges and constraints are as follows:-

- Lack of institutional framework for the implementation of the National Population Policy;
- Inadequate and out-dated population data for planning; and
- Inadequate funding for population programmes.



19.3 Policy Objectives

- i. Raise awareness of population issues at all levels;
- ii. Promote access to and utilisation of reproductive health services;
- iii. Increase contraceptive availability, accessibility and use;
- iv. Introduce compulsory and universal birth and national registration;
- v. Promote the integration of population variables (size, distribution, sex and age) into development planning;
- vi. Improve the population database; and
- vii. Strengthen the co-ordination of population management.

19.4 Policy Targets

- i. Launch and disseminate the National Population Policy in 2011;
- ii. Establish a National Population Council by 2011; and
- iii. Conduct a Population Census in 2012.

19.5 Policy Measures

The Plan will employ the following strategies on population management:-

- i. Establish and operationalise the National Population Council (NPC) through an Act of Parliament;
- ii. Build capacity of the NPC Secretariat and partner agencies;
- iii. Mobilise resources to carry out a population census in 2012;
- iv. Avail adequate resources to ZIMSTAT for timeous collection, processing and analysis of data, and dissemination of findings;
- v. Mobilise resources for sustained funding of family planning programmes;
- vi. Develop programmes to reduce unmet need of contraception;
- vii. Strengthen the vital registration (births, deaths, national identity card) system;
- viii. Strengthen data collection systems at district and lower levels;
- ix. Educate and inform the population on the implications of their reproductive health decisions on the nation;



- x. Intensify male motivation campaigns in order to increase men's participation in reproductive health; and
- xi. Introduce compulsory and universal birth and national identity registration.





CHAPTER 20 SOCIAL PROTECTION



20 SOCIAL PROTECTION

20.1 Introduction

The segments of the population that have been seriously affected by economic decline, sanctions and successive droughts and who require social protection include; persons living with disabilities, orphaned and vulnerable children, terminally ill and older persons of over 70 years (the vulnerable). These groups of persons either do not reach their full human potential or cannot contribute effectively to economic growth and sustainable social development due to vulnerability and exclusion. The capacity of Government to provide for the needs of these vulnerable groups has been severely constrained.

The economic crisis of the past decade has led to increased poverty and vulnerability as it adversely impacted on social service delivery. Currently there is no comprehensive Government social protection policy framework. The following statistics reflect the extent of vulnerability linked to declining social service delivery:-

- i) An estimated 0.6 million households have able-bodied individuals, but still suffer from extreme poverty. Most people have been affected by the hyperinflationary environment and the shrinking economic base of the 2000-2008 period;
- ii) An estimated 0.3 million households are considered chronically poor and make up most of the vulnerable disadvantaged groups (the older persons, persons living with disabilities, chronically ill and OVC) who have in the past been targeted by Food Aid Programmes; and
- iii) An estimated 1.3 million orphans and vulnerable children, most of whom are being cared for under community based initiatives whilst others are living in older persons headed households.

Employment based social protection mechanisms such as private and public pension schemes, medical aid and insurance schemes have been weakened by the effects of hyperinflation and the collapse in employment opportunities.



20.2 Challenges and Constraints

The following are the challenges and constraints faced under Social Protection:-

- i. Lack of a comprehensive and overarching Social Protection Policy Framework;
- ii. Social protection income/cash transfer strategies have suffered major value erosion due to hyperinflation;
- iii. The current design and implementation of safety nets perpetuates a dependency syndrome;
- iv. Government red tape and duplication of activities by Government departments have resulted in costly programmes with minimum impact;
- v. Lack of systematic selection criteria that leads to exclusion and erroneous inclusion resulting in the able bodied benefiting at the expense of the terminally sick, old and the handicapped;
- vi. Limited programme coverage resulting in pension and insurance schemes being confined to formally employed individuals; and
- vii. In some programmes, the size of the benefits is negligible and coverage too small to make any meaningful impact.



20.3 Policy Objectives

- i. Protect the poor and vulnerable households from sliding into poverty and suffer irreversible welfare losses;
- ii. Get the children out of the poverty trap; and
- iii. Support vulnerable households to manage risk through productive safety nets.

20.4 Policy Targets

- i. Assist at least 100 000 persons per year to continue accessing basic health services through the Assisted Medical Treatment Orders (AMTO) Programme;
- ii. Engage 0.4 million chronically poor but non-labour constrained households on productive safety nets (public works) in a predictable and consistent manner; and
- iii. Assist at least 1 million vulnerable children per year under the BEAM and other social protection programmes.

20.5 Policy Measures

The following policy interventions will be undertaken:-

- i. Develop a comprehensive and overarching Social Protection Policy Framework to improve programme design, beneficiary selection and benefit delivery;
- ii. Mobilize resources for sustainable financing of social protection programmes;
- iii. Enact the Older Persons' Act;
- iv. Undertake a comprehensive needs assessment of the Internally Displaced Persons (IDPs) and Mobile Vulnerable Persons (MVPs) to come up with durable solutions;
- v. Resuscitate and strengthen both private and public pension benefits schemes;
- vi. Rehabilitate existing programmes that protect human capital for example BEAM, AMTO and Cash/inputs transfers;
- vii. Undertake public works programmes for cash, food and inputs; and
- viii. Identify client specific programmes and projects across all sectors to ensure representation of special interest groups.





CHAPTER 21

PERSONS LIVING WITH DISABILITIES



21 PERSONS LIVING WITH DISABILITIES

21.1 Introduction

In Zimbabwe, it is estimated that 4% of the population lives with various forms of disabilities. 90% of People Living with Disabilities (PLWD) are poor or come from extremely poor backgrounds. People with disabilities have been discriminated against and their rights have not been fully recognized particularly in policy formulation and decision-making processes. Most of the infrastructure at health and employable institutions are not favourable for persons with disabilities. The Plan will integrate PLWD in all aspects of national development.

21.2 Challenges and Constraints

The following are the challenges and constraints faced by PLWD:-

- i. Community rejection and discrimination;
- ii. Inadequate Government support and commitment in all areas especially education;
- iii. Inadequate funding for PLWD programmes; and
- iv. Exclusion from national development initiatives.

21.3 Policy Objectives

- i. Involve PLWD in the mainstream economy;
- ii. Increase access to education by PLWD;
- iii. Achieve equality and equity based on harmonious partnerships to enable PLWD realize their full potential; and
- iv. Increase accessibility of public buildings by persons with disabilities.



21.4 Policy Targets

- I. Increased participation of PLWD in policy formulation, development planning and decision-making at all levels by 2015; and
- II. Increased participation and involvement in national development programme and projects by 2015.

21.5 Policy Measures

The following policy measures will be undertaken during the Plan period:-

- I. Implement the National Disability Act;
- II. Educate communities that disability is a natural and social phenomenon that countries and economies have to contend with;
- III. Institute effective measures that ensure accessibility of all public places and buildings to persons with disabilities;
- IV. Introduce free education and special classes for PLWD at all levels;
- V. Establish a fund to cater for educational requirements and income generating projects for persons with disabilities;
- VI. Integrate needs of persons with disabilities in all national plans and programmes;
- VII. Strengthen health programmes to address reproductive health needs of persons with disabilities;
- VIII. Introduce disability allowances;
- IX. Carry out a National Disability Survey to obtain a comprehensive data profile of persons with disabilities;
- X. Monitor and evaluate all organisations/institutions that represent PLWD; and
- XI. Provide equal access to employment opportunities in all sectors of the economy, education, housing and health facilities.





CHAPTER 22

GENDER



22 GENDER AND DEVELOPMENT

22.1 Introduction

Gender equality is a major dimension of human development. Women constitute 52% of the total population in Zimbabwe. It is therefore important that their representation and participation in the development process is commensurate with this numerical and demographic reality. During the Plan period, Government will seek to ensure the full participation of women and girls in all economic development processes. This objective seeks to facilitate the full participation of women and girls in the restoration and growth of the economy.

Zimbabwe has adopted international instruments on gender equality and women empowerment. These instruments oblige member states to provide for the equal participation of women in economic policy formulation and implementation.

In 2008, Government ratified the Protocol to the African Charter on Human and People's Rights on the Rights of Women (2003), which calls on Member States to ensure, through affirmative action, that women and girls participate in economic activities and are represented equally at all levels with men, in elections, and electoral processes as well as decision making (Article 9).

In an effort to continue encouraging women to participate in the economy and in politics, the Government of Zimbabwe signed the 1997 Southern African Development Community's (SADC) Declaration on Gender and Development. In 2008, the SADC Protocol on Gender and Development was adopted and this was ratified by Parliament in 2009.

Zimbabwe is also part of the Beijing Declaration and Platform for Action which recognizes the importance of the participation of women and girls in the economy.

In order to enhance the status of women and achieve the goals of equality and equity, the laws that were enacted and/or amended include the Legal Age of Majority Act (1982),



Equal Pay Regulations (1980), Labour Relations Act (Public Service Pensions (Amendment) Regulations (1985), Matrimonial Causes Act (1987), Maintenance (Amendment) Act (1989), the Electoral Act of 1990, The Administration of Estates (Amendment) Act (1997), the Sexual Offences Act (2001) and the Domestic Violence Act (2007).

The enactment of the Domestic Violence Act has been of great importance in fighting domestic violence in Zimbabwe. The Government has established Anti-Domestic Violence Councils at national level to ward level as per the provisions of the Domestic Violence Act.

Significant progress has been made in narrowing gender disparities in both primary and secondary education although they continue to persist at the tertiary education level as shown in Tables below:-

Table 22.1: Primary School Completion Rates Trend by Sex, Zimbabwe 2001-2006

Years	Female (%)	Male (%)	Total (%)	Parity Index
1995-2001	71.0	73.1	72.1	0.97
1996-2002	70.7	72.2	71.4	0.98
1997-2003	69.4	70.1	69.8	0.99
1998-2004	69.7	69.0	69.4	1.01
1999-2005	73.2	73.4	73.4	0.99
2000-2006	68.7	68.2	68.2	1.02



Table 22.2: Secondary School Completion Rates, Forms 1-4 by Sex, Zimbabwe 2000-2006

Years	Female %	Male %	Total %	Parity Index
1997-2000	73.69	82.09	78.07	0.90
1998-2001	74.42	82.16	78.44	0.91
1999-2002	70.96	83.43	77.27	0.85
2000-2003	67.47	71.96	69.80	0.94
2001-2004	70.66	75.27	73.05	0.94
2002-2005	79.0	84.1	81.7	0.94
2003-2006	83.3	91.7	87.6	0.91

Table 22.3 Women and Politics in 2008

RANK	PERCENTAGE OF WOMEN
Ministers	20%
Deputy Ministers	9%
Members of Parliament	14% - lower house 33% - upper house

Table 22.4 Women in Public Sector in 2009

RANK	PERCENTAGE OF WOMEN
Commissioners in the Public Service	67%
Permanent secretaries	26%
Principal Directors	26%
Directors	33%
Deputy Directors	28%



The proportion of women in decision-making positions is still very low as it is still below the SADC 50% representation. Female representation in managerial positions in the Public Service also remains very low. By way of example, in 2009, 74% of Permanent Secretaries were male while 26% were female. For the Principal Director posts, 74% were male while 26% were female. At Director Level 67% were male and 33% were female. However, there were more female Commissioners (67%) than males (33%) during the same period. Of the total managerial posts in Public Service, 70% were male while 30% were female. This shows that there is less female representation in decision making positions.

