ZIMBABWE

MEDIUM TERM PLAN (MTP)

January 2010 – December 2015

6 JULY 2010

PREFACE

The Medium Term Plan (MTP) marks a return to medium term planning in Zimbabwe. The Plan crafted by Zimbabweans sets the platform for consolidating the macroeconomic stability achieved under Short Term Emergency Recovery Programme (STERP) and propel the economy to a high and sustainable growth path. The Plan responds to the mandate espoused in Article III of the Global Political Agreement (GPA) to support the restoration of economic stability and growth in Zimbabwe. Accordingly, the MTP becomes a major and comprehensive economic blueprint for the Inclusive Government formed in February 2009. It represents another milestone of collective wisdom and shared vision on the members of the Inclusive Government.

The MTP outlines the economic policies, projects and programmes that will guide the nation and set the national priorities for the next Five Years, 2010-2015. Government will be guided by the vision of a growing and transforming globally competitive economy, with the core objective of job creation, equity, basic freedoms and democracy. To achieve this, we need to maintain macroeconomic stability and restore the economy's capacity to produce goods and services competitively and empower our people to fully participate in the economy.

It is my hope that our people inspired by the achievements of the Inclusive Government, will put away their differences and mobilize their energies to fully exploit our abundant natural resources, using the human capital developed over the years and work together to develop a robust Zimbabwean economy. It is also befitting that this Plan is being launched soon after celebrating thirty years of our hard won independence.

To achieve the vision set out in the Plan, it is paramount that as Zimbabweans we chart our own destiny, maintain harmonious working relationships and defend the gains of our independence.

I commend this Medium Term Plan to the people of Zimbabwe.

His Excellency R. G. Mugabe

PRESIDENT OF THE REPUBLIC OF ZIMBABWE

FOREWORD

As a country we have been known for producing quality economic blue prints which 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 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 progress in the implementation process. 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 grip on the macroeconomic stability achieved under STERP. Achievement of high and sustainable growth should be anchored by a stable macroeconomic environment that removes uncertainty and facilitates long term planning by stakeholders; business, civil society and cooperating partners. We also need to continuously improve our policy environment to make Zimbabwe an attractive investment destination while ensuring that the welfare of our nation and its people comes first.

Investment is critical for growing and transforming Zimbabwe to be a globally competitive economy with decent jobs, equity, freedom and democracy. Our people need to be fully engaged in wealth creating activities. 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, Zimbabweans will be able to face and 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 not be compromised.

Right Honourable M. R. Tsvangirai

PRIME MINISTER OF THE REPUBLIC OF ZIMBABWE

ACKNOWLEDGEMENTS

The MTP provides a compendium of policies that are 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.

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.

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. 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.

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. 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.

The MTP was produced with input from diverse stakeholders. As a Ministry, we want to thank all line Ministries, Government departments, development partners and all stakeholders who provided input during the process of drafting this Plan. Special mention goes to the UNDP who provided technical and financial support for the development of the MTP.

Honourable T. Mashakada

MINISTER OF ECONOMIC PLANNING AND INVESTMENT PROMOTION

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LIST OF ACRONYMS

AIDS	Acquired Immune Deficiency Syndrome
AMTOs	Assisted Medical Treatment Orders
ASRH	Adolescent Sexual & Reproductive Health
AZ	Air Zimbabwe
BEAM	Basic Education Assistance Module
BIPPAs	Bilateral Investment Promotion & Protection Agreements
BOP	Balance of Payments
BPO	Business Processes Outsourcing
COMESA	Common Market for Eastern & Southern Africa
CSO	Central Statistics Office
CZI	Confederation of Zimbabwe Industries
ECD	Early Childhood Development
ECGCZ	Export Credit Guarantee Company of Zimbabwe
EITI	Extractive Industries Transparency Initiative
EMA	Environmental Management Agency
ESA	Eastern and Southern Africa Region
EU	European Union
FCZ	Forestry Commission of Zimbabwe
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GMB	Grain Marketing Board
GPA	Global Political Agreement
Ha	Hectares
HIT	Harare Institute of Technology
HIV	Human Immuno Deficiency Virus
ICT	Information & Communication Technology
IEC	Information, Education & Communication
ILO	International Labour Organisation
ISO	International Organisation for Standardisation
IFI	International Financial Institutions
MSEP	Ministry of State Enterprises & Parastatals
MSMECD	Ministry of Small & Medium Enterprises and Co-operatives Development
JOMIC	Joint Monitoring Committee
MAMID	Ministry of Agriculture, Mechanisation & Irrigation Development
MCPA	Ministry of Constitutional & Parliamentary Affairs
MDC	Movement for Democratic Change
MDGs	Millennium Development Goals
MENRM	Ministry of Environment & Natural Resources Management
MEPD	Ministry of Energy & Power Development
MEPIP	Ministry of Economic Planning & Investment Promotion
MESAC	Ministry of Education, Sports & Culture
MFA	Ministry of Foreign Affairs
MFIS	Micro Financial Institution
MHCW	Ministry of Health & Child Welfare
MNHSA	Ministry of National Housing & Social Amenities
MHTE	Ministry of Higher & Tertiary Education
MHz	Mega Hertz
MIC	Ministry of Industry & Commerce
MICT	Ministry of Information Communication Technology
MILF	Mining Industry Loan Fund
MJLA	Ministry of Justice & Legal Affairs
MLGURD	Ministry of Local Government, Urban & Rural Development
MLRR	Ministry of Lands & Rural Resettlement
MLSS	Ministry of Labour & Social Services
MMA	Mines & Minerals Act
MMIP	Ministry of Media Information & Publicity
MMMD	Ministry of Mines & Mining Development
MOF	Ministry of Finance
MOU	Memorandum of Understanding
MPS	Ministry of Public Service
MPW	Ministry of Public Works
MRIIC	Ministry of Regional Integration & International Cooperation
MST	Ministry of Science & Technology
MSU	Midlands State University
MTHI	Ministry of Tourism & Hospitality Industry

MTCID	Ministry of Transport, Communication & Infrastructural Development
MTP	Medium Term Plan
MW	Mega Watt
MWAGCD	Ministry of Women's Affairs, Gender & Community Development
MWRD	Ministry of Water Resources Development & Management
MYDIE	Ministry of Youth Development, Indigenisation & Empowerment
NAP	National Action Plan
NEC	National Economic Council
NFP	National Forest Programme
NGOs	Non-Governmental Organisations
NOCZIM	National Oil Company of Zimbabwe
NOSA	National Occupational Safety Association
NPC	National Population Council
NRZ	National Railways of Zimbabwe
NSSA	National Social Security Authority
NTMP	National Tourism Master Plan
NUST	National University of Science & Technology
ODA	Official Development Assistance
OVCs	Orphans & Vulnerable Children
PEs	Public Enterprises
PGMs	Platinum Group of Minerals
POSCO	Pohang Iron & Steel Company Limited
PPPs	Public Private Partnerships
RBM	Results Based Management
RBZ	Reserve Bank of Zimbabwe
RLEP	Rural Livelihood Enhancement Programme
SADC	Southern African Development Community
SIRDC	Scientific & Industrial Research & Development Centre
SMEs	Small & Medium Enterprises
SRH	Sexual & Reproductive Health
STERP	Short Term Emergency Recovery Programme
TDZs	Tourism Development Zones
USD	United States Dollar
VCT	Voluntary Counselling & Testing
VTC	Vocational Training Centre
ZANU-PF	Zimbabwe African National Unity (Patriotic Front)
ZBH	Zimbabwe Broadcasting Holdings
ZESA	Zimbabwe Electricity Supply Authority
ZIMSEC	Zimbabwe Schools Examination Council
ZINWA	Zimbabwe National Water Authority
ZISCO	Zimbabwe Iron & Steel Company Limited
ZMDC	Zimbabwe Mining Development Corporation
ZIA	Zimbabwe Investment Authority
ZOU	Zimbabwe Open University
ZTA	Zimbabwe Tourism Authority

EXECUTIVE SUMMARY

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).

The MTP will guide all other Government policy documents and sets out clearly the national priorities for the next Five Years, 2010-2015.

The vision for Zimbabwe is that of a growing, transforming and globally competitive economy, with jobs, equity, freedom and democracy.

The **MTP's main goal** is to maintain macroeconomic stability and restore the economy's capacity to produce goods and services competitively, building upon the gains achieved under the STERP. Since March 2009, the launch of the STERP, the Government of Zimbabwe has achieved the first goal of macro-economic stability; maintaining this stability is a pre-requisite to sustainable economic growth.

The second goal of economic growth will be realized through:

i. Transformation of the economy from being a producer of primary commodities to value addition and new knowledge based industries;
ii. Balanced development and equal opportunities for all;
iii. Institution of sound economic and sectoral policies; and
iv. Sustained delivery of quality services such as health care, education, road transportation, (including rural, urban and trunk roads),energy, water and sanitation.

The targets of the MTP are:

i. Achieve GDP of $9 billion by 2015;
ii. Maintain single digit annual inflation;
iii. Low interest rates and sustainable BOP with a current account balance of not less than 5 percent of GDP;
iv. Increase in employment to above 1997 levels by 2015;
v. Sustained poverty reduction and progress in line with MDG targets;
vi. Foreign exchange reserves of at least three months import cover by 2015;
vii. Double digit savings and investment ratios by 2015; and
viii. Improved social indicators, including education and health as they are fundamental for the sustainable development of the economy.

The MTP priorities flow from the Government Work Programme Priorities published in March 2010. Future annual Budgets, and the Budgets' Macro-Economic Policy Framework, will be closely aligned to these priorities. In implementing the MTP and achieving the national vision as set out in the Plan, the following strategic priorities will underpin all Government policies and programmes:

I. Private Sector-led economic recovery;
II. Employment creation and poverty reduction;
III. Human development and social security;
IV. Good governance; and
V. Cross cutting issues.

The Private Sector will be the engine of economic recovery and growth in Zimbabwe. This will necessitate far reaching initiatives and reforms to reduce the risk for investors, and make Zimbabwe an attractive investment destination. Seven sectors will be key to ensuring success in this area:

i. Agriculture;
ii. Manufacturing;
iii. Mining;

iv. Tourism;
v. Finance;
vi. Infrastructure development; and
vii. Small and Medium Enterprises.

The key objectives across the sectors are:

i. Improving access to international markets – by focusing initially on regional markets, both SADC and COMESA;
ii. Increasing access to capital – by better aligning the financial sector to the needs of the productive sector;
iii. The adoption of new technologies including ICT and development of knowledge based industries; and
iv. 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) will be the Plan's most effective and sustainable strategy providing decent jobs and employment creation across the economy. The MTP envisages significant jobs and employment creation over the Plan period. As the economy's capacity to produce goods and services increases, employment creation will drive real GDP growth. The objectives for ECPR will be to:

i. Create an enabling and conducive environment for sustainable employment creation;
ii. Promote and secure sustainable, full, productive and freely chosen decent employment under the conditions of freedom, equity, security and human dignity;
iii. Promote the integration of marginalized and vulnerable groups such as women, youths, people living with disabilities and the retrenched; and
iv. Produce appropriately skilled and employable labour force, reversing the brain drain and turning it into a brain gain.

Human Development and Social Security Strategy will focus on programmes in the following priority sectors:

i. health;
ii. education;
iii. social protection; and
iv. development and empowerment of the poor.