The above statistics on the representation of women in decision making positions are below the MDG 3, of Promoting Gender Equality and Empowering Women, whose target is increasing the participation of women in decision making in all sectors and at all levels (to 40% for women in senior civil service positions and to 30% for women in Parliament) by 2015.

Even more fundamentally, poverty remains a key challenge facing the economy. Female headed-households are the worst affected with 68% below the Total Consumption Poverty Line (TCPL) compared to the male-headed households at 60% below the TCPL, (PASS 2003).

In addressing these gender disparities, Government has at the broader macro level managed to engender the Call Circular of 2008 and 2009 through the Gender Budgeting Programme. Engendering of a Call Circular is an important determinant of the degree to which Gender Budgeting is being institutionalized in a country.

Further, reconstitution and training of Gender Focal Persons from Government Ministries, Departments and Parastatals to enhance their capacity to mainstream gender in their sector policies, programmes and activities will be prioritised during the Plan period.



22.2 Challenges and Constraints

- i. Constitutional and legislative gaps;
- ii. Strong negative cultural and religious beliefs that perpetuate inequalities in terms of access, control and ownership of resources in all sectors as well as rights to inheritance;
- iii. Women, who make up over 60% of farmers in the smallholder sector remain disadvantaged with respect to access to and control of resources;
- iv. Disparities in the allocation of land;
- v. Inadequate financial and material resources to effectively coordinate the implementation of the National Gender Policy and popularize the laws enacted for the advancement of women;
- vi. Lack of sex disaggregated data and gender statistics to inform policy making;
- vii. Gender based discrimination and violence in both public and private space;
- viii. Inadequate entrepreneurial and business skills among women and girls; and
- ix. Limited resources allocated to women's empowerment projects.



22.3 Policy Objectives

- i. Achieve sustainable equality and equity, empowerment of women and the girl-child based on harmonious partnership between men and women, girls and boys and enable women and girls to realise their full potential;
- ii. Mainstream gender into all sectors to eliminate all negative economic, social and cultural practices that impede equality and equity of the sexes; and
- iii. Mainstream women's economic empowerment and participation in mining, agriculture, manufacturing, tourism and other economic sectors.

22.4 Policy Targets

- i. Increase the representation, participation and involvement of women and the girl child in the economy, in politics and decision-making at all levels to attain 50% in both public and private sectors by 2015;
- ii. Gender responsive budgets and programmes in all sectors by 2012;
- iii. Gender sensitive Constitution and attain 50:50 representation of women and men in decision making positions by 2011;
- iv. Increase awareness on family laws and legislation that promote women's rights among the populace by 2012;
- v. Raise Awareness on the Domestic Violence Act and gender based violence by 2012;
- vi. Achieve parity at tertiary education institutions by 2015;
- vii. Increase participation of women to 50% by 2015 in the key economic sectors (agriculture, mining, manufacturing, tourism); and
- viii. Increase access to land by women by 2012.



22.5 Policy Measures

- i. Establish an adequately funded Gender Commission;
- ii. Establish a Development Fund for women to have access to lines of credit for empowerment projects;
- iii. Develop, finalise and adopt the Women's Economic Development Plan by 2011;
- iv. Institutionalise and operationalise the gender budgeting programme in all sectors;
- v. Reform constitutional and other legal provisions in order to achieve gender equality and equity by 2015;
- vi. Establish a Women's Bank by 2012;
- vii. Incorporate international and regional provisions of women's human rights into national legislation and practices;
- viii. Strengthen the ZIMSTAT to capture gender statistics and sex disaggregated data in all sectors;
- ix. Train women in all sectors, in leadership and management skills to enable them to take up management positions and politics;
- x. Provide for affirmative action for women's economic empowerment; and
- xi. Provide for coordination and cohesiveness of organisations involved in the gender sector.

22.6 National Programmes and Projects

- i. Engagement of women in PPPs;
- ii. Engage micro-finance institutions to support women's economic empowerment initiatives;
- iii. Training on entrepreneurship, business management skills and access to markets;
- iv. Promote the Tseu/Isiphala Sikamama Concept to contribute to the national food security at household level;
- v. Engendering the Constitution making process;
- vi. Establish a National Women's council by 2011;
- vii. Capacitate and adequately equip Roger Howman and Jamaica Inn training centres;



- viii. Develop training programmes to promote awareness of legislation that promotes women's rights in both urban and rural areas, among traditional leaders and faith-based organizations;
- ix. Introduce an instrument for monitoring and evaluating progress towards achieving gender equality and equity in public service sectors by 2011;
- x. Gender Mainstreaming in all sectors of the economy;
- xi. Capacitate women in politics and decision-making;
- xii. Capacity enhancement of the National Gender Machinery and Secretariat to coordinate implementation of the National Gender Policy;
- xiii. Undertake a Gender Audit to establish the role and participation of women in the different sectors of the economy; and
- xiv. Redress gender imbalances through implementation of the gender audit recommendations, gender analysis and mainstreaming training and affirmative action in all sectors of the economy.





CHAPTER 23 YOUTH DEVELOPMENT



23 YOUTH DEVELOPMENT

23.1 Introduction

According to the 2009 ZIMSTATS population census projections, the youths (10-35 years) constitute about 53% of the total population. This poses a challenge for Government in coping with backlog in employment, education, housing, health and other essential social services to meet the needs of this category.

The country's planning process has over the years not systematically integrated youth issues into its policies, plans, programmes and strategies at the different levels within all sectors of the economy and Institutions of Government. The implementation of a comprehensive National Youth Policy is therefore key as it underpins the youth's contribution towards the eradication of poverty and all forms of social and economic exclusion since poverty is one of the most formidable challenges facing the country.

The youth has not been spared by the HIV/AIDS scourge with HIV prevalence rate among them being most pronounced in the age groups 20-24 and 25-29 as shown in Table 23.1 below:

Table 23.1: The Youth HIV prevalence

AGE GROUP	FEMALE (%)	MALE (%)
15-19	6.2%	3.1%
20-24	16.3%	3.8%
25-29	28.8%	13.1%

Source: ZDHS 2005/2006

Across all age groups, females have a higher HIV prevalence rate than males.

23.2 Challenges and Constraints

The following are challenges that need to be addressed over the Plan period:-

- i. High rate of youth unemployment;



- ii. Inadequacy of the educational system for current job markets in both the formal and informal sectors;
- iii. Lack of access to resources;
- iv. Inadequate training and educational materials at all levels;
- v. Inadequate youth participation in economic activities and entrepreneurship development; and
- vi. Uncoordinated initiatives to address youth development issues by different organizations.

23.3 Policy Objectives

- i. Promote youth participation in policy issues and development;
- ii. Systematically integrate youth issues into all policies, plans and programmes at all levels and within all sectors and institutions of Government, NGOs and the Private Sector;
- iii. Provide opportunities for youth employment and initiatives;
- iv. Promote the value and development of vocational and skills training for the youth;
- v. Ensure that adequate resources are directed towards youth development programmes;
- vi. Promote research and disseminate information on youth; and
- vii. Develop entrepreneurship and empowerment programmes for the youth.

23.4 Policy Targets

- i. Keep the youths at school and colleges to get education and skills; and
- ii. Train 25 000 youths through the technical vocational education by 2015.



23.5 Policy Measures

- i. Involve the youth in national, provincial and district development projects and programmes;
- ii. Provide access to information on investment and skills training opportunities;
- iii. Expand educational and vocational training facilities to adequately prepare the youth for a more productive, economic and social life;
- iv. Implement the National Youth Policy in line with the African Youth Charter;
- v. Increase the participation of the youth in sport and other recreational facilities; and
- vi. Expand career guidance and counselling for the youth at schools, tertiary and vocational institutions.





CHAPTER 24
**GOVERNANCE
AND RIGHTS**



24 GOVERNANCE AND ECONOMIC DEVELOPMENT

24.1 Introduction

Governance will be critical in the implementation of the MTP across all sectors of the economy. The African Union Commission (AUC) in its analysis of economic growth of Africa pre-recession identified improvement in governance in African economies as one of the contributors to economic growth.

The ideals of good governance require transparent processes, accountability, robust legal framework and an administration aimed at efficiency and effectiveness. The ideals of good governance also recognize the importance of efficiency in resource allocations, elimination of corruption, sustainability of the environment, and equitable development.

24.2 Policy Objectives

- i. To promote good governance in all Institutions.

24.3 Policy Targets

- i. Finalization of the Constitution making by end of 2011;
- ii. Efficient management of all public sector institutions;
- iii. Establish and operationalise the National Economic Council by 2011;
- iv. Establish a budget office by 2011; and
- v. Zero tolerance to corruption.

24.4 Key Governance Issues in Zimbabwe

The MTP seeks to build on the following governance issues recognised in both STERP and the 100 Day Implementation Plan and the Government Works Programme:-

- i. Strengthening governance and accountability;
- ii. Fighting corruption; and
- iii. Promoting equality and fairness, including gender equality.



24.5 Accountability

Accountability is another cross cutting matter which the Government will focus on during the Plan period. The Government will pay attention to accountability at both the macro and micro levels, especially in local Government authorities. The improvement of service delivery in the public sector entities such as Parastatals, civil service and local Government institutions will give impetus to industry to improve production and capacity.

To provide accountable management in the Public sector, the MTP, emphasise on the performance contracts for top civil servants, Chief Executives of local Authorities and Parastatals and their Boards.

24.6 Transparency

Transparency is about openness in the conduct of public affairs, the right of citizens to access public documents and information raise queries and institute administrative and legal actions in cases of official misconduct by public officials. The GPA, STERP and the 100 Day Plan all acknowledge the challenge and the consequent need to address this problem in Zimbabwe. Making available information should help to adequately inform investors about developments in the country. The office of the Comptroller and Auditor General has been strengthened by the enactment of the Public Finance Management Act. Further strengthening will be required to enable this office working with Parliamentary Committees to bring public offices to account. Internal Audits and Audit Committees will be strengthened in the public institutions.

24.7 Participation

Participation is critical and the MTP will endeavour to institutionalise participation in all Government operations largely through the establishment of the National Economic Council (NEC). The NEC will promote economic accountability. It will advise Government on all economic matters. The Plan will seek to consolidate this accountability by ensuring that all key stakeholders are consulted before any binding decisions are taken. This will



help to ensure that all the critical players in the country have a shared vision and are working towards a common goal.

24.8 Independent Budget office

In order to cultivate participatory decision making processes by citizens in the formulation and implementation of the national fiscal policies, Government will establish a budget office in Parliament. The budget office will be a non-partisan professional office of the Zimbabwe Parliament that will provide timely and objective information and analysis concerning the national budget to legislators, relevant committees, civil society organisations and citizens.

The setting up of an independent budget office will enhance the legislature's understanding of the national budget, and will enable it to debate with the executive at an equal level. The simplified analysis of the national budget will also enable Zimbabwean citizens to effectively participate, monitor and evaluate the performance of Government. Furthermore, an independent budget office will enhance access to information on the use of public funds, and hence promotes transparency.