Population growth is a priority factor in ensuring sustainable social development and is dealt with in this chapter. The objectives of the Human Development and Social Security Strategy will be to:

i. Increase access and utilization of comprehensive quality primary health care services and referral facilities by 100 percent by 2015;
ii. Provide universal primary education;
iii. Promote gender parity at secondary and tertiary levels;
iv. Protect the poor and vulnerable households from sliding into poverty and suffer irreversible welfare losses;
v. HIV and AIDS mainstreaming and
vi. Support vulnerable households to manage risk through productive safety nets.

Good governance will be promoted across all sectors for the successful implementation of the MTP. This will be dependent on the strengthening and upholding of the rule of law and the safeguarding of basic freedoms. Cooperation among civil society organizations, the Private Sector and the Government will be essential to ensure that strong institutions and market based policies bring about appropriate discipline amongst all and adherence to the rule of law. The objectives will be to:

i. Promote equality, national healing, cohesion and unity;
ii. Ensure adherence to the principles of the rule of law, and respect and uphold the Constitution and other laws of the land;

iii. Ensure free political activity, freedom of assembly and association, and freedom of expression and communication; and
iv. Promote the values and practices of tolerance, respect, non-violence and dialogue as means of resolving political differences.

Cross Cutting Issues such as Gender, Youth Development, HIV and AIDS mainstreaming, Empowerment, Indigenization and Regional Integration are essential for the full implementation of the MTP. Given their importance the Government has identified them as a strategic priority to ensure that they are effectively mainstreamed into all the MTP Sectors. The objectives will be to:

i. Mainstream gender into all sectors to eliminate all negative economic, social and cultural practices that impede equality and equity of the sexes.
ii. Ensure sound management of the environment to promote sustainable use of natural resources and conservation of biodiversity;
iii. 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 revised annually.

The MEPIP is the lead coordinating Ministry which will work closely with the Ministry of Finance, the Office of the Prime Minister and Deputy Prime Ministers as well as Line Ministries to ensure 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 Plan objectives are being achieved or the need for remedial action to redirect efforts to addressing the critical development challenges.

The objectives of the M&E mechanism 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; and
iv. Allow for continuous sharpening and focusing of strategies and assist in the formulation of appropriate interventions.

Approximately US$7 billion total investment will be required in order to meet the MTP growth and development targets. It is important to note that most of the inflows are anticipated to come through Foreign Direct Inflows, private sector credit lines and Public Private Partnerships (PPPs). In addition, there will be capital transfers largely targeted towards social service delivery which will be channeled through the recently approved Aid Coordination Policy. The Plan envisages that towards the end of the programme, Government will be in a position to finance its Public Sector Investment Programmes (PSIPs) through external financial flows since it is assumed that Government will have normalized its relations with the international financial community.

In implementing the MTP there are a number of important assumptions underpinning the Plan:

i. Full implementation of the GPA to guarantee economic, social and political stability;
ii. A consistent and predictable macroeconomic policy framework that guarantees long term price stability, builds confidence and fosters savings and investment;

iii. Financial sector stability and inclusive financial sector development;
iv. Multi-currency framework will prevail over the period of the Plan;
v. Carrying out and timely implementation of the Land Audit, instituting reforms to guarantee security of tenure, use of land as collateral and improved agricultural output;
vi. Observance of the Rule of Law and Property Rights;
vii. Sustained food security;
viii. Implementation of a Sustainable National Debt Arrears Clearance Strategy that will improve the country's risk profile and unlock long term development finance and in turn normalization of Zimbabwe's international relations;
ix. Employment creation as a result increased economic activity and formalization of the informal sector activities;
x. Increasing production and marketing in key sectors, such as mining and tourism will be critical in driving economic growth;
xi. Improvement in general industrial and manufacturing productivity and significant recovery and growth in the agriculture sector;
xii. Investment in the energy sector and in particular, energy infrastructure; and
xiii. Effective implementation of the PPP framework.

Growth and revenue figures will depend on the extent of new productive investment, which in turn, will in part, depend on foreign capital in-flows. Building a **good and secure environment for foreign investment** will be central to the success of the Plan.

MEDIUM TERM PLAN VISION

The Vision

The MTP will guide all other Government policy documents including the National Budgets and will set out clearly to our partners - Private Sector, cooperating partners and civil society, the Government priorities for the period ahead.

The vision for Zimbabwe is that of a growing, transforming and globally-competitive economy, with jobs, equity, freedom and democracy.

Goal of the MTP

The **goal** of the MTP is the restoration and transformation of capacities for sustainable inclusive economic growth and development to reduce poverty, and create decent employment in order to achieve the Millennium Development Goals (MDGs). The transformation of the economy will encompass the increase of value addition activities, adoption of competitive technologies and development of knowledge and services industries. The Plan will transform Zimbabwe from a primary product producer to a producer of diversified manufactured products and services.

1 BACKGROUND

1.1 Introduction

The MTP responds to Article III of the GPA on the restoration of economic stability and growth in Zimbabwe, as well as building on the foundation laid by the STERP. The MTP comes as a successor to STERP, which was launched to stabilise the economy and to operationalise the commitments agreed to in the GPA that gave birth to the Inclusive Government in Zimbabwe in February 2009.

The MTP is guided by the following Government key priorities as agreed in STERP and subsequently in the Government Work Program (GWP):

i. Promote economic growth and ensure food security;
ii. Provide basic services and infrastructural development;
iii. Strengthen and ensure the rule of law and respect for property rights and promote gender rights;
iv. Advance and safeguard basic freedoms through legislative reforms and the Constitution;
v. Re-establish international relations; and
vi. Employment creation.

The MTP is also guided by the challenges posed by the demographics as shown in Table 1.1 below. The Plan's daunting challenge is to respond to and cater for the educational, training and employment demands of a population highly concentrated in the 10-30 years (46 percent).

Table 1.1: Zimbabwe's Population Profile at a Glance in 2009

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: CSO – 2009 Population Projection, Multiple Indicator Monitoring (MIMS) 2009, MHCW

1.2 Shared National Vision

The Government has started the process of developing a Shared National Vision 2040. An all stakeholders workshop has already been held where all stakeholders including the political parties in Government and outside Government were represented. Participants represented the full spectrum of Zimbabwean society. A forum was provided for each of these groups to give their input into what the Promised Land for Zimbabwe should be.

An elaborate outreach programme is planned to obtain more input from every part of the country. A rigorous research programme led by world class experts will also be conducted to identify the key sectors and key projects that will help Zimbabwe achieve its Vision 2040 aspirations in the key pillars of Economy, Social and Politics. The information generated from the visioning process will be key in feeding into the ongoing processes of Constitution making, national healing, and national rebuilding.

The aspirations embodied in the National Vision that the MTP seeks to actualise include:

i. Good Governance;
ii. Macroeconomic stability;
iii. Maintenance of political stability;
iv. Diversified economy with high growth rate;
v. Access to social services by all;
vi. Acceleration of rural development;
vii. Equal opportunities for all;
viii. Development and utilisation of modern science and technology;
ix. Vibrant and dynamic culture; and
x. Sustainable utilisation and management of natural resources and the environment.

1.3 Rebranding Zimbabwe

The Government has initiated a process to rebrand from the negative perceptions that characterised Zimbabwe for over a decade. This process will result in the formation of the Zimbabwe International Marketing Council (ZIMC) and the development of Brand Zimbabwe which will be the basis and foundation of national behaviour designed to change the way Zimbabwe is seen both at home and abroad. An elaborate brand management programme and structure will be put in place which will include intensive marketing of the country in order to be competitive in attracting tourist arrivals and foreign direct investment.

1.4 Zimbabwe's Economy at it's Peak

At its peak, the Zimbabwe economy reached GDP levels of almost US $9 Billion and a growth rate of about 10% as indicated in the table below. The main thrust of the MTP is restoration to these levels as well as growth to new heights.

Table 1.1: Zimbabwe GDP at market prices (1994-1997)

	1994	1995	1996	1997
Nominal GDP (US $m) at Market prices	6837.8	7152.9	8706.3	8956.9
Real GDP Growth rates (%)		0.2%	9.7%	1.3%

In terms of export performance, the MTP seeks to achieve export levels of above US$2.5 Billion in order to support the envisaged GDP growth. Manufactured exports are forecasted to be the major exporting sector contributing up to 50% of the total exports. Agriculture, Mining and Tourism are also set to be major contributors. The table below shows historical export performance.

Table 1.2: Zimbabwe's Major Exports (US $m) 1994-1997

	1994	1995	1996	1997
Total Exports (US$m)	1942.0	2234.7	2500.8	2444.3
Agricultural Exports	684.6	749.6	946.0	917.0
Mineral Exports	428.52	507.4	500.0	451.7
Manufactured Exports	749.9	828.8	845.8	899.7
Total Export Growth (%)	21.0%	15.1%	11.9%	11.9%

Manufacturing

The manufacturing sector is an important contributor to the country's GDP, exports, employment, and value addition to locally produced raw materials. During its peak performance, the manufacturing sector was the biggest contributor to GDP between 1980 and 1990 at 22% followed by agriculture at 14%.

In terms of employment, between 1980 and 1990 the sector contributed on average 16% of total formal sector employment. On the export performance front, the sector contributed about 45% of the total exports between 1980 and 1990.

Agriculture

Agriculture is the mainstay of our economy. Tobacco production reached levels of 226 000 tonnes in 1998 before declining to about 45 000 tonnes in 2009. Maize production reached a peak of 2 056 600tonnes in 1996 before declining to around 1 240 000 tonnes in 2009. In the late 1990s, cotton production also reached peak levels of around 300 000 tonnes while wheat production was around 250 000 tonnes. In terms of export performance, agricultural exports reached US$946 million in 1996. The MTP envisages that it is possible to revert back to these peak performance levels with the implementation of policy measures aimed at addressing the challenges that the sector has been recently facing.

Mining

The country produces over 45 different minerals of which gold, platinum, diamonds, nickel, asbestos, chrome & ferro alloys, iron ore, coal, phosphate and black granite are the main ones. There is great potential for the country to grow based on mineral production. In 1999 gold production peaked to above 27 000kg from levels of around 16 000kg in 1990. Coal production averaged around 5 million tonnes in 1990s. The value of mineral exports amounted to around US$ 500 million in 1996. In 1998, the sector contributed about 4% to GDP before declining to about 2.3% in 2008.The MTP seeks to address the challenges faced by the sector which has seen production levels declining. These measures will ensure that mineral production is restored back to the peak production levels. To note is that the discovery and mining of diamonds is expected to increase export earnings in the sector as well as the sector’s contribution to GDP even above the previous peak levels.

Tourism

Zimbabwe attracts tourists from all the Major source markets due to its vast natural and cultural resources. In 1996 Zimbabwe saw about 2 million visitors and received US$232million from tourism.

Given the improved country image and international relations, tourism has the potential to recover and perform even beyond these levels. The MTP targets tourist arrivals of up to 4 million by the end of the plan period and a major increase in accommodation capacity.

1.5 Progress Achieved under the STERP

STERP (February to December 2009), under the various clusters achieved the following:

1.5.1 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 January 2009 to levels of over US$100 million in December 2009;

iii. Established new lines of international credit;

iv. Initiated process of positioning the country as a viable investment destination;

v. Established policy framework for aid coordination with development partners;

vi. Improved industry capacity utilisation from 10 percent in December 2008 to averages of about 35-40 percent by December 2009;

vii. Increased employment as a result of increased capacity utilisation; and

viii. Established a National Smallholder Agricultural Input Scheme assisting 650,000 households and general agricultural support scheme for the 2009/2010 agricultural season, contributing to improved food security.

1.5.2 Social Cluster

i. Re-opening of the major referral hospitals and primary health institutions;
ii. Improving overall drug availability at health institutions ranging between 60–80 percent;
iii. Renal dialyses services resumption at Parirenyatwa Hospital;
iv. Re-opening of all schools with significant numbers of teachers and students returning to classrooms;
v. All universities, including the University of Zimbabwe resumed educational delivery;
vi. Marking of all previous and outstanding examination papers with students successfully sitting for the Zimbabwe School Examinations Council (ZIMSEC) June and November 2009 examinations;
vii. Reversed increasing levels of malnutrition (stunting) in the population using a multi-sector approach; and
viii. Local Government Board resumed functionality with key appointments concluded.

1.5.3 Infrastructure Cluster

i. Basic services restored although reliability remains a challenge;
ii. Potholes filled on major trunk roads;
iii. Urban water supplies and sanitation facilities restored in major cities though a lot still remains to be done;
iv. Improved coal availability; and
v. Fuel supplies have improved.

1.5.4 Rights and Interests Cluster:-

i. The Constitution making process commenced;
ii. The Organ for National Healing, Reconciliation and Integration began consultations and the process itself was launched at a Dedication Ceremony;
iii. All Constitutional Commissions posts were advertised, candidates agreed and selections made; the Media Commission Commissioners were gazetted; Zimbabwe Electoral Commission (ZEC) and Zimbabwe Human Rights (ZHR) sworn in;
iv. Positive steps were taken towards creating a more pluralistic media environment with international correspondents like CNN and BBC being allowed to report from Zimbabwe.

1.5.5 Security cluster:-

i. A decrease in politically motivated violence.

1.6 Challenges to be addressed by the MTP

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; the large number of Zimbabweans still living in poverty; high inequality in income distribution; gender inequality; low household incomes; low savings and investment rates; insecurity; corruption and weak governance; poor infrastructure; and over reliance on primary economic activities.

1.7 Critical Success Factors in the Implementation of the MTP 2010-2015

Underpinning the successful implementation of the MTP are the following principles:

- **Accountability and transparency in service delivery:** the Government will foster a stronger sense of collective decision-making, responsibility and accountability on the set targets.
- **Resource mobilisation:** in view of the fact that treasury is constrained for resources, resource mobilisation strategies will be more aggressive, multi-pronged and supported by robust policy and institutional reforms. Government will institute cost recovery projects that will promote income generation without placing a huge burden on the vulnerable groups. Government will institute measures to stop revenue leakages to the fiscus and the economy. Investor friendly policies that encourage innovation, entrepreneurship and attract investment from the Diaspora and internationally will be pursued.
- **Ensure Social Protection:** the hyperinflationary era left a large majority of the population vulnerable, as such, Government will actively pursue social protection mechanisms to cushion the poor against the negative effects of the reforms to be taken.

- **Significant investment in monitoring and evaluation:** emphasis will be on systems that gather adequate information that notifies the Government and the people of the progress of implementation of the Plan and achievement of targets set within the Plan. A system of monitoring and evaluation in the context of Results Based Management (RBM) will be part of developing the management capacities of the Public Sector.

- **Capacitating the statistics system:** timely statistics form the basis for good policy and decision making, helps identify best course of action, supports transparency and accountability and provides a sound basis for designing the management, monitoring and evaluation of national policy framework. In this regard, the Central Statistics Office (CSO) will be capacitated to effectively carry out its mandate within the national statistical system.

2 MACROECONOMIC POLICY FRAMEWORK

2.1 Introduction

The macroeconomic framework stems from concerted efforts started by the STERP to overcome challenges facing the country's macroeconomic stability, economic recovery and transformation. Whilst the STERP resulted in macroeconomic stability, the MTP faces the challenges of sustaining economic growth as well as laying the basis for sustained reduction in the incidence of poverty, transforming the economy and, improving the delivery of basic services.

This framework seeks to **establish a platform for Zimbabwe to emerge as a vibrant Private Sector driven economy that is growing and transforming from a producer of primary products to a producer of diversified manufactured quality products laying the foundation of a competitive global player.** 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 Private Sector needs to take advantage of the enabling environment and boost production through absorption of new knowledge and technologies, improved productivity and effective utilization of the human capital which Zimbabwe has developed over the years.

The MTP will also identify strategic transformative activities and new growth areas that are ICT and technology driven for sustained pro-poor economic growth and development. The implementation of the Plan will be funded from both the public sector and private resources, applying innovative funding modalities including outright Private Sector investment initiatives and the Public Private Partnerships (PPPs).

The Plan's success will be measured by its ability to consolidate further macroeconomic stability; support implementation of related institutional and structural reforms; and revamping infrastructural service provision, employment creation and poverty reduction. The benchmarks for the success will be linked to the national budgeting process as the key instrument for policy implementation. In this regard, the implementation of **the Government's budget frameworks will synchronize and actualize the policies, programmes and projects outlined in the MTP**. The national budget will also be restructured with a view to accommodating social capital expenditure, critical in reinforcing the Government priorities and ensuring adequate provision of public services to stimulate economic recovery in line with the MTP priorities on social and infrastructure development projects. The capital budget will be instrumental for public sector investment spending, which is critical in driving economic recovery and transformation. The macroeconomic policy framework underpinning the MTP will help to provide broad policy guidance for achieving inclusive growth and development.

2.2 Macroeconomic Objectives

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

i. Sustainable rate of economic growth;
ii. Poverty reduction;
iii. Employment creation; and
iv. Keeping a close check on the Balance of Payments.

2.3 Macroeconomic Policy Targets

The macroeconomic targets will be to achieve the following:

i. Restore the economy to its all time high GDP of $9 billion by 2015;
ii. Single digit annual inflation;
iii. Low interest rates, sustainable BOP with Current Account Balance of not less than 5 percent of GDP;
iv. Increase in employment to above 1997 levels by 2015;
v. Sustained Poverty Reduction in line with MDGs targets;
vi. Foreign Exchange Reserves of at least three months import cover by 2015.
vii. Double Digit Savings and Investment Ratios of around 20% of GDP by 2015;
viii. Budget Deficit to converge to SADC benchmark of less than 5 percent of GDP; and

ix.	Improved social indicators all round, including in education and health.

2.4 Macroeconomic Assumptions:

The underlying macroeconomic assumptions are as follows:

i. Full Implementation of the GPA to guarantee economic, social and political stability;
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; increased financial sector intermediation and inclusive financial sector development;
v. Effective implementation of the PPP framework;
vi. Carrying out of the Land Audit, instituting reforms to guarantee security of tenure and use of land as collateral and improved agricultural output;
vii. Observance of the Rule of Law and Property Rights;
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. Sustained food security.

2.5 Economic Recovery, Growth and Transformation

During the Plan period, the economic recovery which began under STERP is expected to be consolidated, sustained and quickened. Zimbabwe needs to avoid the usual experience of short-lived growth spells that have proved unsustainable. The restoration of the economic activities to its all time high of US$9 billion during the plan period will be achieved through the restoration of productive capacity (rebound factor) and creation of new capacities; infrastructure rehabilitation and new development projects. Diversification of sources of growth, productivity improvements and efficiency management, investment in new technologies and technology transfers, reforms of institutional and non-institutional mechanisms, and productivity gains are critical pillars of the Plan. The Plan will steer the fulcrum of economic activity towards broad-based, pro-poor and inclusive growth economic strategies.

Investment in new knowledge-driven industries, technology transfers, institutional reforms and upgrading of obsolete machinery for productivity improvement will underpin the Private Sector growth.

The growth of the key sectors of the economy, namely agriculture, manufacturing and mining will be reinforced by economy wide recovery as the growth momentum spreads to other sectors of the economy, including tourism, transport, technology driven communications sectors and construction.

The completion of the Land Audit and finalisation of security of tenure will ensure much more robust agriculture performance, with economy wide forward and backward linkages, sustaining economic growth. Land will thus become an economic asset, and farming a business activity from which value addition and beneficiation will enhance growth.

2.6 Price Stability

The successful short-term economic stabilization undertaken under STERP will be consolidated into the more profound institutional, structural reforms designed to form the basis for a market driven economy with stable prices. An immediate priority of the Plan will be to ensure that inflation remains in the single digit levels**.** Firm commitment to price stability is anchored on the separation of powers between the Fiscal and Monetary Authorities as defined in the revised Reserve Bank Act.

2.7 Financial Sector Reforms

Financial sector reforms will be designed to achieve the following specific objectives:

i. Financial sector stability and inclusive development;

ii. Restoration of banking confidence;

iii. Efficient prudential and regulatory framework,

iv. Price stability,

v. Efficient National Payments Systems;

vi. Central Bank Independence and Focus on Core Mandate;

vii. Restructuring of the central bank to make it play financial intermediation and stabilising role; and

viii. Recreation of empowerment via an enabling environment to facilitate indigenization entry through innovative methods, such as easy registration of collateral, and improvement of minimum capital requirements.

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

- macroeconomic stability;
- liberalized interest rates and narrow interest rates spread; and
- International best banking and supervisory practices.

In pursuit of these strategies, the Government will institute measures in building an inclusive financial sector, such as providing an appropriate enabling macroeconomic framework that recognizes the unique role played by the microfinance institutions and indigenous banks in the development of the economy; and creating an environment that will make business sense for banking institutions to lend to low income borrowers.

2.8 Savings

Rising economic growth rates and improved household incomes over the Plan period will improve the capacity to save. This will be complimented by an appropriate interest rate regime and viable bank charges, backed by financial sector deepening that promotes a culture of saving at household and institutional level. Fiscal discipline enforced by efficient and effective expenditure management frameworks will enhance public savings. National private savings are projected to significantly increase during the

Plan period, and will be used to finance private investment. Inevitably, total savings may lag total investment as the capacity of both institutions and households to save improves with the increase in disposable incomes. In addition, there will be institutional reforms to restore credibility and trust in the financial sector.

Under the Plan period Government will mount extensive education and information campaigns on instruments of savings. Public service pension reform will be undertaken to guarantee reasonable welfare of public servants upon retirement. Consultations with stakeholders will be undertaken prior to drafting and amendment of the pension rules and regulations to support these reforms. In addition, this separate Civil Service Pension Fund will be managed by fund managers outside the budget framework. This pension fund will improve institutional savings and provide resources to fund investment.

2.9 Investment

In the initial phases of the Plan, investment will be funded predominantly from foreign inflows whilst domestic resource mobilisation gathers momentum. This trend is shown in Table 2.2 where the investment funded by foreign inflows outstrips other sources of investment funding, followed by Public Sector investment. To boost investment, there will be a strong drive to promote PPP arrangements, foreign direct investments and local investments by the Private Sector in technology enhancement and new technologies for purposes of catching up and building a sustainable competitive advantage. Investments in efficiency management systems and improved technologies will be critical to improving productivity and lowering production costs. It is expected that a culture of efficiency will characterise the way of doing business.

Table 2.2: Private and Public Investment (US$ Million)

	*2009	2010	2011	2012	2013	2014	2015
Total Investment	169	710	1,012	1,253	1,173	1,161	1,377
Investment Funded by Foreign Inflows	120	450	734	565	496	362	457
Private Investment Funded By Domestic Savings and Foreign Credit Lines	-	10	33	370	344	432	515
Public Sector Investment	45	250	245	318	333	368	405

*2009 are estimates and the rest are projections.