24.9 Anti-Corruption

Corruption increases the investment premium in the country and results in the misallocation of resources. It increases the cost of doing business in Zimbabwe. The Government will intensify its efforts to crackdown on corruption and will work towards increasing accountability and transparency. Efforts will also be made to address institutional weaknesses which make it possible for citizens to embezzle national resources and abuse power without being checked.

24.10 Public Management and Integrity of Public Institutions

Public institutions play a critical role in service delivery and transformation of the economy. The Government will focus on enhancing the integrity of key public regulatory bodies like Comptroller and Auditor-General, Ombudsmen, Parliament and its Public



Accounts and Service Committees. Reforming key public Institutions is fundamental and will ensure institutional effectiveness.

Major decisions in central and local government and public enterprises (PEs) will only be taken on the basis of very broad public consultation. All of them will be subject to public scrutiny, and must be bound to convene public hearings particularly when they make decisions that affect the public.

24.11 The Constitution

It is expected that the Constitution making process will be completed in 2011 followed by democratic, free and fair elections whose outcome should reflect the will of the people of Zimbabwe. The MTP programmes will be guided by the Constitution.

24.12 Parliament

The Parliament's role will be to provide legal backing and oversight in the implementation of the Plan period. As Parliament embodies the representatives of the people, debating the MTP in Parliament will allow for national buy in, information, transparency and sharing the direction of the Plan. The Parliamentary Committees will use the Plan to provide oversight on the priorities of Government institutions. The Parliament will accordingly use this document to promote executive accountability to Parliament.

24.13 Security Realignment

Security organs will be transformed in a manner that enables them to perform their constitutional duties without fear or favour, in defence of the people, the country and its sovereignty.

The Government will intensify its efforts to adequately resource the security sector. Emphasis will be on training and ensuring that conditions of service for the security forces are improved. In particular, the focus will be on uniforms, medicals and accommodation while resources will also be channelled towards the maintenance of existing equipment and rehabilitation of physical infrastructure.



24.14 Prisons Reforms

The Government will focus on improving the living conditions of prisoners, and ensuring that prisons meet statutory requirements. The thrust of Government will be on rehabilitation of offenders, inculcating a culture of production which is vital for their successful reintegration into society. This will entail that prisoners will grow food for themselves. They will use the farms as learning institutions, and they will continue to play an active economic role for their own benefit even when they are incarcerated. The Government will establish prison factories including skills training in partnership with the Private Sector.

24.14.1 E-Government

To further promote transparency, the Government is going to develop a Website which will be a hub of information. All policies in the various ministries will be loaded onto the Government of Zimbabwe Website. The expected computerisation of Government departments should improve public's access to basic documents.





CHAPTER 25
**DIASPORA AND ECONOMIC
DEVELOPMENT**



25 DIASPORA AND ECONOMIC DEVELOPMENT

25.1 Introduction

Zimbabwe has witnessed an unprecedented flight of skilled professionals across all sectors of the economy severely affecting service delivery and production in all the sectors. In recognition of this challenge, Article VII of the Global Political Agreement committed government to the formulation of policies and introduction of measures to attract the return of Zimbabweans in the Diaspora, and in particular the return of skilled personnel. Similarly, the STARRP document notes that Government will target this group and facilitate a conducive environment for their participation in the development of the economy and maximize inflows of remittances from abroad.

It is estimated that about 3 million Zimbabweans are in the Diaspora. A good number of these are professionals. The MEPIP with the support received from the International Organisation for Migration (IOM) has set up the Migration and Development Unit to promote Diaspora participation in the economic and social development of the country.

Further the unit is putting up discounts and other incentives to encourage Diaspora community to invest in the productive sectors of the economy.

25.2 Challenges and Constraints

The challenges and constraints experienced with regard to the Zimbabwean Diaspora include:-

- i. Weak economy which has not managed to generate enough employment opportunities to retain skilled personnel and attract those in the diaspora;
- ii. Unattractive remuneration packages compared to those prevailing in the region;
- iii. Lack of confidence in the financial sector, resulting in remittances being channelled in the informal sector;
- iv. Decline in economic activity resulting in widespread poverty; and



- v. Unattractive financial products to lure deposits into the domestic financial system.

25.3 Policy Objectives

- i. Mitigate the continued flight of qualified professionals;
- ii. Increase participation of Zimbabweans in the Diaspora in the country's development process;
- iii. Formalise the export of labour in some cases to maximise the benefits to the economy; and
- iv. Increase the remittance flows from the Diaspora.

25.4 Policy Targets

- i. Increase the contribution of remittances to over 10% of GDP by 2015;
- ii. Use the comprehensive Diaspora database produced by the MHT showing critical skills in the Diaspora during the plan period;
- iii. Finalise, adopt and implement the Migration Management and Diaspora Policy by 2011; and
- iv. Develop Diaspora bonds and other financial instruments for investment by the Diaspora by 2011.

25.5 Policy Measures

- i. Undertake Diaspora engagement workshops in countries with high concentrations of Zimbabwean nationals;
- ii. Create a conducive legal and regulatory framework (fiscal, monetary and investment policies) that facilitates and encourages the inward transmission of remittances from the Diaspora through formal channels;
- iii. Train and retain critical skilled manpower;



- iv. Encourage nationals abroad to contribute to the development of the country through facilitating short term sequenced return of qualified professionals for transfer of skills, knowledge, ideas and technology;
- v. Improve the quality of data on migration statistics (including remittances) in order to create a solid basis for evidence based migration management interventions;
- vi. Develop Diaspora bonds and other financial instruments for investment by the Diaspora; and
- vii. Create economic opportunities in high migrant sending areas to stem the flow of migration.

25.6 National Programmes

- i. Short term sequenced return programme;
- ii. Diaspora engagement road shows;
- iii. Re-integration of returnees programme;
- iv. Linking diaspora with development; and
- v. Constitutional issues surrounding the diaspora.





CHAPTER 26
FINANCING OF THE
MEDIUM TERM PLAN



26 FINANCING OF THE MEDIUM TERM PLAN

26.1 Introduction

The 2008 global economic and financial crisis resulted in low capital flows from traditional sources. In this Plan, innovative strategies for resource mobilisation from both non traditional as well as traditional sources will be pursued.

The funding of the Plan will be structured such that the economy does not run into a debt problem. This implies that borrowing will only be for productive investments thus ensuring that the economy has capacity to repay the incurred debt in the future.

26.2 Policy targets

A total investment of about US\$9.2 billion will be required during the Plan period in order to meet the MTP growth and development targets. This investment will comprise of public investment as well as private investment, both foreign and domestic. Private sector credit lines from outside and PPPs will also assist in meeting the Plan targets. In addition, there will be capital transfers largely targeted towards social service delivery which will be channelled in accordance with the Aid Coordination Policy.

26.3 Sources of funding

26.3.1 Investment led Recovery

The economy's recovery will be led by investors both foreign and local. This investment will be both in the public and private sectors. The investment into the private sector will be by way of:-



i) New equity injections into existing businesses

Investors will put in new equity through joint ventures and PPPs into existing businesses as the local businesses recapitalize. We have seen a number of entities underwriting capital raising initiatives and this will continue. Local capacity is increasing as seen by the locals' participation in capital raising by the local institutional investors.

ii) Own resources in existing businesses

A number of companies have been able to adapt quickly and have embarked on reequipping their operations. These companies have internal capacity and adapted quickly to the new economic realities. A lot more of the businesses will follow suit as the aggregate demand for their products increase.

iii) Loans and borrowings by existing businesses

Loans will be made available into the local economy. During the past year, the loans available on local market have been both very short term and expensive due to liquidity constraints. The sources of the local funds are local deposits and credit lines availed to the foreign banks through their parent companies. There are also loans that are being availed to the exporting sector (including tobacco and cotton) by Afreximbank and other institutions. Some companies are accessing foreign loans directly mainly from African institutions. More loans will be availed as the perceived country risk declines. .

iv) New investments

There are a number of new investment initiatives that are and will result in new capital flowing into the economy. These are mainly in the mining and agricultural sectors. In mining new investments will flow mainly into platinum, gold and diamonds. In agriculture the main flows are coming in the form of contract farming in tobacco and cotton. More is expected in irrigation development and horticulture.



In addition, new direct investment is expected into the manufacturing sector as the local demand expands and the country penetrates into the SADC and COMESA markets. New sectors like Communications and Information Technology are attracting new investment.

The new policies on mining regarding local procurement will have a huge multiplier effect in the economy, whilst boosting SMEs and general empowerment.

The operationalisation of One Stop Investment Centre should result in increase in foreign direct investment.

v) Sovereign Wealth Fund

The resources of this fund will largely come from mineral royalties which will be channelled towards development of all provinces of Zimbabwe and communities where the mining operations will be taking place.

26.3.2 Leveraging Government Assets and Position

The Government controls and owns the state assets and other yet to be quantified assets. The Government has authority which carries significant weight. These will be leveraged to bring inflows into the economy.

i) Loans to Projects and Government

Government, despite the current debt burden, has the capacity to obtain loans, structured or direct to particular projects. Examples are the US\$1,3b loan into the Beltbridge to Chirundu road, where the loan will be to a Government owned special purpose vehicle. This model will be duplicated over a number of projects including the railways amongst others.

There are opportunities for loans directly to Government. These can be from other Governments or from financial institutions. Projects like the New Parliament Building fall into this category.



ii) PPP Framework and Concessions

The PPP framework will cover a wide area. A number of Investors, particularly local investors, feel comfortable working with Government on a number of projects. These cover namely the Build, Operate and Transfer (BOT) and Built Own Operate and Transfer (BOOT). The key issues will be getting the correct pricing model and concession period. Projects like Kunzvi dam, Zambezi water, Oil pipelines, railways and diamond mining fit into this funding structure.

iii) Parastatals and Guarantees

Parastatals have significant wealth estimated at 33% of GDP. The parastatals which can operate on commercial lines will be freed from treasury rules. This enables them to borrow based on their business potential. These borrowings can often be cheap and backed by Government guarantees. A significant amount of debt will be from equipment vendors or financial institutions that back these vendors. This covers areas like communication, energy and mining.

iv) Lines of Credit

Lines of credit, backed by Government guarantees including BIPPAs are expected to increase. A number of countries will be able to supply lines of credit, some of which will be restricted to purchasing in those countries. Already there are several proposals from countries that are promoting exports from their own countries. Some of the lines of credit are direct to Government whilst others will be channelled through the banking sector. The lines of credit to assist the reequipping and restocking in the economy will bring the most benefit.

The MEPIP will expedite the signing of the BIPPAs with major investment countries to increase the lines of credit to industry.



26.3.3 Donations

The intervention from the international community has been largely on humanitarian issues later up rated to include humanitarian plus. The way this donation is delivered has an impact both positive and negative on the economy. The delivery model that emphasizes more local procurement has a positive impact whilst that which brings in competing products can destroy local industry. The emphasis has been to ensure that these donations will have a positive impact.

A significant amount of time and effort will be expended on ensuring that these donations are real injection into the economy. Efforts will continue to convince the international community that they should extend reconstruction and development assistance to the country. Adherence to the Paris Declaration and Accra Agenda for Action by donors and receiving countries should see aid being channelled to priority areas in accordance with our National Development Plans.