2.10 Foreign Direct Investment

The investment promotion drive that Government is embarking on and the improved policy environment will result in improvement in the inflow of foreign direct investment. In particular, investment opportunities in mining, manufacturing, infrastructure, and tourism, will stimulate foreign direct investment. In addition, foreign direct investment in new growth areas such as ICT, and Business Processes Outsourcing (BPO) will be critical during the Plan period. The Zimbabwe Investment Authority (ZIA) will be restructured to play a critical role in promoting Foreign Direct Investment (FDI).

2.11 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 stand to vigorously pursue a policy of PPPs, where the Private Sector will be invited to raise funding to finance infrastructure development and ensure technological transfer.

Government identified potential 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.

During the Plan period, Government will complete the development of the institutional framework that will facilitate PPP implementation. The legislative framework for PPP implementation will be reviewed and updated. A detailed manual on how to initiate, implement and manage PPP projects will be produced. A PPP Unit will be developed to serve as a one stop shop for national coordination of PPP projects. The PPP Unit will be staffed by technical experts who will provide needed assistance to ministries and local authorities in their considerations of PPP project proposals.

2.12 Capital Markets Development

Viable medium and long-term capital markets are critical for mobilising savings and raising capital for the productive sectors of the economy. Bond, Stock Exchange and Venture Capital markets will be deepened to facilitate equity financing in new enterprise and greenfield projects. The development of capital markets is also critical for long-term capital for both the public and private sector investment.

A secondary bourse to cater for Small Medium Enterprises (SMEs), which are an engine of growth, will be established during the Plan period.

2.13 Fiscal Sector

The macroeconomic policy instruments for economic management are monetary, fiscal and exchange rate policies. However, in the context of the multi-currency environment, the fiscal instrument becomes the available macroeconomic management tool.

In light of the dominant role of Fiscal Policy in the Plan period, the thrust will be to provide the catalyst for economic recovery, transformation and poverty reduction, through the following:

i. Refocusing the pattern of public sector expenditure to prioritize economic growth, democratization and the social services for poverty reduction;

ii. Reforming the tax system; and

iii. Streamlining the public sector management, including parastatals' operations to raise efficiency levels.

2.14 Tax Reforms

The MTP envisages comprehensive Tax Reforms to improve tax administration efficiency and broadening the tax base. Such tax reforms will include the review of the Income Tax Act, Mining Taxation, among others. Tax reforms will encompass simplification of the tax structure for optimum revenue collection. This will entail the elimination of exemptions and allowances that add to the cost of doing business and complicate the tax administration system.

2.15 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.

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, 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.

2.15.1 Capital expenditure

In the initial phase, the bulk of Government expenditure will be recurrent. The Plan's target of capital expenditure will be around 15 percent of the total budget. This will allow the bulk of the capital expenditure to be funded through the PPPs and IPPs. Resources from toll gate fees and fuel levies that are specifically targeted towards roads and together with those from PPP arrangements will augment capital expenditure. Most borrowings will go towards financing identified priority public capital projects. The implementation capacity on Government capital projects will also be revamped.

2.15.2 Recurrent Expenditure

Recurrent expenditure has been the major contributor to total expenditure. The Civil Service Payroll Audit being undertaken by Government will be finalized in 2010 and this will lead to rationalisation of the civil service, elimination of ghost workers and reduction of the wage bill. The payroll audit will be extended to cover audit of payment of pensions to rationalize pension expenditures. The Plan's target on recurrent expenditure will average 85 percent of the total budget.

2.16 Public Enterprise Reform

Over the Plan period, an evaluation of all public enterprises 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;
ii. Restructuring; and
iii. Privatisation

Commercialisation will focus on the following elements: cost recovery and reduction, corporatization, innovation, commercial awareness, adaptability to the market and viability.

Restructuring will focus on the following elements: 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.

Privatization will focus on the following elements: 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 a basis towards making a decision on the optimal route to take with regard to commercialization, restructuring, and privatization.

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), Zimbabwe Iron and Steel Company (ZISCO) (which will include separation of ZISCO operations from those of Buchwa and setting up of new steel plants in the country), Agricultural Rural Development Agency (ARDA), Mining Affairs Board, Zimbabwe Mining Development Corporation (ZMDC) and Zimbabwe Tourism Authority (ZTA).

2.17 Debt Management Strategy

The level and structure of Zimbabwe's national total debt stock amounted to US$7 billion as at March 2010, of which US$3.65 billion represents arrears. There is further debt that is owed by public bodies, e.g., the RBZ owes at least US$1.5 billion. These figures do not also include the constitutional debt the country owes in respect of the Land Reform Program, which in terms of Article 5 of the Global Political Agreement, the parties have recognised the obligation of paying compensation.

The Constitution compels Government to compensate all former commercial farm owners for improvements made on their farms. As a result, Government has acquired a debt, (farm debt) the quantum of which has not yet been finalised, to cover the compensation. The national debt stock of US$7 billion noted above does not include the farm debt. Beneficiaries of the land reform programme will be required to contribute towards the liquidation of this debt.

The Zimbabwean debt can be classified into three broad categories as follows:

i. External debt including arrears;
ii. Domestic debt incurred through the RBZ; and
iii. Farm debt.

The economy does not and is not forecast to have any capability to repay debt during the Plan period, consequently no debt repayment has been provided for. There will be a clear repayment plan for any new debt that is being contracted. A debt management office will be established under the Ministry of Finance.

2.17.1 External Debt

The total external debt amounts to US$5.5 billion comprising arrears of $4.5 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;

CREDITOR	AMOUNT (US$)
Multilateral	2.6 billion
Bilateral	2.4 billion
Private Sector	343 million
Other	193 million
TOTAL	**5.5 billion**

2.17.2 Rest of the World

Zimbabwe will engage the International Financial Institutions with the objective of getting as much of the external debt as possible, to be written off. Such an engagement will lead to the normalization of relations and open new avenues to access resources. Zimbabwe will also explore creative methods of utilizing its natural resources to raise funds for development as this is fundamental to the success of the MTP. All these initiatives will be done with the active engagement of all the creditors and using the lead of the international financial institutions and the African Development Bank, in particular.

The debt with countries that are not covered by multilateral agreements/arrangements will be dealt with after resolving that covered by multilateral agreements/arrangements to avoid any breaches of preferential debt. In fact, addressing the debt crisis should be understood as a sanctions removal strategy. This debt resolution is expected to be completed by the end of 2012.

2.17.3 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.

2.17.4 Farm Debt

The Constitution of Zimbabwe provides for the payment of compensation for farm improvements on farms that were acquired for resettlement. The Ministry of Lands and Land Resettlement have carried out an exercise to estimate the magnitude of the expected compensation. The farmers' organizations have also provided estimates of expected compensation. Some of the farmers have obtained judgment against the Government.

The ability of Zimbabwe to pay any compensation has been seriously compromised by the economic downturn experienced during the last decade. However, it is important that compensation is paid to enable satisfactory closure of the Land Reform Program. The international community will be approached to assist and contribute to the compensation fund. The new farmers will also play their part, which will take away any accusations of unjust enrichment and avoid resentment from those who were not resettled and those resettled where there was no improvement.

2.17.5 Debt Clearance Strategy

Under the MTP, Government will in 2010 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 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

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

2.18 Current Account

Historically, the current account has been in deficit mainly because of the nature of the economy which is a net importer. Food, fuel and power imports coupled with poor export performance have continued to exert undue pressure on the current account.

The current account deficit over the Plan period is targeted to converge to the SADC criteria of less than 9 percent of GDP through a rapid rise in exports and a stable growth in imports by 2015. It is important to note that imports as a percent of GDP will be large during the initial phase of the Plan period largely as a result of increasing demand for imports to recapitalize industry, as well as the relative low capacity utilization envisaged at the beginning of the Plan and hence the necessity for initially high import dependency.

Exports on the other hand are expected to improve over the Plan period largely driven by growth in mineral and manufactured exports. The expected transformation of the national economy, improved business climate and opportunities arising from regional markets will drive the increase in manufactured exports.

2.19 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. Ensuring a stable macroeconomic environment to enhance exporter viability;
iii. Deliberate targeting of new technologies to gain a competitive edge and economies of scale;
iv. Establishment of new knowledge and technology based industries;
v. Exporting value added goods as opposed to traditional primary commodities;
vi. Diversification of the export basket;
vii. Re-establishing lost markets, exploring new export markets and maintaining existing markets;
viii. Enhancing productivity and the general operating business environment;
ix. Promoting horticulture exports; providing adequate handling facilities and building capacity of players to comply with all export requirements including documentation requirements;
x. Assisting SMEs and Co-operatives to participate in the export market;
xi. Improving the operations of Export Credit Guarantee Company of Zimbabwe (ECGCZ) and ZIMTRADE in assisting exporters;
xii. Taking advantage of market access opportunities created in the context of deeper regional integration within SADC and COMESA; and
xiii. Relying on agricultural surplus, e.g. sugar, coffee, tea and horticulture.

2.20 Capital Account

One of the assumptions of the MTP is the resumption of normal relations with the international financial institutions by the end of 2012 and the expected balance of payments support which is likely to trigger further capital inflows into the country.

Partial liberalization of this account is expected to encourage foreign direct and some portfolio investments. However, FDI will be a major component for at least the first three years of the MTP.

For the Plan, investment will be the driving force for development and for keeping the country's balance of payments positive and growing.

2.21 Aid Architecture

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 miminising duplication and aligning aid with national priorities.

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.

2.21.1 Challenges

i. Donor support not being channeled through the national budget;
ii. Donor preference for humanitarian assistance as opposed to development assistance;
iii. Uncoordinated request for financial assistance from development partners;
iv. Poor articulation of national priorities requiring funding; and
v. Global financial crisis, recession and natural disasters which divert humanitarian assistance.

The international community is likely to continue with humanitarian support including humanitarian plus. The way this AID is delivered can have both positive and negative effects. To increase the positive effects, measures will be taken to ensure that as much of the procurement as possible will be from local industries.

2.21.2 Policy Objectives

i. To align aid with national 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.

2.21.3 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.

2.21.4 Policy Measures

i. The thrust of Government during the plan period is not to be donor dependant but to build true partnerships that will result in 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 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).

2.21.5 National Programmes and Projects

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

2.22 Resource Gap

The targets set in the MTP reflect imports increasing from US$3.7 billion in 2010 to US$3.8 billion in 2013; to US$4.3 billion in 2015. During the Plan period exports will grow from US$1.9 billion in 2010 to US$3.2 billion in 2015.

Table 2.4: BOP Summary (2009-2015) US$ million

	2009	2010	2011	2012	2013	2014	2015
CURRENT ACCOUNT							
Exports	1,591	1,985	2,215	2,437	2,741	3,095	3,247
Imports	3,213	3,686	3,550	3,566	3,773	4,003	4,255
Net income	-200	-203	-207	-208	-230	-241	-252
Net transfers	926	638	597	556	552	571	586
Current Account balance	-927.8	-1,266	-944	-780	-711	-578	-674
CAPITAL ACCOUNT							
FDI	120	450	734	565	496	362	457

3 INFRASTRUCTURE

Introduction

Key to sustainable economic growth is a sound and robust infrastructure. 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 and inadequate financial resources for regular repairs and maintenance, skills flight and lack of an enabling environment for expansion and general governance issues.

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 infrastructure 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 is working on developing 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.

3.1 Energy

3.1.1 Introduction

The availability of adequate and reliable energy is critical for the attainment of economic recovery, growth and transformation. The commercial energy sector 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 sectors of the economy, in particular, mining, manufacturing and agriculture. Intermittent power outages over the past years have contributed to sustained economic decline.

Zimbabwe's current electricity production is at approximately 50 percent of installed capacity with part of the shortfall met by imports. Total installed capacity amounts to 1,960MW and national demand is approximately 2,200MW against actual output of 975MW, see Table 3.1.1 below. Three small thermals were shut down due to lack of working capital to carry out rehabilitation and overhauls.

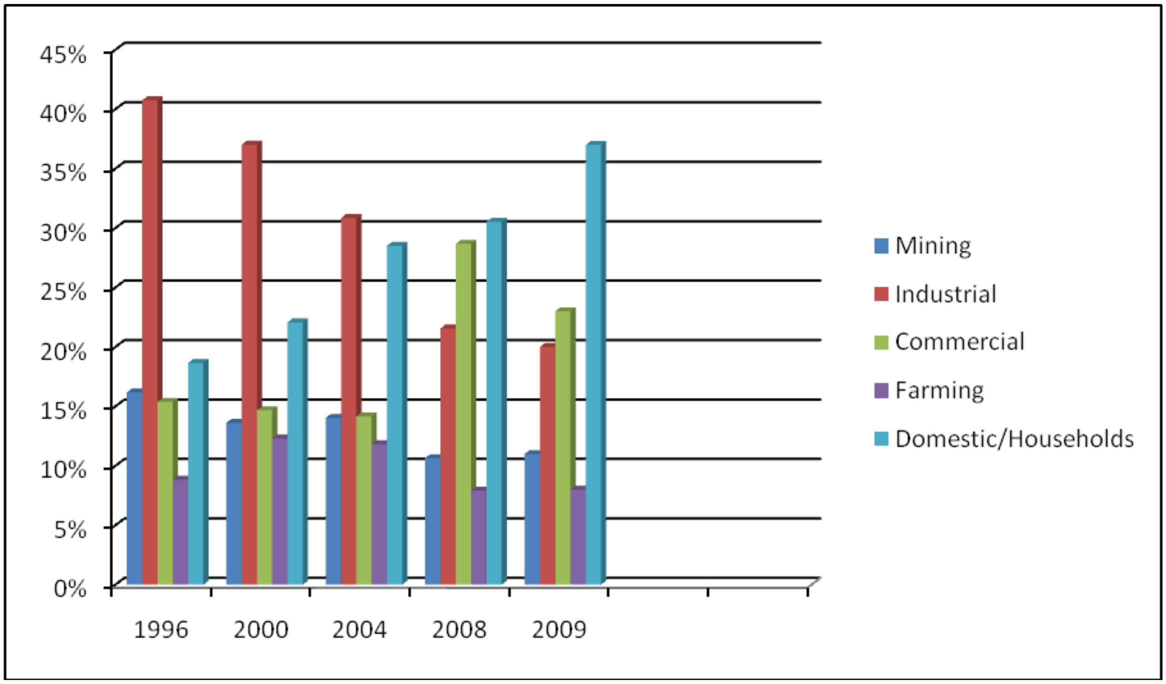
Table 3.1.1: Electricity capacities

Power Station	Type	Installed Capacity (MW)	Available Capacity (MW)	Available Capacity (%)
Kariba	Hydro	750	750	100%
Hwange	Thermal	920	225	24%
Harare	Thermal	100	0	0%
Bulawayo	Thermal	90	0	0%
Munyati	Thermal	100	0	0%
Total		**1,960**	**975**	**50%**

Zimbabwe is at the centre of electricity interconnectivity within the region. The Southern African Power Pool (SAPP) is located in Zimbabwe, which gives a perspective of regional electricity generation versus demand and is best suited to pursue, encourage and manage the development of regional power generation.

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 is expected to reverse, see Figure 3.1.1.

Figure 3.1.1: Sectoral Electricity Consumption



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.

3.1.2 Challenges and Constraints

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

i. Billing and collection challenges;
ii. Aged and obsolete equipment and poor state of infrastructure;

iii. Operational challenges including undercapitalization compounded by debt-ridden financial positions;
iv. Inadequate specialized skills and tools required for planning and forecasting energy needs;
v. High cost of rural electrification through grid extension and due to the scattered nature of settlements; and
vi. Theft and vandalism of infrastructure.

3.1.3 Policy Objective

i. 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.

3.1.4 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.

3.1.5 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.

3.1.6 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;

3.1.7 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);
xiii. Development of Sengwa coal and Lupane gas projects during the Plan period; and
xiv. Examine the possibility of generating electricity through nuclear energy.

3.2 The Liquid Fuel Sector

Zimbabwe imports all 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 percent.

3.2.1 Policy Objectives

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

3.2.2 Policy Targets

i. Establish an independent regulator by 2011;
ii. Produce and use ethanol blend and bio-fuels by 2012; and
iii. Beira pipeline capacity utilisation to be over 90 percent by 2011.

3.2.3 Challenges and Constraints

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

3.2.4 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.

3.2.5 National Programmes and Projects

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

3.3 Transport

The Government recognises transport infrastructure as a pivotal vehicle for 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 and 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 these services, given the historical minimal participation of the Private Sector in the provision of infrastructure.

3.3.1 Roads

3.3.1.1 Introduction

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

3.3.1.2 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.

3.3.1.3 Policy Objectives

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

3.3.1.4 Policy Targets

i. Dualisation of the Beitbridge to Chirundu road by 2012;
ii. Pot holes repaired on urban roads by 2011;
iii. Well maintained rural roads by 2012; and
iv. Tarring of significant sections of rural access roads by 2015.

3.3.1.5 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 Boarder 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.

3.3.1.6 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 Beitbridge-Harare-Chirundu road (935 km) through PPPs commencing 2010;
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.

3.3.2 Rail

3.3.2.1 Introduction

The rail network is critical for economic development and recovery 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-Beitbridge 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 Table 3.3.2.1 below:

Table 3.3.2.1: Rail Capacity Utilisation (2000-2009)

Tonnage (millions)	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Design Capacity	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0
Tonnage Moved	9.5	8.9	8.1	6.3	4.9	3.7	5.4	5.0	3.7	2.7
Capacity Utilization (%)	53%	49%	45%	35%	27%	21%	30%	28%	21%	15%

Source: National Railways of Zimbabwe

Traction and rolling stock has deteriorated due to inadequate maintenance and non-replacement of obsolete assets resulting in low availability of rolling stock as indicated in the table 3.3.2.2 below.

Table 3.3.2.2: Rolling stock

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: National Railways of Zimbabwe

3.3.2.2 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.

3.3.2.3 Policy Objective

Have a functional and robust rail track infrastructure.

3.3.2.4 Policy Targets

i. Remove cautions from the rail track by 2011;
ii. Restore signalling system by 2012;
iii. Introduce a multi-user system by 2010;
iv. Establish an independent Regulatory Authority by 2011; and
v. Expand the railway by construction of new links by 2015.

3.3.2.5 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.

3.3.2.6 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 to provide shorter routes to/from the seaports to develop Zimbabwe into a viable and efficient regional hub.

3.3.3 Air

3.3.3.1 Introduction

The country has three international airports, Harare International Airport, Joshua Mqhabuko Nkomo International Airport in Bulawayo, and Victoria Falls Airport. The country also boasts of more than 200 privately-owned airports and 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.

3.3.3.2 Challenges and Constraints

The sector is characterized by a number of challenges including:

i. High cost structure due to operation of aged equipment;
ii. Skills flight;
iii. Lack of funds for maintenance, rehabilitation and replacement of aged fleet;
iv. Lack of state of the art terminals and obsolete equipment and facilities;
v. Lack of an independent regulatory authority; and
vi. Debt overhang resulting in limited lines of credit.

3.3.3.3 Policy Objectives

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

3.3.3.4 Policy Targets

i. A viable and reliable national airline by 2011; and
ii. Increase number of airlines into Zimbabwe to 30 by 2011 and 40 by 2015.

3.3.3.5 Policy Measures

i. Engage strategic partnership for Air Zimbabwe and upgrading of airports;
ii. To formulate and implement the Civil Aviation Policy Framework;
iii. Restructure CAAZ into an independent Regulatory Authority;
iv. Implement the Open Skies Policy fully to ensure provision of an efficient and modern air transport system;
v. Pursue measures to make Harare International Airport a viable hub for African airports connections and tourism; and
vi. Develop and adopt environmental best practice for aviation with focus on aviation impact on climate change.

3.3.3.6 National Programmes and Projects

An Airports Infrastructure Development and Equipment Modernisation Programme will be embarked on including the following:

i. Rehabilitation of Harare International Airport runway;
ii. Completion of the JM Nkomo Airport building;
iii. Modernization of air navigation equipment for all airports;
iv. Replacement of air terminal meteorological equipment; and
v. Reposition the country to be a regional hub and improve efficiency in service delivery.

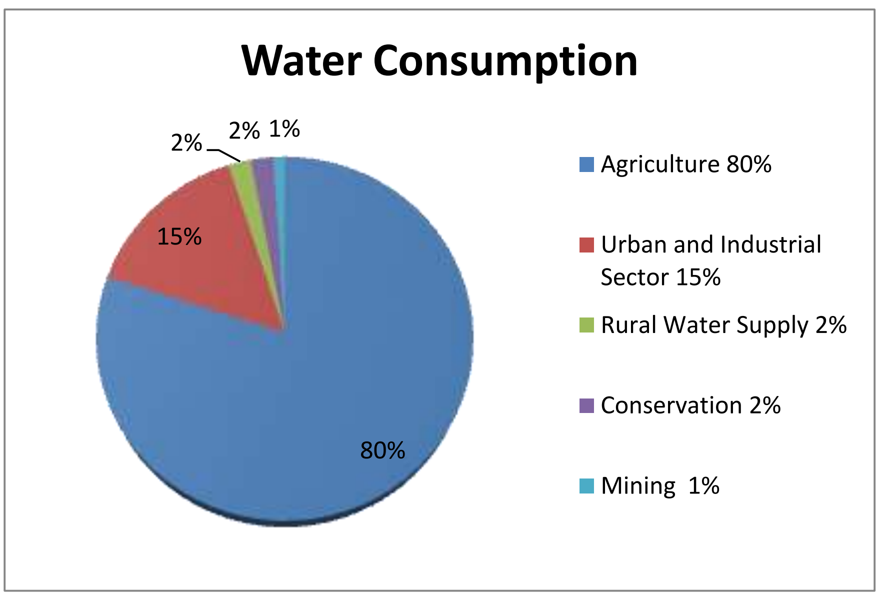
3.4 Water and Sanitation

3.4.1 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, aged infrastructure and lack of repair and maintenance services as a result of financial constraints. In addition, population growth and continued migration of large numbers of people to cities and towns has put pressure on the already strained infrastructure. The erratic water supplies resulted in a decrease in industrial production and a nationwide cholera epidemic exacerbated by the overstretched sewer systems which claimed over 4,000 lives and affected over 100,000 people.

The current water capacity utilization is about 63 percent of installed capacity and the consumption distribution is as follows:

Figure 3.4.1: Water Consumption



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

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

3.4.2 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.

3.4.3 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.