26.3.4 Diaspora remittances

The remittances from the Diaspora kept many families away from disaster during the economic meltdown and enabled them to sustain demand even when local production was at its lowest. In other countries, over 15% of their GDP comes from remittances.

In Zimbabwe, some of the estimates made put the value of remittances at upwards of 6% of GDP. The recovery in the global economy will result in our Diaspora having more resources.

Appropriate instruments for saving and investing will be created to enable remittances to be channelled to productive sectors. The Migration and Development Unit in the Ministry of Economic Planning and Investment Promotion will organise outreach programmes to attract Zimbabweans in the diaspora to invest in the country.

26.3.5 Levies and Royalties

Levies will be appropriately charged to ensure that there is continued investment in particular areas. This continued investment will guarantee growth. Levies will be charged



in areas like cotton, tobacco, timber, wildlife breeders, among others. Government will intensify collection of levies and royalties and institute measures to plug leakages. Special tax audits will be undertaken to plug leakages, tax evasion and curb transfer pricing by major co-operations. The MTP will review levies and royalties to ensure that the economy benefits from its rich natural resources.

Investment Drive

The country will embark on an investment drive to lure investors. Table 26.1 shows the projections of investment targets over the Plan period.

Table 26.1: Investment Targets (US\$ million)

	2012	2012	2013	2014	2015
Private Investment	978	923	1065	1060	1419
Public Sector Investment (Capex)	455	602	734	890	1136
Total Investment	1432	1535	1799	1950	2555

MEPIP, MOF

26.4 Bilateral Investment Promotion and Protection Agreements (BIPPAS)

The major policy objective of BIPPAs is to improve the investment environment by guaranteeing the safety of investments. The process of concluding outstanding BIPPAs will continue during the Plan period. It will result in more inward and outward investment flows.

Foreign investment presents several attributes to host countries ranging from FDI, access to foreign lines of credit, employment creation opportunities, foreign exchange generation, access to new markets and technology, among others.

To improve the investment environment, Government negotiated several BIPPAs with potential investor countries as well as those countries in which the country seeks to invest.



The resolving of the remaining outstanding issues on land and the BIPPs by the Government during the Plan period will help to restore investor confidence.

26.5 Policy Measures

- i. Finalise and operationalise all pending BIPPs to restore investor confidence; and
- ii. Resolve amicably the remaining outstanding issues on the land reform and acquired farms which were protected under the BIPPs.





CHAPTER 27

FRAMEWORK FOR MONITORING AND EVALUATION



27 FRAMEWORK FOR IMPLEMENTATION, MONITORING AND EVALUATION OF THE MTP

27.1 Introduction

The MTP will guide the National Budget since the budget will be used as a tool to implement the MTP. This will see the reintroduction of the Planning Commission under the MEPIP to assist in the implementation, monitoring and evaluation of Plan.

27.2 Overview

Monitoring and Evaluation (M&E) provides information on whether the MTP program, policy or development strategy is being implemented as planned.

The objectives of the M & E Framework are to:-

- i. Ensure that the correct milestones, as planned, are being achieved;
- ii. Act as an early warning system that enables implementing agencies to modify and refocus in cases where targets are unlikely to be achieved;
- iii. Provide regular information to all stakeholders on progress of the MTP and an informed basis for any reviews;
- iv. Allow for continuous sharpening and focusing of strategies and assist in the formulation of appropriate interventions; and
- v. Revise MTP thrusts and targets based on changes in national, regional and global developments.

The Plan will be monitored regularly at three levels: policy, operational and stakeholder levels.

27.3 Policy Level

The Prime Minister's office in accordance with the cluster arrangement will exercise continuous oversight over the implementation of the Plan to ensure consistency of outputs against the objectives, and achievement of set targets. Based on achievements, challenges and priorities, the MEPIP may direct a change of focus or strategies. It may also initiate a review of specific policies for improved implementation.



27.4 Operational Level

The Economic Cluster will be responsible for ensuring that progress on the Plan is monitored on a regular basis. Line Ministries will monitor the Plan's Implementation at Ministry levels and provide status reports to the Economic Cluster through the Cluster Leaders who will at regular intervals submit consolidated reports to the Ministry of Economic Planning and Investment Promotion.

27.5 Setting up the MTP M&E Results Framework

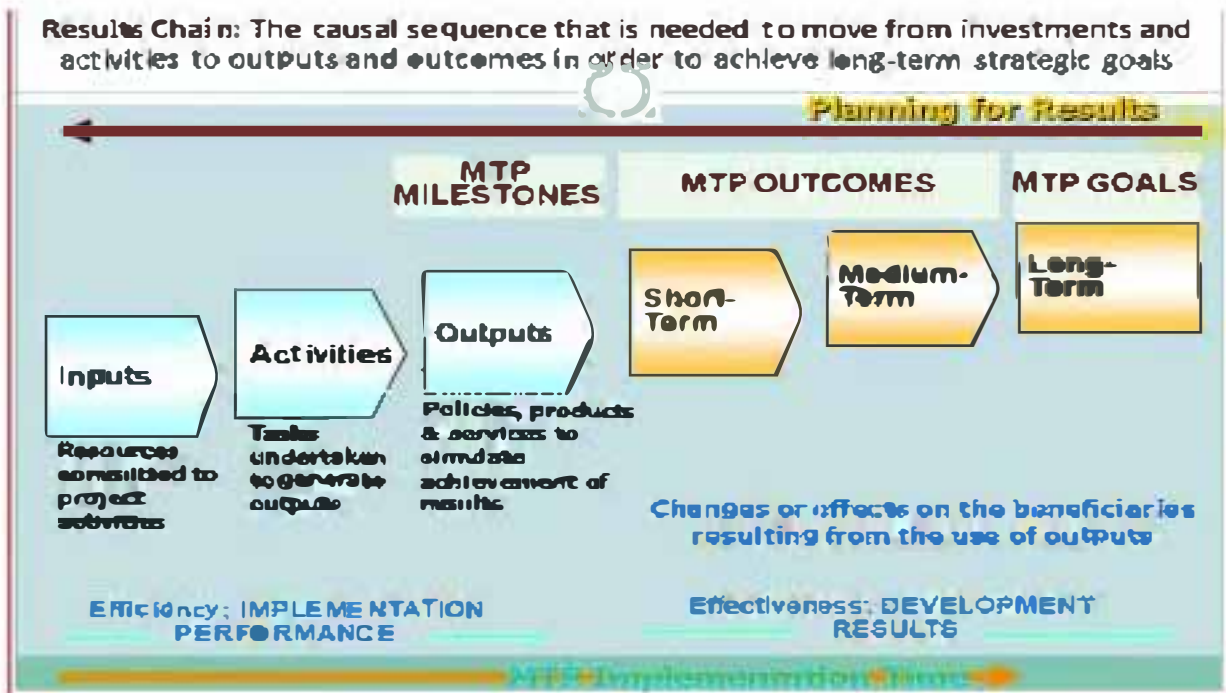
The MTP will use a results based framework for monitoring and evaluation. In the context of the RBM closer working relationships with the Office of the President and Cabinet (OPC) and ZUNDAF will be established.

Key ingredients for Results based M&E System that will be used include the following:-

- i. Identifying long-term strategic goals and agreeing on a set of clear key outcomes for the short and medium term per sector and cross cutting area;
- ii. Determining indicators to measure progress towards outcomes and goals. Each indicator requires a baseline (where are we starting?), milestones and a target (Where do we want to go?) and a monitoring plan (How do we know when we are there?), see Figure 27.1; and
- iii. Setting up feedback & reporting for decision making:-
 - Agree reporting responsibilities to establish accountability for results;
 - Identify inclusive information sharing mechanisms and participation of stakeholders including civil society, provincial and district levels; and
 - Establish a clear monitoring plan for each indicator, including frequency and responsibility of data collection, reporting and addressing gaps in data availability.



Figure 27.1 Determination of MTP Outcomes and Milestones



27.6 The M&E Process

The process will be developed with the OPC reforms department, the Ministry of Finance and line ministries following the launch of the MTP. This will entail further consultations to:-

- Revisit the Policy Objectives, Policy Targets, National Programme and Projects, and Policy measures which are listed in the MTP and group them according to their nature and position in the results chain: goals, outcomes, milestones, outputs, indicators at the line ministry level;
- Agree on key outcomes for each line ministry, which are linked to the strategic objectives;
- Revisit policy measures, actions and programs in the MTP that are necessary to achieve these outcomes at line ministry level. If one of the critical elements is missing: revisit the outcome definition, adjust and agree on what can be achieved or address the gap and ensure that the missing policies are put in place; and

- iv. **Agree on measurable indicators for each outcome and identify baselines, mid-term milestones and end targets for each outcome and Indicator.**

27.7 The Plan's Communication Strategy

The MTP has concurrently produced a Communication Strategy which is being rolled out in three stages:-

- i) Before the launch;
- ii) At the Plan's launch; and
- iii) After the launch.

The pre-launch Communication strategy consisted of consultations with various stakeholders within Government, Members of Parliament, Academia, Civil Society, the United Nations Agencies, the IFIs, including the World Bank and IMF, and the Diplomatic Community, most of whom had been appraised and subsequently given an opportunity to comment on the Zero Draft of the Plan. The Cabinet Committee on Investment and Development (CCID) working party of Permanent Secretaries and the CCID for Ministers analysed the MTP before its submission to Cabinet. In some cases one on one discussions between Ministers were conducted. The Plan has been formulated in a highly consultative manner.

Besides the rolling out of the Plan to the country's different sectoral and economic zones (such as Tourism areas, Mining areas, Agricultural areas, etc.), the Communication Strategy will focus on the following:-

- i) Prepare, as soon as the MTP is ready, a non-technical paper highlighting the main themes of the MTP and related actions envisaged;
- ii) Prepare a document of the main national projects with details of the implementation time lines; and
- iii) Convene an economic development conference within 10 months after the MTP launch and thereafter carry out annual reviews till the end of the Plan period.



27.8 Evaluation

The evaluation will provide analytical and objective feedback to ministries and stakeholders on the efficiency, effectiveness and relevance of the MTP in achieving the overall objective of attaining double digit economic growth rates through the restoration of productive capacity and creation of new capacity. It will attempt to answer the questions;

- I. What is the vision to which the Plan wants to contribute?
- II. Who are the Program or Project's stakeholders?
- iii. What are the changes that are being sought and how will the interventions contribute to the economic growth?

The two main types of evaluation will be self evaluation and independent or external in-depth evaluation.

Three major external evaluations will take place during the Plan implementation (mid-term), at the end of the Plan Implementation (terminal evaluation) and after completion of the Plan implementation considering a time period sufficient to observe developmental impact (ex-post evaluation).

The mid-term evaluation will focus on possible modifications to the planned implementation of the MTP through successive medium-term programmes while terminal evaluation will focus on the desirability and feasibility of future activities. The ex-post evaluation is particularly important in agricultural projects that have long gestation periods and impact can only be determined years after project completion.

27.9 Strategies

- i. Ensuring the inclusiveness of the monitoring and evaluation process and acceptance of the results of the review by all stakeholders; and
- ii. Developing and strengthening a monitoring and evaluation capacity at District, Provincial and National levels.