3.4.4 Policy Targets

i. Completion of Tokwe Mukosi Dam by 2012;
ii. Completion of Mtshabezi pipeline by 2011;
iii. Construction of Kunzvi Dam and increased supply of water to Harare by 2014;
iv. Commencement of Zambezi Water Project; and
v. Drilling of boreholes in rural areas commencing 2011.

3.4.5 Policy Measures

i. Introduce a regulatory framework governing water and enforcement of quality assurance issues and establish an independent Water and Sanitation Regulatory Commission to ensure appropriate pricing of water;
ii. 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;
iii. Review and develop WASH sector policies and strategic plans including understanding impact of programmes on health and nutritional outcomes;
iv. Clarify institutional roles and strengthen institutional capacity for integrated WASH management;
v. Promote local manufacture of water treatment chemicals; and
vi. Carry out regular dam safety inspections and assessments.

3.4.6 National Projects and Programmes

i. Completion of the rehabilitation and upgrading of water and sewerage infrastructure for Harare by 2010;
ii. Commencement of rehabilitation and upgrading of water and sewerage infrastructure in 2010 in all major towns, small towns and service centres
iii. Provision of metres including pre-paid metres for new connections and replacement of non-functional ones by local authorities;
iv. Rehabilitation of all non-functional water points in rural areas;
v. Drilling of boreholes in rural areas;
vi. Construction of latrines in rural areas;
vii. Completion of Mtshabezi pipeline to increase Bulawayo water supplies commencing 2010;
viii. Completion of Tokwe Mukosi Dam for irrigation purposes commencing 2011;
ix. Construction of Kunzvi Dam for urban water usage in Harare commencing 2010;
x. Construction of the Zambezi Water Project.;

3.5 Housing and Construction

3.5.1 Introduction

The Zimbabwean housing sector is characterized by inadequate affordable and decent housing, low levels of urban home ownership and inappropriate dwelling units such as squatter settlements, which poses a challenge to the socio-economic development of the country and environment.

The construction and building materials supply industries were adversely affected by the hyperinflation environment which negatively impacted housing construction programmes.

3.5.2 Challenges and Constraints

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

i. Shortage of building materials;
ii. Skills flight and relocation of some construction businesses to neighbouring countries;
iii. Lack of basic infrastructural services including electricity, water and sanitation;
iv. Lack of financing for construction projects and maintenance;
v. Uncoordinated town planning and rural resettlement; and
vi. Rural to urban migration.

3.5.3 Policy Objective

To provide adequate, affordable and decent housing.

3.5.4 Policy Targets

i. Completion of stalled housing projects by 2011;
ii. Commence new housing developments for high density by 2010; and
iii. Construction of SME infrastructure including factory shells and vendor marts by 2012.

3.5.5 Policy Measures

i. Review of property rights laws to attract foreign investment;
ii. The Ministry of Public Works will centrally administer the construction of all public buildings and civil service housing;
iii. 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;
iv. 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;
v. Government will revitalise provincial and district administration, local authorities and sub-district institutions through institutionalised training and resource mobilisation.
vi. The Government will review and harmonize the National Housing Policy, 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;

vii. Establish PPPs framework to facilitate Private Sector participation in residential, commercial and public sector property development;

viii. 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;

ix. Consider relocation of the Harare Remand Prison Complex on a swap deal and sell the present land as prime real estate business area; and

x. Review laws and regulations pertaining to lease arrangements, including the role and functions of the Rent Board to encourage Private Sector housing and construction

3.5.6 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. Urban housing projects to construct core houses and provision of associated housing and social amenities services to provide affordable housing to the low income earners commencing 2010;

iv. Provision and designation of land for Private Sector development for the low to middle income earners;

v. Construction of apartments for middle income earners for rental and/or purchase;

vi. Enhancement of rural housing programmes through the Rural Housing Fund. More durable rural housing will increase the quality of life and protect the environment through reduced use of wood; 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.

3.6 Information Communication Technologies (ICTs)

3.6.1 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.

Vision – To act as a catalyst for national socio-economic growth thereby propelling Zimbabwe into a knowledge society with ubiquitous connectivity by 2015.

Mission – To transform Zimbabwe into a knowledge based society so as to enhance the country's competitiveness in the world in order to stimulated and sustain economic growth through the systematic application and innovative use of Information Communication Technology (ICT).

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

The current ICT infrastructure and equipment includes 1021 base stations, 9 mobile switch centres, 5 internet gateways and 5 radio terrestrial links.

3.6.2 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.

3.6.3 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.

3.6.4 Policy Targets

i. Enactment of the ICT Bill by 2010;
ii. Creating a conducive environment for the development of ICT such as ICT technology parks by 2012;
iii. Establish national communications infrastructure and provide high bandwidth nationally and on international gateways by 2011;
iv. E-Government connectivity and services to all Government ministries and citizens at large by 2011; and
v. Popularization of ICTs and marketing of locally developed products by 2014.

3.6.5 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. Ensure viability of State Enterprises such as Net One, Tel One and Zimpost;

iii. 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;

iv. Review and amend the current ICT policy to ensure compliance with modern trends, standards and quality of ICT services;

v. Design a policy framework to promote sharing of infrastructure amongst industry players including use of existing and proposed fibre links infrastructre, sharing of mobile phone base stations to facilitate faster expansion of networks, shared costs in upgrading to new technologies and reduced end user costs;

vi. Develop a national policy strategy for cyber security and a national quality assurance framework for ICTs; and

vii. Support local software and other ICT products developers through market-mediated incentives.

3.6.6 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.

3.7 MEDIA, INFORMATION AND PUBLICITY

3.7.1 Introduction

Effective information dissemination is key to mobilizing the citizenry for national programmes, including the immediate one of revamping the country's economy after years of sanctions-related decline. 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.

Zimbabwe's economy is foundationally agricultural. This means its growth impetus comes from the countryside where agriculture is the main economic preoccupation. The countryside is also home to well over 70% of the country's population. Yet the country's information dissemination systems belie this overbearing reality. Infrastructurally, the country is ill-equipped to generate and disseminate appropriate information to underpin agriculture and to mobilize its dominant human capital located in the countryside.

3.7.2 Challenges and Constraints

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

3.7.3 Policy Objectives

i. to modernize the grid by digitalizing it in compliance with the SADC and world-time benchmarks of 2013 and 2015 respectively;
ii. to expand the capacity at each site to accommodate new signals from new broadcast players

3.7.4 Policy Targets

i. To make Zimbabwe digitally compliant by 2015;
ii. To expand the 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.

3.7.5 Policy Measures

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. Decommissioning of the outdated analogue broadcast system and a switch-over to the modern and versatile digital broadcast system which will govern global broadcasting.

3.7.6 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/Huts 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.

3.8 Science, Technology and Innovation

3.8.1 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.

3.8.2 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.

3.8.3 Policy Objectives

i. To increase the adoption of technology to enhance competitiveness;

ii. To increase processing and value addition of primary products; and

iii. To start new technology based industries.

iv. To suggest specific Science and Technology interventions for solving problems as they arise

3.8.4 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.

iii. To review and launch a new national Science and Technology Policy

3.8.5 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. Source required technologies actively;
vii. Engage international organisations for funding of identified research and development projects and other Science, Technology and Innovation initiatives;
viii. Draft and implement a policy to raise Research and Development (R&D) funding to at least 1 percent of GDP in line with the position adopted following the ratification of the SADC Protocol on Science and Technology;
ix. 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;
x. Promote the use of Indigenous Knowledge systems (IKS) especially those with science and technology dimensions; and
xi. Promote development of local alternative energy technologies.

3.8.6 National Programmes and Projects

i. SIRDC and similar institutions to increase their R&D activities, taking into account local conditions through transformation of research results to products with economic value;
ii. Promote the benefits of emerging technologies especially biotechnology, IT, alternative energies and nanotechnology;
iii. Develop a databank for R&D results appropriate for commercialisation;
iv. 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;
v. 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;

vi. Strengthen technical capacities and capabilities through improved advanced training of human resources, improved infrastructure, equipment and by strengthening linkages with the productive sector, regional and international counterparts;

vii. Promote the production of activated carbon and other chemicals for water treatment. Also promotion of the use of nanotechnology for water purification;

viii. Co-ordinate Science and Technology activities of line ministries in-order to implement the Science, Technology and Innovation programmes and create unified management and organisation arrangements at national and local levels;

ix. 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;

x. Upgrade technology based initiatives generated by the informal sector;

xi. Promote the use of Science and Technology interventions in solving national programmes across all sectors; and

xii. Role out a comprehensive programme on the exploitation of nanotechnology.

4 PRIVATE SECTOR DEVELOPMENT

4.1 Introduction

In order to implement the MTP effectively and achieve the vision set out in Chapter 1, 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.

In this Chapter, the Plan deals with Private Sector led economic recovery strategic priority, and sets out the policy objectives and targets for the next five years and the planned programmes and policy measures needed to implement this strategy.

The Plan will establish a platform for Zimbabwe to emerge as 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. In the medium term, the Private Sector must 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.

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.

In 2005, the Economic Commission for Africa (ECA) made a pertinent observation that, African countries have accepted that the Private Sector is better and more efficient at allocating resources and managing the economy than Governments. However, Africa has failed to attract substantial Foreign Direct Investment - largely due to the continent's weak partnership between the public and private sectors, and property rights not being effectively protected.

4.2 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 within state structures as well as the de-professionalization and politicization of state structures.

The basic pre-requisites 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 governance system which does not depend on discretionary powers, but a rule based system and proper roles and functions of key economic management institutions.

In order to enhance PSD in Zimbabwe, the Plan will improve the investor climate as measured by the World Bank and the International Finance Corporation (IFC) - Ease of Doing Business indicators, which have become standard tools of measuring the level of acceptability and confidence of doing business around the world.

The Government will reform and capacitate the ZIA to make it a one stop shop. The one stop shop will streamline and simplify business set up processes, improve on the bureaucratic processes and the doing business indicators. Zimbabwe aims to be among the top five countries in the selected ease of doing business rankings in Africa by 2015. Table 4.1 below shows Zimbabwe's position on the ease of Doing Business Rankings 2008-2009.

Table 4.1: Selected Ease of Doing Business Rankings: Zimbabwe and Regional Comparators

June 2008 through May 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

What is often overlooked on the constraints faced by firms, when policy makers mainly concentrate on the variables contained in the World Bank's Doing Business' indicators, is the broad category of binding constraints faced by enterprises on the ground. A variable that often ranks the highest in terms of severity of constraints facing firms of all sizes is the lack of basic infrastructure, closely followed by institutional constraints, environment, social and SMEs issues and last but not least gender related constraints.

4.3 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.

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.

4.4 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, a PPP Unit will serve as a one-stop-shop for national coordination of PPP projects.

4.5 Regional Integration

4.5.1 Introduction

Zimbabwe is signatory to SADC, ACP EU, World Trade Organisation, African Union and COMESA protocols. The main purpose is to gain greater market access. This is especially critical since, for example, the population of Zimbabwe is roughly 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 therefore, 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.

4.5.2 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.
iv. Limited resources to fully participate in negotiations thereby compromising the country's input into the negotiating processes

4.5.3 Policy Objectives

i. To facilitate trade through development and implementation of trade facilitation.

4.5.4 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.

4.5.5 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.
ii. Promote Public Private Partnerships (PPPs).

4.5.6 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.
vii. Mobilize the donor community, civil society and the business sector in the implementation of regional development programmes and projects.