CHAPTER 28
CONCLUSION

28 CONCLUSION

We commit this economic plan to all Zimbabweans for the next five years.

The plan will be reviewed annually through Annual Plans which will take into account new economic developments.

The Plan will guide economic development in Zimbabwe for the next five years in line with the National Priorities; Vision, National Strategies, Sectoral Policies, Programmes and Activities.

The funding of the plan will to a large extent leverage on domestic resources.

In crafting this plan, we benefitted from the experience of other countries and took the best out of their development strategies, to come up with a hybrid which suits and take into account Zimbabwe's peculiarities.

As we present this plan to all Zimbabweans, we are cognisant of the fact that planning is about the architecture of the economy and implementation will critically depend on line Ministries. It is important therefore that all line Ministries ensure that their Government Work Programme and Work Plans be in sync with the MTP.

CHAPTER 29
APPENDICES

Appendix I: MILLENNIUM DEVELOPMENT GOALS (MDGs)

Goal 1 Eradicate extreme poverty and hunger;

- i. Halve, between 2002 and 2015, the proportion of people whose income is less than the Total Consumption Line (TCPL).
- ii. Halve, between 2000 and 2015, the proportion of people in Human Poverty, as measured by the Human Poverty Index (HPI).
- iii. Halve between 2002 and 2015, the proportion of people who suffer from hunger.
- iv. Reduce by two thirds, between 2002 and 2015, the proportion of under-five children who are undernourished.

Goal 2 Achieve universal primary education;

Ensure that, between 2000 and 2015, all Zimbabwean children, boys and girls alike, will be able to complete a full program of primary education.

Goal 3 Promote equality and empower women;

- i. Eliminate gender disparity in primary and secondary education, preferably, by 2005 at all levels of education no later than 2015.
- ii. Increase the participation of women in decision making in all sectors and at all levels (to 40% for women in senior civil service positions and to 30% for women in parliament) by 2005 and to 50:50 balance by 2015.

Goal 4 Reduce child mortality;

Reduce by two thirds, between 2000 and 2015, the under-five mortality rate.



Goal 5 Improve maternal health;

Reduce by three-quarters, between 2000 and 2015, the maternal mortality ratio.

Goal 6 Combat HIV/AIDS, malaria and other diseases;

- i. Have halted, by 2015, and begun to reverse the spread of HIV and AIDS.
- ii. Have halted, by 2015, and begun to reverse the increasing incidence of Malaria, TB and Diarrhoeal diseases.

Goal 7 Ensure environmental sustainability;

- i. Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources.
- ii. Halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation.
- iii. By 2020, achieve a significant improvement in the housing condition of at least 1,000,000 slum dwellers, peri-urban and high density lodgers and the homeless.

Goal 8 Develop a Global Partnership for Development

- i. Develop further an open, rule-based, predictable, non-discriminatory trading and financial system.
- ii. Address the special needs of the country's landlocked status.
- iii. Deal comprehensively with the debt problems.
- iv. In cooperation with pharmaceutical companies, provide access to affordable essential drugs.
- v. In cooperation with private sector, make available the benefits of new technologies, especially information and communications.



Appendix II: NATIONAL PRIORITY PROJECTS (2011-2015)

PROJECT		OUTPUT	IMPLEMENTING AGENCY	Estimated cost US\$ million at 2009 constant prices	SOURCE OF FUNDS	TIME FRAME
ENERGY						
1.	Rehabilitation of Hwange Power Station (Currently producing 300mw. To restore to installed capacity of 920MW)	620MW	ZESA MEPD	398	Dev. Banks ZESA	by end 2013
2.	Expansion of Hwange Power station (including Transmission and Distribution)	600MW	ZESA MEPD	1084	Dev. Banks ZESA	by end 2015
3.	Kariba Power Station – Current repairs and maintenance and planned maintenance for 2011		ZESA MEPD	92	ZESA	by end 2015
4.	Kariba Power Station expansion (including transmission and distribution)	300MW	ZESA MEPD	400	Dev. Banks ZESA	by end 2015
5.	Gokwe North Project (including Transmission and Distribution)	1400MW	ZESA MEPD	3734	Dev. Banks	by 2015
6.	Babaka Gorge Hydro-Electric Project (including Transmission and Distribution)	800MW	ZESA MEPD	3000	Dev. Banks	By 2020
7.	Leasing of small thermal power stations to private sector <ul style="list-style-type: none"> - Harare (100MW) - Munyati (100MW) - Bulawayo (90MW) 	290MW	IPPs MEPD ZESA		IPPs	By end 2012
8.	Condo hydro	100MW	IPP MEPD ZESA MWRD		IPP	2011-2013

	PROJECT	OUTPUT	IMPLEMENTING AGENCY	Estimated cost US\$ million at 2009 constant prices	SOURCE OF FUNDS	TIME FRAME
9.	Mini hydro power plants	50MW	IPP MEPD ZESA MWRD		IPP	2011-2012
10.	Lupane Gas	500MW	IPP MEPD ZESA	496	IPP	2011-2015
11.	Setting up of solar power generations units and installation of mini solar grid systems for rural electrification (to start with clinics and schools)		MEPD REA		Budget	2011-2013
LIQUID FUELS						
1.	Construction of Jet A1 dispensing facilities		MEPD MTCID CAAZ		Budget CAAZ	By end of 2011
2.	Construction of an oil refinery plant		MEPD NOCZIM Private sector		PPP	2011-2015
3.	Construction of a crude oil pipeline		MEPD NOCZIM Private sector		PPP	2011-2015

	PROJECT	OUTPUT	IMPLEMENTING AGENCY	Estimated cost US\$ million at 2009 constant prices	SOURCE OF FUNDS	TIME FRAME
WATER						
1.	Kunzvi Harare Water Project (incorporating Musami Dam)		MWRD Concessioneer	455	PPP	2011-2014
2.	Zambezi Water Project		MWRD Concessioneer	1500	PPP	2011-2015
3.	Tokwe-Mkosi Dam		MWRD Private sector		Private Sector	2011-2012
4.	Mtshabezi pipeline		MWRD		Budget	2011-2012
3.	Drilling of boreholes in rural areas		MWRD		Budget	2011-2012
5.	Small dams inc. Dombotombo, Causeway		MWRD		Budget	2011-2013
WATER AND SANITATION						
6.	Rehabilitation of water and sewerage plants; and water distribution system for Harare Bulawayo Chitungwiza Mutare Other cities & towns		MWRDM NAC Local Authorities		Budget (Donor support for emergency works) MDTF	by end 2011
7.	Rehabilitation of rural water supply and sanitation		MERDM NAC Rural District Councils		Rural Capital Development Fund (RCDF) Co-operating partners	2011-2012

	PROJECT	OUTPUT	IMPLEMENTING AGENCY	Estimated cost US\$ million at 2009 constant prices	SOURCE OF FUNDS	TIME FRAME
TRANSPORT						
Roads						
1.	Road Dualisation					
	Beltbridge-Harare	575KM		503		
	Harare-Chirundu	352KM		300		
	Harare Ring Road	80KM		56		
	Harare-Bulawayo	440KM		330		
	Harare-Mutare-Forbes	271KM		204		
	Harare-Nyamapanda	238KM		179		
	Bulawayo-Victoria Falls	439KM		330		
	Bulawayo-Beitbridge	322KM		242		
	Bulawayo-Plumtree	110KM		83		
2.	Rehabilitation of rural road network and bridges		MTCID ZINARA		Budget Community participation	2011-2013
3.	Rehabilitation of the trunk roads; construction of toll gates; and installation of computerised accounting system for accountability and effective monitoring of funds		MTCID ZINARA		Toll gates collections	2011-2012

PROJECT	OUTPUT	IMPLEMENTING AGENCY	Estimated cost US\$ million at 2009 constant prices	SOURCE OF FUNDS	TIME FRAME
Trunk roads for rehabilitation and/or upgrade:		MTCID		Budget	2011-2012
a) Buchwa-Rutenga-Boli- Sango Border Post	203km	ZINARA		Toll gates collections	
b) Mt Darwin-Mukumbura	80km				
c) Bindura-Shamva	7km				
d) Wedza-Sadza	22km				
e) Kwekwe-Lupane	40km				
f) Murambinda-Birchenough Bridge	123km				
g) Gutu-Kurai	22km				
h) Headlands- Mayo	40km				
i) Mvurwi – Kanyemba	150km				
j) Bulawayo – Nkayi – Gokwe	350km				
k) Karoi – Sengwa	300km				

	PROJECT	OUTPUT	IMPLEMENTING AGENCY	Estimated cost US\$ million at 2009 constant prices	SOURCE OF FUNDS	TIME FRAME
RAIL: Regional Trunk Rail Network upgrade (RTRN)						
1.	Development of Lions Den-Chirundu-Kafue railway line		Concessionaire Min. Of Transport		PPP	2012-2015
2.	Harare-Nyamapanda-Moatize (Tete province in Mozambique)		Concessionaire Min. Of Transport/Zimbabwe Min. Of Transport/Mozambique		PPP	2012-2015
3.	Mutare-Beira: – to increase availability of rolling stock		Concessionaire Min. Of Transport/Zimbabwe Min. Of Transport/Mozambique		PPP	2012-2015
RAIL						
1.	Rehabilitation of the rail network; rehabilitation of the rail track; refurbishment of traction and rolling stock; and rehabilitation of the signalling and telecommunications system. <i>The following routes will be concessioned and all rehabilitation works will be done through PPP funding. Private players will operate their rolling stock.</i> Harare-Machipanda [Forbes border post	283km	MTCID NRZ Concessionaires	382	PPP NRZ Development partners	2011-2015 2011-2014

	PROJECT	OUTPUT	IMPLEMENTING AGENCY	Estimated cost US\$ million at 2009 constant prices	SOURCE OF FUNDS	TIME FRAME
	(Zim/Moza)]					
	a) Dabuka to Chicaulacuala [Sango border post (Zim/Moza)]	433km				
	b) Harare-Dabuka- Beitbridge	721km				
	c) Vic. Falls – Bulawayo –Dabuka- Harare	823km				
BOARDER POSTS						
	Development of border posts		MTCID MHA PPP			2011-2015
	Beitbridge Forbes Plumtree Nyamapanda					
AIR						
1.	Rehabilitation of the Harare International Airport runway		MTCID CAAZ	2540	2010 Budget only CAAZ	by end 2013
2.	Rehabilitation of the Joshua Mqabuko Nkomo airport		MTCID CAAZ	910	Budget CAAZ	by end 2013
3.	Vic. Falls airport upgrade		CAAZ MTCID		Private funding	2011-2012
HEALTH						
1.	Rehabilitation of clinics and hospitals		MHCW		Budget MDTF	2011-2012

	PROJECT	OUTPUT	IMPLEMENTING AGENCY	Estimated cost US\$ million at 2009 constant prices	SOURCE OF FUNDS	TIME FRAME
EDUCATION						
1.	Rehabilitation of schools, technical/teachers colleges and Universities		MESAC MHTE		Budget MDTF	2011-2012
AGRICULTURE						
1.	Rehabilitation of Irrigation Infrastructure Chisumbanje Biri Chirundu		MAMID		Budget	2011-2013
2.	Dande Small Holder Irrigation Project	4300Ha	ARDA MAMID	159	Dev. Banks	2011-2012
3.	Recapitalisation of all ARDA		ARDA	110	Dev. Banks	2011-2015
4.	Middle Sabi West Bank Sugar cane project	40000Ha	ARDA	320	Dev. Banks	2011-2015
5.	Lower Sabi (Chisumbanje) West Bank Cotton Project	37000Ha	ARDA	250	Dev. Banks	2011-2015
6.	Chisumbanje ethanol plant		Private sector		Private sector	2011-2015
7.	Agro-processing plants		Private sector		Private sector	2011-2015
8.	Mushumbi Pools		MAMID		Budget	2011-2015
9.	Middle Sabi Irrigation expansion		MAMID		Budget	2011-2015
10.	Chirundu expansion		MAMID		Budget	2011-2015
11.	Other Irrigation developments		MAMID		Budget	2011-2015
HOUSING AND CONSTRUCTION						
1.	Completion of stalled housing, social amenities & public works construction projects (audit of the projects to be done first and then prioritisation of the projects)		MNHSA MPW		Budget	2011-2013
2.	Rehabilitation of all public buildings		MPW		Budget	2011-2012
3.	Low income housing projects		MNHSA MPW		Budget	2011-2015

	PROJECT	OUTPUT	IMPLEMENTING AGENCY	Estimated cost US\$ million at 2009 constant prices	SOURCE OF FUNDS	TIME FRAME
4.	Construction of factory shells, vendor markets, flea markets		MNHSA, MSMECD MPW, Private Sector		Budget Private sector	2011-2012
3.	New Parliament and Parliament Village		MNHSA MPW Concessionaire		Budget PPP	2012-2014
MINING						
1.	Marange Diamonds auctioning of 50% shareholding		MMMD Concessionaire		PPP	2011-2012
2.	Coal Bed Methane Gas		Private sector		Private sector	2011-2015
TOURISM						
1.	Development of tourism facilities inc. Resorts, casinos, accommodation, theme parks etc		Private sector MTHI		Private sector	2011-2015
2.	Vic Falls development		Private sector		Private sector	2011-2015
HEALTH						
1.	Pharmaceuticals Inc. Production of drugs for tuberculosis, malaria control, antiretroviral, etc		Private sector MHCW		Private sector	2011-2015
2.	Equipment for health sector		Private sector		Private sector	2011-2015
ICT						
1.	North South Trade Telecom Corridor: Beltrbridge-Masvingo-Gweru-Hre-Kariba STM16 fibre optic transmission		MICT MTCID Private sector		Private sector	2011-2012
2.	East West Trade Telecom Corridor: Mue-Hie-Gweru-Byo-Plumbree STM16 fibre optic transmission		MICT MTCID Private sector		Private sector	2011-2012
3.	Byo-Vic/Falls STM16 fibre optic transmission		MICT MTCID Private sector		Private sector	2011-2012

	PROJECT	OUTPUT	IMPLEMENTING AGENCY	Estimated cost US\$ million at 2008-constant prices	SOURCE OF FUNDS	TIME FRAME
4.	Harare-Kariba STM16 fibre optic transmission		MICR MFCID Private sector		Private sector	2011-2012
5.	ICT software development and local manufacture of hardware, circuit boards, microchips, etc		Private sector		Private sector	2011-2015
OTHER PRIVATE SECTOR PROJECTS						
1.	Fertiliser plants (Inc. value addition to phosphates and coal bed methane gas)		Private sector		Private sector	2011-2015
2.	Steel manufacturing plants		Private sector		Private sector	2011-2015
3.	Textile plants		Private sector		Private sector	2011-2015
4.	Bio fuels		Private sector		Private sector	2011-2015
5.	Diamond cutting & polishing; Jewellery production		Private sector		Private sector	2011-2015
6.	Granite cutting & polishing					2011-2015
7.	Refinery for Platinum Group Metals (PGM)		Private sector		Private sector	2011-2015
8.	Lithium beneficiation		Private sector		Private sector	2011-2015
9.	Coal to liquid fuels plants					2011-2015
10.	Engineering and fabrication		Private sector		Private sector	2011-2015
11.	Electronics		Private sector		Private sector	2011-2015
12.	Chemicals production for industrial use; agriculture; water treatment; & food processing.		Private sector		Private sector	2011-2015
13.	Infrastructure development of SME Industrial Parks		Private Sector MSMECD		Private Sector MSMECD	2011-2015
14.	Beira port development		Private sector		Private sector	2011-2015

Appendix III: IMPLEMENTATION MATRIX

Following the launch of the MTP, further consultations will be held with the line ministries and the Ministry of Finance to agree on the budgetary allocations for programmes and projects outlined in the Plan. The costed Implementation Matrix and the Monitoring and Evaluation Framework will be published separately. The matrix guide the fiscal authorities in this allocation of funds to capital expenditure programmes.

Sector	Policy Objectives	Policy Targets	Programme/ Project	Activities	Implementing Agency
Aid Architecture	To align aid with national priorities; To re-orient aid from humanitarian to development assistance; To increase amount of resources being channelled by development partners through the national budget	To align 100% humanitarian assistance to national priorities by 2012. To align 50% of development aid to national priorities by 2015. To have 80% of aid channelled through the national budget 2015. To evaluate and review Aid Coordination Policy by 2012.			MOF, MEPIP, MRIIC
Energy Sector	To restore and increase power generation capacity to meet national demand for the attainment of economic recovery and growth	Restoration of generation capacity at Hwange to installed capacity by 2012.	Rehabilitation of Hwange and Kariba to full capacity Expansion of Kariba and Hwange power stations	Rehabilitation and expansion	MEPD, ZESA.
		Lease of small thermals to increase electricity supply by 290MW by 2011.	Rehabilitation of thermals		
		Installation of prepaid meters by 2012.	Enhancement of the billing and collection system Local manufacture of transformers, prepaid meters and other spares	Installation of meters	
		Institute demand side management to energy savings of up to 300MW by 2013.	Demand side management Installation of energy saver bulbs	Saving measures	
		Electrify rural areas and reduce fuel wood consumption	Rural electrification Programme		

Sector	Policy Objectives	Policy Targets	Programme/Project	Activities	Implementing Agency
Liquid Fuel Sector	To ensure adequate supply of fuel for both domestic and industrial use;	Establish an independent regulator by 2011. Beira pipeline capacity utilisation to be over 90 % by 2011	Establishment of Regulator		MEPD
	To produce and use bio fuels.	Produce and use ethanol blend and bio-fuels by 2012	Research for use of biogas on a large scale		
Transport-Roads	To have a well developed trunk road network;	Dualisation of the Beitbridge to Chirundu road by 2012.	Dualisation	Rehabilitation, maintenance, upgrading and dualisation of roads	MTCID,
	A well developed and maintained rural and urban road network	Pot holes repaired on urban roads by 2011.	Maintenance Works		MLGRUP
		Well maintained rural roads by 2012.			
		Tarring of significant sections of rural access roads by 2015.	Upgrading Works		
Transport – Rail	Have a functional and robust rail track infrastructure	Remove cautions from the rail track by 2011.	Rehabilitation	Rehabilitation, maintenance, upgrading and expansion of rail	MTCID,
		Restore signalling system by 2012.	Upgrading		NRZ
		Introduce a multi-user system by 2011.			
		Establish an independent Regulatory Authority by 2011.	Concessioning of rail tracks		
		Expand the railway by construction of new links by 2015.	Expansion works		
Transport - Air	Provide reliable air transport;	A viable and reliable national airline by 2011.	Airports Equipment Modernisation Programme	Rehabilitation and maintenance of airports	MTCID,
	To develop a regional hub	Increase number of airlines into Zimbabwe to 30 by 2011 and 40 by 2015.	Open skies policy		Air Zimbabwe, CAAZ
Water and Sanitation	Supply adequate and clean water for urban and rural community use;	Completion of Tukwe Mubosi Dam by 2012.	Completion works	Provision of meters	MWRDM, MST, Local Authorities.
		Completion of Mshabezi pipeline by 2011.			
		Construction of Kuzvvi Dam and increased supply of water to Harare by 2014.	Construction works		
	Adequate water for irrigation, agricultural and industrial use;	Commencement of Zambezi Water Project.			
		Drilling of boreholes in rural areas commencing 2011.			
	Efficient water, sanitation				



Sector	Policy Objectives	Policy Targets	Programme/ Project	Activities	Implementing Agency
	and hygiene (WASH) management; Improve water conservation; and Utilise water bodies for hydro electricity schemes				
Local Government	To enhance service delivery by all local authorities	To restore local authorities to the level of service delivery of 1995 by 2012; and To enhance local authority service delivery to optimum levels by 2013.	The harmonisation and modernisation of the legislative framework	Research Consultations Drafting of a single Local Government Act Review subsidiary legislation	MLGURD MLA
			The recapitalisation of local authorities	Facilitate lines of credit Negotiate PSIP allocations	
			The capacity building of local authorities	Baseline survey Review of systems Planned interventions	
			The introduction of Results Based Management into local authorities	Training of staff and councillors Implementation of Win-Win projects Installation of e Government	
			The provision of up-to-date manuals on the various council operations	Review current manuals Research Publication	



Sector	Policy Objectives	Policy Targets	Programme/ Project	Activities	Implementing Agency
	To capacitate the Ministry to monitor, regulate, facilitate and promote sound local governance		The training of councillors and Ministry and Council staff	Need assessments Draft training materials Training	
			The provision of equipment to the Ministry to undertake its functions and roles	Purchase of motor vehicles, hard and soft ware, training equipment and office furniture and equipment.	
Housing and Construction	To provide adequate, affordable and decent housing	Completion of stalled housing projects by 2011.	Completion works	Complete all stalled housing projects	MINHSA,
		Commence new housing developments for high density by 2011.	Construction works Maintenance of public buildings	Acquire land for urban expansion Re-develop an innovative mortgage system to provide funding over a longer period. Innovative housing plans resulting in a better outlook of houses at low cost. Routine maintenance	MLGURD, MPW
		Construction of SME infrastructure including factory shells and vendor marts by 2012.			
		Improve the image of public buildings by 2012			
Information Communication Technology	To make ICT products and services accessible to the wider population at affordable prices; To transform Government operations and service delivery through effective use of ICTs; To transform the country into a knowledge based society.	Enactment of the ICT Bill by 2011.		Adaption of bill	MOCT, MST, MJC, MEPIT
		Creating a conducive environment for the development of ICT such as ICT technology parks by 2012.	Establishment of ICT Technology Parks and Incubation Hubs		
		Establish national communications infrastructure and provide high bandwidth nationally and on international gateways by 2011.	E-Government programme		
		E-Government connectivity and services to all Government ministries and citizens at large by 2012;			
		Popularization of ICTs and marketing of locally			