5 AGRICULTURE

5.1 Introduction

Agriculture plays a pivotal role in Zimbabwe's economy and is a key part of the country's efforts to reduce poverty. About 70 percent of the population depends on agriculture for food, income and employment. It supplies 60 percent of the raw materials required by industry and contributes about 40 percent of total export earnings. On average, agriculture contributes 15-18 percent of the GDP.

Major food crops include maize, small grains, wheat, groundnuts and beans. Tobacco, cotton, sugar cane, soya bean and horticulture are the main cash crops. Other crops are coffee, tea and sunflower.

The livestock sector mainly consists of beef and dairy cattle, goats, sheep, pigs and poultry.

The performance of agriculture has a strong bearing on the rate of economic growth, economic stability, employment levels, demand for other goods, and on food security as well as poverty reduction. For these reasons, increased agricultural production and productivity spurs economic development.

The agricultural sector faces three major tasks:

- Strengthening household and national food security;
- Production for domestic processing and consumption; and
- Increasing production for export.

The success of the agricultural sector will be measured in terms of improvement of national and household food security, the expansion of agricultural exports and expansion of agro-processing. To this end, farmers will be encouraged to pursue farming as a business and seek opportunities to apply new technologies for higher productivity and income growth.

In order to achieve this vision, the following will be necessary:

i. A land audit of the Land Reform Programme is carried out and completed by 2011;
ii. Favourable climatic conditions prevail;
iii. Migration of most of the rural population of productive age to neighbouring countries will slow down over time and this will improve labour availability and productivity;
iv. Commercial finance is available to fund capital and production costs;
v. Reversal of brain drain and/or increasing training of officers in extension, research and other agricultural support services;
vi. Increased input supplies and availability;
vii. The land acquired under the land reform programme should be rationalised to ensure productivity and secure forms of tenure by 2012;
viii. Irrigation development; and
ix. Rebuild the national herd.

5.2 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. Failure by financial institutions to recognise existing tenure systems in the country;
iv. Inadequate financial support for the Agrarian Reforms;
v. Lack of extensive programmes to enable new farmers to be trained and acquire business skills;
vi. Inadequate research and extension services especially for A1, A2 and communal farmers;
vii. Poorly functioning markets due to capital constraints and inadequate infrastructure;
viii. Gender inequalities in access to and control over resources;

ix. A high prevalence of HIV/AIDS which compromises the quality of labour;
x. Susceptibility to droughts, plant and animal diseases;
xi. Inability to provide inputs timely;
xii. Low capitalisation levels; and
xiii. Poor infrastructure.

5.3 Policy Objectives

i. Food security at both household and national levels;

ii. Improve and increase food crops, industrial crops, livestock and horticulture productivity through the use and application of modern technology;

iii. Provide adequate financing infrastructure and working capital for both the farmer and supporting institutions;

iv. Preserve land for future posterity by promoting conservation agriculture;

v. Strengthen service delivery, particularly research and extension;

vi. Promote sustainable and environmentally sound agricultural practices particularly in the small holder sector which is most prone to environmental degradation;

vii. Institute robust schemes for the funding of cotton and tobacco;

viii. Review the functions of the GMB and marketing of the communal areas grain;

ix. Review and put measures for the manufacture of sufficient quantities of fertilizers and other agricultural chemicals; and

x. Immediate rehabilitation of infrastructure.

5.4 Policy Targets

i. Attain national food security by 2012;

ii. Achieve a double digit growth rate annually from 2011 and beyond; and

iii. All ARDA estates to be in full production by 2011.

iv. Complete Land Audit by end of 2011;

5.5 Policy Measures

5.5.1 Rationalisation of the Land Reform

There is need to rationalise the land reform process in order to bring stability to the agricultural sector. Rationalisation will come with the carrying out of the Land Audit, dealing with matters of compensation and provision of security of tenure. This entails:

i. Finalisation of the Land Audit;
ii. Finalisaton of the Fast Track Land Reform Programme;
iii. Rationalisation of vacant and abandoned land based on the results of the Land Audit;
iv. Adoption and issuance of appropriate documents that provide security of tenure (e.g. title deeds, long lease) whilst they provide collateral for securing funding and making agricultural land an economic asset; and
v. Payment of compensation to former farm owners.

5.5.2 Crops

Crop Production and Food Security

Crop production in the MTP will focus on;

i. Increasing yields for maize, wheat and small grains in order to ensure national and household food security;
ii. Improving fertilizer use, efficient use of water and applying improved farming techniques. Conservation farming will be promoted.
iii. Restoring ARDA to its position as a major producer of wheat and maize, to contribute towards national food security.

Maize

Since 2000, maize yields have declined significantly. In the 2008/2009 season the average yield for the sector was 0,815 tonnes per hectare. Average yield declined further in the 2009/2010 season to 0, 7 tonnes per hectare.

The objective of the Plan is to raise production and productivity levels across the whole sector and produce enough maize for domestic consumption, for agro-processing as well as for the export market.

Wheat

Production of wheat declined from 229,775 tonnes in 2000 to 48,000 tonnes in 2009.Yields declined significantly from 5,400 tonnes per hectare in 2000 to 2,32 tonnes per hectare in 2009. The implementation of the MTP will see a restoration to the pre-2000 yield levels and build new capacities for higher yields.

Small Grains

The small grains cover mhunga, rapoko, red and white sorghum which are important crops for smallholder farmers. The current emphasis has been on maize, a drought susceptible crop, with little emphasis on drought resistant small grains. These crops are better suited to the drier regions in which most of the rural poor live and farm. The varieties that are currently available are not as high yielding and are not able to compete with maize in versatility, social preference or marketing. There are also problems of processing of the small grains compared to maize as they are labour intensive to process.

In the Medium Term Plan, Government will therefore promote the production of small grains in suitable areas as they have a significant impact on household food security, especially in the drought prone areas. Research in small grains should be prioritized.

Oil seeds

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.

Soyabeans

Soyabean is a strategic crop for the edible oils industry and for stockfeeds. A significant portion of stockfeed contains soya cake which is vital to provide protein and energy for both ruminants and non-ruminants. A decline in production of soya bean has affected the livestock industry. There is sufficient manufacturing infrastructure in the country to absorb up to 500 000 tonnes of production per annum.

Groundnuts

The crop is grown mainly by communal farmers. The area grown has remained constant since 1994 but overall production has been variable.

Cash crops

Tobacco

The Plan's objective is to restore and build on tobacco production levels of the 1990s which exceed 200 million kg per agricultural season. During this period tobacco accounted for more than 33% of total export earnings, contributing about 12% of GDP. Zimbabwe possesses immeasurable genetic and cultural technologies accumulated over many years by the Tobacco Research Board. The MTP will ensure maximum utilisation of the excellent tobacco training framework that already exists to bring farmers up to the required skill levels to grow tobacco. The agricultural colleges, universities, AGRITEX and institutions, such as the Farmer Development Trust will be strengthened to be able to provide the necessary training and technical support to farmers.

Cotton

Cotton contributes significantly to the agricultural export market. It is a source of income and thus food security for smallholder producers. In major cotton growing areas, producers depend, 90 percent on cotton as their major source of livelihood. Communal farming of cotton has been sustained by contract production schemes that have boosted input provision. In addition, ginning capacity has increased local demand for cotton, creating opportunities for smallholders to expand and fully commercialise their farming activities. Yields per hectare have however declined over the past few years.

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 seed cotton 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.

5.5.3 Horticultural Production

Improvement of horticultural production will hinge on the availability of capital as this subsector is highly capital intensive. 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 fulfill certification requirements and processes to ensure that they participate in the export market;
iii. Agritex will strengthen research and extension services to the subsector; and
iv. Consult the Horticultural Promotion Council and ensure that the council is represented in regional and global trade negotiations.

5.5.4 Strategic Directions

Fresh Produce/ Vegetables

i. To expand the production base of fresh produce by ensuring that significant volumes of production come from smallholder farmers.
ii. To ensure adequate and reliable supply of high quality and safe fresh produce to meet domestic demand for fresh vegetables as well as for the processing industry and export market.
iii. To increase the export of high quality and safe vegetables.

Fruits

i. To restructure the production base of the fruit industry so that smallholder farmers contribute meaningful to production.
ii. To ensure adequate and reliable supply of high quality and safe fruits to meet the demand for domestic processing industries and export markets.
iii. To establish and expand downstream processing and value-addition activities for the major fruits grown in Zimbabwe, with a view to exporting value-added products in addition to exports of raw fruits.

Flowers

i. To expand the production base of cut flowers by encouraging the contribution of indigenous farmers.

ii. To ensure adequate and reliable supply of high quality flowers to meet domestic and international market needs.
iii. To capitalize on export markets for selected high value cut flowers.

5.5.5 Livestock

Given that more than 90 percent of livestock is now in the small holder farming sector, where the off take is only 3-5 percent, increasing the off take levels is an important objective in ensuring national food security, growing domestic agro processing and expansion of export markets.

Large Stock

Beef

There has been a major transformation of the beef industry in terms of producer base, livestock ownership, numbers and marketing structure. This calls for a review on the production systems that have been in use for the past 20 – 30 years. Successive droughts have had a negative effect on the conception and calving rates in the past 10 years, with national fertility levels declining. High fertility in the region of 80% to 90% can easily be achieved with improved nutrition and management.

Dairy

The number of producers, the milking herd, total output and yield per lactation has declined over the years. The overall objective of the dairy industry is then, to increase milk production and to maintain growth in milk production in the long-term.

Increased national milk production will be achieved by implementing the following policy strategies:

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 diagnostics veterinary services.

iv. Expand smallholder dairy projects through strengthening of extension services, promoting private extension services, training smallholder farmers and strengthening farmer organizations.

Small Stock

Sheep and Goats

Small ruminants, especially goats, can make a significant contribution to poverty alleviation and improvement in rural livelihoods. Goats and sheep are mainly kept for meat purposes.

However, the challenge is that their meat products are not as readily available in supermarkets and other markets as is beef and poultry. These products need to have well developed markets.

Piggery

Pig production at any level is a fairly intensive undertaking. To achieve improved production, there is need to improve the design of facilities and other technologies in line with improvements in more advanced production systems. The need for appropriate and improved facilities is more acute in the smallholder sector where pigs are poorly housed and more often exposed to harsh weather conditions.

Productivity is low in both the smallholder and large scale sub-sectors because of lack of appropriate and fast growing pig breeds.

Poultry

Poultry production is one of the most important livestock undertakings in Zimbabwe and is dominated by the rearing of chickens. Turkeys, ducks and Guinea fowl are the other species which can be found on the farms.

The goal of the poultry industry is to increase production of poultry products to meet local demand and produce surplus for export.

Ostrich

The ostrich industry largely focuses on slaughter birds for meat and skins for export. This is dominated by commercial producers and a few smallholder producers operate as out grower chick rearers.

The MTP will seek to focus on commercialisation of livestock in the small holder sector and strengthening the large scale sector with the objectives of raising production and commercial sales for the domestic and export markets. Achievement of this will require close collaboration and partnership between research, extension, Cold Storage Company, ARDA, farmer organisation, commodity associations and the private sector.