Sector	Policy Objectives	Policy Targets	Programme/ Project	Activities	Implementing Agency
		developed products by 2014.			
Media Information and Publicity	To modernise the grid by digitalize of its transmission with the SAUC and wireless time broadcast of 2013 and 2015 respectively; To expand the capacity at each site to accommodate new signals from new broadcast players	To make Zimbabwe digitally compliant by 2015.	Establishment of Transmission sites Expansion of network coverage		MMD, MICT, MTEID
		To expand the network to cover 90% of the whole territory of Zimbabwe by 2015.			
		To put up 48 television transmission sites, 34 frequency Modulators and 60 sites for community radio by 2015			
Science, Technology and Innovation	To increase the adoption of technology to enhance competitiveness; To increase processing and value addition of primary products; To start new technology based industries; To suggest specific Science and Technology interventions through problems as they arise	Commercialise research projects recommended by SIRDC and similar institutions by 2012.	Research and Development Database	Setting up of networks of local and international technology institutions Set up networks of Zimbabwean experts in the Diaspora	MST, MTE, MICT, MTC, MAMMD
		Support existing universities to increase the teaching and utilisation of science, technology and innovations with business by 2013.	Promotion of R&D initiatives	Analysed socio-economic needs requiring further research Awards scheme for outstanding R&D results Teaching of science subjects at school Educate the public on intellectual property rights	
Regional Integration	To facilitate trade through a development and implementation of trade	To establish One Stop Border Post at Beitbridge by 2012.			MRJC, MTC
		To manage implementation issues at Beitbridge One			

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Sector	Policy Objectives	Policy Targets	Programme/Project	Activities	Implementing Agency
	<p>Review the functions of the GMB and marketing of the communal areas grain;</p> <p>Review and put measures for the manufacture of sufficient quantities of fertilizers and other agricultural chemicals; Immediate rehabilitation of infrastructure.</p>		<p>Food Security Programme</p> <p>National Herd Build-up Programme</p>	<p>ginners for funding growers</p> <p>Improve contract farming for cotton and tobacco</p> <p>Increase fuel wood for tobacco</p> <p>Provide training and technical support</p> <p>Inputs availability on the market</p> <p>Provide extension services to farmers</p> <p>Establish and rehabilitate Post Harvests systems</p> <p>Security of tenure of farmers</p> <p>Funding</p> <p>Restore ARDA productivity (wheat and maize capacity)</p> <p>Importation of beef and dairy calves to improve breeds.</p> <p>Immunisation and dipping of animals.</p> <p>Facilitation of the expansion of markets.</p> <p>Improve production and marketing of small livestock.</p>	<p>MAMID</p> <p>MAMID</p> <p>Research Stations</p>

Sector	Policy Objectives	Policy Targets	Programmal Project	Activities	Implementing Agency
			Agricultural Research and Technology	Establish and rehabilitate value-addition systems	
				Research on and certify safe Bio-technology	MLRD
			Completion and Rationalisation of the Land Reform Programme	Valuation of improvements made on farms acquired during the Land Reform Programme	
				Carry out a National Land Audit	MLRD
			Security of Tenure	Deeds search	
				Farm inspections	
				Issuance of secure land tenure documents	MAMID/ MENRM
			Land Use Planning	Encourage proper use of land as per agricultural region	
				Promote conservation farming and conservation practices	
Manufacturing	<p>To restore the sector's competitiveness.</p> <p>To raise capacity utilization in all manufacturing subsectors.</p> <p>To promote utilization of available local raw materials</p>	<p>Increase capacity utilisation to 80% by 2015.</p> <p>Restore Manufactured exports as % of total exports to 42% by 2015.</p>	Re-capitalisation of the local industry	<p>Negotiations for credit lines</p> <p>Repairing of existing machinery and equipment</p> <p>Identifying new technologies for adoption</p> <p>Acquisition of new</p>	MoF, MRIC, MFA, MST, MEPIP, MIC

Sector	Policy Objectives	Policy Targets	Programme/Project	Activities	Implementing Agency
	<p>In the production of goods and services through intensified value addition.</p> <p>To promote new technologies for new products, import substitution and expansion of the export base.</p> <p>To produce higher value chain products through embracing e-technology and ICT.</p> <p>To enhance product quality through enforcement of standards.</p> <p>To channel significant financial resources in the sector so as to retool and create employment.</p>		<p>Value addition Initiatives</p> <p>Trade facilitation and export promotion</p>	<p>machinery and equipment</p> <p>Investment Promotion</p> <p>Come up with an industry profile where opportunities for value addition are available.</p> <p>Identify markets for the products</p> <p>Set up company networking and information sharing</p> <p>Monitor adherence to certified levels</p> <p>Establishing trade pacts</p> <p>Facilitation of border clearances</p> <p>Bilateral trade negotiations with potential regional and international markets</p> <p>Implementation of trade facilitation programmes</p> <p>Implement Border Efficiency Schemes</p> <p>Develop, facilitate, coordinate and oversee implementation of development corridors e.g North South Corridor</p> <p>Streamlining of imports and exports documentation</p> <p>Review duties and VAT on industrial raw materials and</p>	<p>MIC, MST,MEPIP, MSMECD</p> <p>MIC,MRIC, MFA, MSMECD, Zimtrade, MOF</p>

Sector	Policy Objectives	Policy Targets	Programmatic Project	Activities	Implementing Agency
			Industrial Technology and Development Programme	packaging materials Put up Anti dumping measures Protection of critical industries Identify technologically advanced countries for exchange programmes Establish linkages and collaboration with regional and global science, technology and innovation experts. Identify sources of technology imports Introduce comprehensive applied research in schools and universities	
Mining	Zimbabwe's natural resources and mineral endowment to be profitably exploited for socio-economic development of Zimbabwe; Increase in the production in all minerals	Conclusion of the Zimbabwe Mineral Policy Finalisation of the amendment of the Mines and Minerals Act.			MMMD
Tourism	To enhance Zimbabwe's domestic, regional and international tourism and make Zimbabwe a destination of choice	Increase the number of rooms from 8,310 in 2008 to 15,000 by 2013.	Development of a National Tourism Master Plan ; Review the Tourism Act to streamline the roles of the Ministry of Tourism and Hospitality Industry and the		MTHI, ZTA

Sector	Policy Objectives	Policy Targets	Programme/Project	Activities	Implementing Agency
			Zimbabwe Tourism Authority; Strengthen the national web portal for ease of access of information and reservations by tourists locally and internationally; Establishment of efficient, well stocked and equipped Tourist Information Centres at all major ports of entry; Rehabilitation and development of tourism infrastructure; Establishment of MTHI's administrative structures at provincial and district levels; and Establishment of visitor's bureaux in the top ten source markets.		
		Increase the number of beds from 12,088 in 2008 to 18,000 by 2013			ZTA, ZCT
		Increase total tourist arrivals from 1.95 million in 2008 to 4 million by 2013.			ZTA, MTHI
Finance	Greater mobilization of local financial resources towards productive activities, through a deepening of the activities of banks, non-bank financial institutions, and the capital markets. Increased access to financial services to the currently underserved segments of the economically active population, in particular to the informal sector, SME and micro enterprise sectors,	Implementation of the revised RBZ Act by 2011. Expansion of SME and micro-finance banking. Creation of new risk weighted and appropriately priced financial instruments. Create viable medium and long-term capital markets. Establish a secondary bourse (or alternative market) to cater for SMEs by 2013.			MoF, RBZ, MEIMP

Sector	Policy Objectives	Policy Targets	Programmal Project	Activities	Implementing Agency
	and to the rural and agricultural sectors. Lower cost of financial access, in terms of reduced interest rates and intermediation spreads as well as reduced costs of financial transactions				
Small and Medium Enterprises and Co-operatives	To create an enabling environment for SMEs and Cooperatives to grow and enhance their contribution to national development.	<p>SME Policy and Strategy Framework implementation to be in place by 2011.</p> <p>SME Act to be in place by 2011.</p> <p>Creation of an SMEs database by 2011.</p> <p>Increase market opportunities for SMEs by 2012.</p> <p>Improve book-keeping and recording systems to enable SMEs to grow into formal companies.</p> <p>Improving access to infrastructure by the SMEs including construction of vendor marts, factory shells and flea markets by 2011.</p> <p>Develop targeted financial tools for women, youth and rural entrepreneurs and people living with disabilities in the SME sector.</p> <p>Give priority to enhance value addition and technology diffusion to enable SMEs to export to regional and international markets.</p>			MSMECD
Environment and Natural Resources	<p>Ensure sound management of the environment to promote sustainable use of natural resources and conservation of biodiversity;</p> <p>Encourage sustainable</p>	<p>Increase public participation and use of Private, Public, Community Partnerships (PPCP's) in natural resource and environmental management up to 40% by 2015.</p> <p>Local environmental management action plans to be established and implemented by all councils by 2013.</p>			<p>MENRM</p> <p>BMA</p>

Sector	Policy Objectives	Policy Targets	Programme/Project	Activities	Implementing Agency
	development by optimising the use of natural resources, energy, and minimising irreversible environmental damage, waste production and pollution, through incorporating provisions for environmental assessment and management in economic and development activities;	Reduction of veldt fires by 80% by 2011. Reduction of deforestation and improved forestry management by all communities by 2011. ‘Every person a tree’ re-afforestation initiative by 2015 (indigenous and fruit trees). Upscale a minimum of 30% of successful climate change adaptation and mitigation pilot projects and initiatives by 2015. Reduction of national greenhouse gas emissions by at least 2% by 2015. Reduction of industrial pollution by at least 5% by 2015.			
	Increase public participation through education, awareness and public involvement on the conservation of natural resources, mitigation and adaptation to climate change and sound environmental management, especially amongst disadvantaged and less literate groups;				
	Promote equitable access to and sustainable use of natural and cultural resources with an emphasis on satisfying basic needs, improving people’s standard of living, enhancing food security and reducing poverty;				
	Promote the use of appropriate conservation measures and support the rehabilitation of degraded agricultural cropping and pastoral grazing areas;				
	Promote and put in place incentives to reduce waste				

Sector	Policy Objectives	Policy Targets	Programme Projects	Activities	Implementing Agency
	production and encourage recycling of waste.				
Parks and Wildlife	Wildlife Conservation, Management and Sustainable Utilization Communal Area Management Programme for Indigenous Resources (CAMPFIRE) CO-management Initiatives involving communities and the private sector A sound framework for benefit sharing to ensure sustainable utilization of wildlife resources	The Parks and Wildlife Act updated and implemented by end of 2011. Expand wildlife services to all beneficiaries of wildlife services by 2010-2012.			MENRM, Parks and Wildlife Department
Employment Creation and Poverty Reduction	To promote and secure sustainable, full, productive and freely chosen decent employment for all under the conditions of freedom, equity, security and human dignity	(i) research on enabling and conducive environment for sustainable employment creation; Promoting the creation of marginalized and vulnerable groups such as women, youths, people living with disabilities and the retarded; To produce appropriately skilled and employable labour force Reversing the brain drain and turning it into a brain gain Utilizing the National Productivity Institute National Strengthening and coordinating workplace initiatives in HIV and AIDS.			MLSS MEPDP
Public Service	Improve the welfare of public service employees Reviewing public service administration and management systems	Improve operational competencies of public servants by closing existing competence gaps by 2014. Conduct induction training of new recruits and appointees Increase competency levels of civil servants Cascade Result Based Management (RBM) and Personnel Performance System (PPS) to all levels of			MPS MOHE, PSC Judiciary Service Commission, Health Service Board

Sector	Policy Objectives	Policy Targets	Programme/Project	Activities	Implementing Agency
	Enhancing the Ministry's ability to conduct research	the civil service.			
	Initiate public service reform policies and programmes	Harmonised collective bargaining framework by 2012			
	Strengthen the capacity of the Public service through effective and efficient training, attraction and retention of suitably qualified and experienced personnel	Skills and payroll audit results implemented by 2012			
		Reviewed national training and development policies and implementation by 2012.			
		Reviewed the Public Service Act and related statutes by 2012 in line with harmonised labour laws.			
		Improve the welfare of the public service employees in terms of remuneration, benefits, pensions, funeral and other allowances.			
	Develop holistic capacity building programmes and comprehensive public service policies and strategies				
	Restore the effective and efficient training capacity of all public service training institutes, including the Zimbabwe Institute of Public Administration and Management (ZIPAM)				
	Strengthen the role of research and development as a critical tool for crucial reform measures, public service needs assessment and targeted human capital training programmes				
	Safeguard the welfare of the general public through effective and efficient training and policy implementation				
	Increase competence levels				

Sector	Policy Objectives	Policy Targets	Programme/ Project	Activities	Implementing Agency
	<p>of all civil servants</p> <p>Enhance the visibility of (14) Public Service Training Institutes including the Zimbabwe Institute of Public Administration and Management</p> <p>Train and attract skilled, sufficiently qualified and experienced personnel</p> <p>Conduct induction training for the newly appointed, promoted, advanced and regraded civil servants</p> <p>Rehabilitate and refurbish all 14 Public Service Training Institutes including ZIPAM</p> <p>Promote gender parity at all levels in the Public Service</p> <p>Restore quality service delivery service-wide; and</p> <p>Facilitate multilateral and bilateral cooperation agreements with other countries</p>				
Health	To increase access and utilization of comprehensive quality primary health care services and referral facilities by 100 % by 2015.	Increase availability of medicine to 100 % for vital and essential from to 80 % by 2012.	Essential medicine	Recapitalize NARPHARM	MHCW Development Partners
		Reduce under five mortality rate from 86 deaths per 1000 live-births in 2009 to 34 by 2015 (MDG 4).	Immunisation	Child immunization and strengthen surveillance of vaccine preventable disease	
		Reduce maternal mortality rate from 725 deaths per	Maternal Health and Family	Strengthen national Family	

Sector	Policy Objectives	Policy Targets	Programme/Project	Activities	Implementing Agency
		100 00 live births to 145 by 2015 (MDG 5).	Planning	Planning Programme and charge affordable fees for pregnant women	
		To have halted, by 2015, and begun to reverse the spread of HIV and AIDS (MDG 6).	STI, HIV AIDS and TB	Intensify Information, Education and Communication campaign and increase the number of patients on ART	
		To have halted, by 2015, and begun to reverse the increasing incidence of Malaria, TB and Diarrhoeal diseases (MDG 6).		Improve diagnosis of TB, strengthen community based TB care and DOTS, scaling up effective vector control interventions (IRS and ITNs) and provide access to malaria treatment within 24 hours of onset for malaria	
		Increase functionality of biomedical equipment to at least 80 % by 2012.		Purchase and repair	
				obsolete biomedical equipment	
		To increase the local production of drugs, medicines and medical equipment.		Secure funding for capitalising local producers	
		To set up referral medical institutions to attend to high end medical problems and initiate medical tourism.			
		Increase the staffing levels to 100 % by 2012.		Improve salary levels, working conditions and other non monetary incentives	
		Rehabilitate health infrastructure to at least 80 % functionality by 2012.	Rehabilitation of clinics and hospitals	Mobilise funds and engage the private sector through PPPs	
		Improve the availability of reliable transportation and telecommunication systems in at least 60 % of public health facilities.		Mobilise funds	
Primary and Secondary Education	Provide universal primary education including Early Childhood Development (ECD);	Reduce pupil-teacher ratio at primary school to 28:1 by 2015.			MESAC
		Reduce pupil-textbook ratio at primary school to 1:1 by 2015.			ZIMSEC

Sector	Policy Objectives	Policy Targets	Programme/ Project	Activities	Implementing Agency
	Restore quality of education;	Allocate 30 % of total budget to education sector by 2015.			
	Enhance the credibility of the local examination management system;	Achieve gender parity at secondary and tertiary level by 2015.			
	Retain and attract skilled human resources;	Increase literacy rate from 88.4 % to 98 % by 2015.			
	Promote gender parity at secondary and tertiary levels;				
	Rehabilitate existing schools; and				
	Promote teaching of Sciences, Mathematics and Voc-Tec education				
Higher and Tertiary Education	The goals and objectives are premised on the fundamental principles of promoting sustainable economic growth and development (wealth creation), reducing poverty and meeting the basic socio-economic needs of Zimbabweans. Provide attractive incentive schemes for the recruitment and retention of highly qualified professionals;	Establish the Zimbabwe Examinations and Qualifications Authority (ZIMEQA) by 2011. Develop a comprehensive legal and institutional framework for PPPs in higher education by 2011. Refurbish infrastructure and complete unfinished projects by 2012. Appoint two Education Attache's to South Africa and Algeria by 2011.			MUTE
	Intensify the democratisation of higher and tertiary education and training for all through conventional and open and distance learning strategies;				

Sector	Policy Objectives	Policy Targets	Programme/Project	Activities	Implementing Agency
	<p>Monitor the social well-being and career progression of students studying outside the country;</p> <p>Provide adequate financial assistance to students with no capacity to pay tuition fees at universities, polytechnics and teachers colleges through the cadetship scheme;</p> <p>Attract back the skilled and qualified Zimbabwe nationals in the Diaspora through the Human Capital Website to contribute to the development of the country;</p> <p>Provide an enabling regulatory framework for the operations of Public Private Partnerships in Higher and Tertiary Education Institutions; and</p> <p>Enhance the resource base and management of higher and tertiary education by intensifying income generating projects and forging public private partnerships (PPPs).</p>				
Sports, Arts and Culture	<p>Increase access to and participation in sport, arts and culture activities for all pupils and the public;</p> <p>Improve the management and performance of sport,</p>	Establish at least one institution of high performance athletes and professional artists per province by 2015.			MESAC
		Increase number of medals and accolades won for artists by 50% by 2015.			
		Achieve sustainable and profitable businesses in the sector that contribute at least 10% to the GDP by			

Sector	Policy Objectives	Policy Targets	Programmal Project	Activities	Implementing Agency
	arts and culture throughout the country; Improve the sector participation at regional and international levels; and Facilitate cooperation with other countries.	2015. Professionalise sport, arts and culture by 2015; Develop viable sport, arts and culture programmes in both Government and private institutions by 2015. Establish effective and culturally relevant instruction of sport and arts by appropriately trained personnel by 2015. Develop a sport industry based on soccer, athletics, tennis, cricket, rugby and golf by 2015. Develop rural sports centres and sport academies by 2015. Enforce regulations on copyrights by 2011. Develop recording studios for music and film industries by 2015.			
Population and Development	Raise awareness of population issues at all levels; Promote access to and utilisation of family planning services; Introduce compulsory and universal birth and national registration; Integrate population variables (size, distribution, sex and age) into development planning; Improve the population database; and Strengthen the co-ordination of population management.	Launch and disseminate the National Population Policy by end 2011. Establish a National Population Council by 2011. Carry out a Population Census in 2012.			MEPIP ZIMSTATS
Social Protection	Protect the poor and vulnerable households from sliding into poverty and suffer irreversible welfare losses; Get the children out of the	Assist at least 100 000 persons per year to continue accessing basic health services through the Assisted Medical Treatment Orders (AMTO) Programme. Engage 0.4 million chronically poor but non-labour constrained households on productive safety nets (public works) in a predictable and consistent manner.			MLSS

Sector	Policy Objectives	Policy Targets	Programme/Project	Activities	Implementing Agency
	poverty trap; and Support vulnerable households to manage risk through productive safety nets.	Assist at least 1 million vulnerable children per year under the BEAM and other social protection programmes.			
Persons Living with Disabilities (PLWD)	Involve PLWD in the mainstream economy; Increase access to education by PLWD; Achieve equality and equity based on harmonious partnerships to enable PLWD realize their full potential; and Increase accessibility of public buildings by persons with disabilities.	Increased participation of PLWD in policy formulation, development planning and decision-making at all levels by 2015. Increased participation and involvement in national development by 2015.			MLSS
Gender and Women's Development	Achieve sustainable equality and equity, empowerment of women and the girl-child based on harmonious partnership between men and women, girls and boys and enable women and girls to realise their full potential; and Mainstream gender into all sectors to eliminate all negative economic, social and cultural practices that impede equality and equity of the sexes.	Increase the representation, participation and involvement of women and the girl child in the economy, in politics and decision-making at all levels to attain 50 % in both public and private sectors by 2015. Gender responsive budgets and programmes in all sectors by 2012. Gender sensitive Constitution and attain 50:50 representation of women and men in decision making positions by 2011. Increase awareness on family laws and legislation that promote women's rights among the populace by 2012. Raise Awareness on the Domestic Violence Act and gender based violence by 2012. Achieve parity at tertiary education institutions. Increase participation of women to 50% by 2015 in the key economic sectors (agriculture, mining, manufacturing, tourism).			MWAGCD

Sector	Policy Objectives	Policy Targets	Programme/Project	Activities	Implementing Agency
		Increase access to land by women by 2012.			
Youth Development	<p>Promote youth participation in policy issues and development; Systematically integrate youth issues into all policies, plans, programmes and strategies at all levels and within all sectors and institutions of Government, NGOs and the Private Sector;</p> <p>Provide opportunities for youth employment and initiatives;</p> <p>Promote the value and development of vocational and skills training for the youth;</p> <p>Ensure that adequate resources are directed towards youth development programmes;</p> <p>Promote research and disseminate information on youth; Develop entrepreneurship and empowerment programmes for the youth</p>	Keep the youths at school and colleges to get education and skills.			MYDIE
		Train 25 000 youths through the technical vocational education by 2015.			
Governance and Rights	<p>To promote equality, national healing, cohesion and unity;</p> <p>To adhere to the Constitution and other laws of the land;</p>	Finalization of the Constitution making by early 2011.			OPC MCPA
		Efficient management of all public sector institutions.			
		Establish a budget office by 2011.			
		Zero tolerance to corruption.			

Sector	Policy Objectives	Policy Targets	Programme/Project	Activities	Implementing Agency
		Establish a National Economic Council by end of 2011.			MEPIP
Diaspora and Economic Development	Mitigate the flight of qualified professionals through skills training and retention programmes;	Increase contribution of remittances through formal channels in line with GDP growth.			MHTE MLSS MEPIP
	Formalise the export of labour to maximize the benefits to the economy;	Establish a comprehensive Diaspora database showing critical skills in the Diaspora by 2011.			
	Increase participation of Zimbabweans in the Diaspora in the country's development process;	Finalise, adopt and implement the Migration Management and Diaspora Policy by early 2011.			
	Increase the remittance flows from the Diaspora through the creation of a conducive environment in Zimbabwe; and Create job opportunities to attract lost skills.	Develop Diaspora bonds and other financial instruments for investment by the Diaspora by 2011.			

NOTES