In this regard the following measures will be adopted:-

i. Government will increase funding for research in livestock to improve output of livestock per unit, preservation and multiplication of pedigrees heads and increasing access to artificial insemination services in small holder areas;
ii. AGRITEX with the collaboration with the Veterinary Service Department will promote better livestock husbandry in order to increase improved conception and birth rates and reduce the age at first breeding.
iii. The Department of Research and Specialist Services (DRSS) in collaboration with faculties of agriculture in Universities will undertake research work on improved animal nutrition to increase milk yield and meat production.

iv. Government will promote the establishment of fodder banks and improved pasture and range land management and thereby improving the availability of high quality stock feed.

v. Government in collaboration with stakeholders will strengthen field and diagnostic veterinary services, animal management and health centres (AMHCs) and local manufacturers of animal vaccines

vi. Department of Veterinary Services in collaboration with local communities will facilitate investments in disease surveillance and prevention measure including fencing erection and rehabilitation of dip tanks and vaccination programmes

vii. In order to increase off take of livestock from the small holder sector, the MTP will facilitate the expansion of markets and provide incentives for commercialization.

viii. Government will take a critical role in creating an environment that allows small holder producers to benefit from contractual arrangements especially in poultry and piggery

ix. ARDA will contribute towards increasing the size of the dairy head by setting up dairy cattle breeding and multiplication centres in all the provinces, in training farmers in the small holder sector as well as on A2 schemes in dairy management, breeding and animal husbandry and health.

5.5.6 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.

The 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; and
vi. Support the establishment of more damming sites, and
vii. Facilitate river irrigation mechanisms.

5.5.7 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 know how to use it.

It is the intention of the MTP to ensure that; farmers have adequate 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.
iv. Promoting the involvement of local dealers to ensure the availability of appropriate spares for maintenance.

Agricultural engineering and mechanization is a key component in improving agricultural productivity and output. The current stock of agricultural equipment needs to be utilized efficiently. Government will put in place measures to enable farmers to replace and acquire additional equipment through the market. Local production of agricultural equipment and machinery will be promoted.

5.5.8 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 competitive capital and recurrent expenditure for a world class public sector research system;
ii. Embarking on institutional reforms that strengthen research 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 as well as soil fertility as well as soil 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;
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.

5.5.9 Agricultural Extension Services

i. Government will 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.

5.5.10 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 is a necessity;

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.

iii. Resources to attract and keep highly qualified and motivated educators and trainers.

5.5.11 Agricultural Financing

In 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 from now 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.

5.5.12 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 manufactures such as Sable Chemicals, Zimbabwe Fertiliser Company and Windmill for the initial recapitalization to expand capacity and repair dilapidated equipment. The companies are to undertake their own initiatives including sourcing external lines of credit, with the Government only providing guarantees as may be necessary;
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.

5.5.13 Agricultural Marketing and Trade

Agricultural Marketing

Although the marketing of agricultural commodities was liberalised in February 2009, there are still some challenges which are faced in agricultural marketing. These include among others;

i. For some commodities there is little value-addition; and
ii. Participants in marketing lack market information, (especially in the marketing of grain and livestock) and credit and operate under poorly developed infrastructure.

Agricultural Trade

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

i. Creating an enabling environment for trade; and
ii. Exploiting comparative advantages

Create enabling environment through;

i. Simplified border regulations:

ii. Boost air freight services to create greater traffic flows to aid in export of perishables.
iii. Strengthening Trade Facilitation Institutions

Exploit comparative advantages;

The country has a comparative advantage in tobacco, cotton, sugar and horticulture, hence appropriate support measures for these strategic crops should be put in place.

5.6 National Programmes and Projects

5.6.1 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:-

i. Chisumbanje;
ii. Middle Sabi Irrigation Expansion;
iii. Mushumbi Pools/ Dande;
iv. Biri;
v. Chirundu
vi. Zihove; and
vii. Gwayi-Shangani.

Tokwe Mukosi Dam is a national priority that will be funded by the Private Sector.

5.6.2 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.

6 RURAL DEVELOPMENT

6.1 Introduction

The rural development component of the MTP is critical as the rural population constitutes about 71% of the total population of Zimbabwe. In the Medium Term Plan rural development will be centered on promoting economic, socio-cultural and political-institutional aspects. Focus will be on improving food security, promoting health, ensuring access to education, creating income and decent employment opportunities in rural areas. The thrust of the MTP is to enable the rural populace to devise their own sustainable methods and solutions, as the basis for secure livelihoods and economic growth.

As a strategy to deal with poverty in the rural areas, a Rural Livelihoods Enhancement Programme (RLEP) will be implemented as part of the MTP. The program will initially be centred around rearing of traditional chickens found in most rural areas but will also include other small livestock such as goats, sheep, rabbits, guinea-fowls and ducks. The advantage of starting with chickens and small livestock is that production requires minimal start-up capital.

To ensure success of this programme, an elaborate extension programme will be undertaken to impart rearing and marketing skills to the rural households. This will be coupled with improved market access to ensure improved incomes and poverty reduction.

The program will have a structured marketing arrangement at ward level throughout the country. Further, there will be need for support services such as refrigeration, or an abattoir at a central place such as a growth point in each district.

In addition to livestock, there will be programmes to enhance farming of cash crops such as groundnuts, soya beans, cotton, tobacco and sunflower. This will be in addition to farming of traditional crops (maize, sorghum, millet). These cash crops will improve the income streams of the rural households. Some of the cash crops will be value added at the communal area level, e.g. ground nuts can be processed into peanut butter, cooking oil or sold as packaged dry goods.

Central to cash crop farming will be the need to enhance farming knowledge with the express purpose of improving yield.

6.2 Livestock

Farming methods in rural areas are slowly becoming intensive and diversified, thus the capacity to keep livestock as a commercial venture has become a possibility. It is encouraged that the households should keep pigs and cattle as livestock for income generation. The use of local inputs from cash-crop production e.g. soya beans and sunflower by-products to feed livestock will be encouraged. Local industries that manufacture livestock feed concentrates will be established at growth points as the livestock production intensifies.

6.3 Other Non-Farming Activities

Other non-farming activities such as welding, repairs and carpentry will also be established to support the increased livestock and cash crop production.

7 MANUFACTURING

7.1 Introduction

Manufacturing has historically been a key sector of the Zimbabwean economy, accounting in 1996 for about 20 percent of GDP and 17 percent of employment. By 2007/2008 the manufacturing sector had witnessed a sharp decline to account for only about 7.5 percent of GDP, mainly due to the challenging macroeconomic environment prevailing in the country since 2000.

The sector has forward and backward links with other economic sectors and has significant impact on economic growth and poverty reduction in Zimbabwe. In this regard, the MTP places the manufacturing and other productive sectors at the epicentre of economic recovery and transformation given its focus on Private Sector led development. The following sub sectors are the key manufacturing sector drivers:

i. Food and beverages;
ii. Metals and metal products;
iii. Textile and clothing;
iv. Chemicals; and
v. Pharmaceuticals.

Performance in the manufacturing sector has been declining in the recent past, as all sub-sectors have been operating well below capacity for more than a decade. Industrial production declined by 59 percent between 2005 and 2007 (CZI July 2008 Manufacturing Sector Survey) and worsened in 2008, when on average, capacity utilization fell to less than 10 percent as a result of the macroeconomic challenges facing the country. Between 2000 and 2008, the sector is estimated to have declined cumulatively by about 65 percent, see Table 8.1.

However, in 2009, the sector began to recover on the strength of dollarization and some normalization in the economy although, most companies were still operating below 40 percent capacity utilisation; due primarily to working capital constraints and limited availability of key inputs such as electricity, water, fuel and transport, among others. There are investment opportunities in the manufacturing sector in the following areas: textiles and clothing; agro processing; wood and furniture; chemicals and pharmaceuticals.

Table 7.1: Manufacturing Growth Rates

	1996 act.	1997 act.	1998 act.	1999 act.	2000 act.	2001 act.	2002 act.	2003 act.	2004 act.	2005 act.	2006 act.	2007 act.
Manufacturing real growth rates (%)	14.7	-0.8	-3.4	-4.4	-11	-5	-13	-13	-10	4	-3	-5
Contribution to GDP (%)	19.7	19.2	18.5	18.3	13	9	18	17	16	23	27	8
Manufactured exports as % of total exports	34	37	33	32	37	40	39	42	37	35	31	27

Source: CSO

7.2 Challenges and Constraints

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

i. Shortage of working capital and absence of lines of credit;
ii. Low levels of effective domestic demand;
iii. Highly inadequate and erratic supply of key economic enablers namely electricity, fuel, coal, and water as well as poor infrastructure;
iv. Low throughput from keys sectors such as agriculture and mining;
v. Loss of skilled manpower;
vi. Influx of cheaper and poor quality imported goods;
vii. High cost of establishing a business; and

viii. Low technological capacity.

7.3 Policy Objectives

i. To restore the sector's competitiveness, production capacity and its contribution to GDP to above pre-2000 levels;
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; and
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.

7.4 Policy Targets

	2010	2011	2012	2013	2014	2015
Manufactured exports as % of total exports	29	30	30	34	35	50
Capacity utilization (%)	36	47	52	59	73	80

7.5 Policy Measures

i. Produce a comprehensive National Trade Policy to facilitate trade development; export promotion; market access and compliance with international trade protocols;
ii. Finalise the revision of the Industrial Development Policy to address challenges facing the manufacturing sector;

iii. Develop the manufacturing sector across the country using the cluster initiative strategy
iv. Restructure local development financial institutions to provide funding for industrial development; and facilitate international lenders of capital to avail long term lines of credit to the local banking industry;
v. Review the structure Industrial Development Corporation (IDC) for it to effectively carry out its mandate of promoting industrial development;
vi. Restructure ZIMTRADE in order to enhance its effectiveness;
vii. Introduce flexible labour regulations to ensure that companies can recruit and lay off labour, while at the same time observing fair labour practices;
viii. Increase support for R&D to promote efficient production of quality manufactured products;
ix. Adopt 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;
x. 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;
xi. Produce natural resource endowment maps to assist potential investors to better appreciate investment opportunities for value addition of the natural resources;
xii. Introduce a quota system for exports of unprocessed commodities;
xiii. 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; and
xiv. Increase availability of utilities such as water, electricity, coal and liquid fuels at the right prices for increased industrial competitiveness.

7.6 National Programmes and Projects

In light of current shortcomings in the delivery of services of economic importance by licensed providers, there is need to set up national projects which will spearhead availability of economic enablers. Targeted enablers in this blueprint are:

i. Energy (Electricity, coal, liquid fuels, biofuels, methane gas);
ii. Water;
iii. Rail infrastructure;
iv. Road infrastructure; and
v. Telecommunications.

7.7 Investment Opportunities in Manufacturing

The following are the areas in which investment opportunities exist in the manufacturing sector.

7.7.1 Textiles and Clothing

As at October 2009, the capacity utilization in the clothing and footwear sub sector was below 50 percent, while in the textile and ginning sector, utilization stood at around 60 percent.

Opportunities exist in increasing capacity utilization to 100 percent in this sector. This can either be through partnering with existing companies or the establishment of new companies that will utilize cotton based textiles and clothing. The current tariff regime will be reviewed to ensure better compliance and reduce illegal imports of clothing.

7.7.2 Agro-processing

Opportunities for investment exist within the various subsectors of the food manufacturing industry, for example, processing of meat products, canning of agricultural produce and sugar milling.

7.7.3 Wood and Furniture

World demand for wood products from plantation timber is expected to grow rapidly thereby providing opportunities for saw milling and export of furniture, newsprint, board and manila, based on existing tree plantations and forests of both soft and hard woods.

7.7.4 Chemicals and Pharmaceuticals

Opportunities in this sub sector include the following:-

Industrial Chemicals

Investing in production of chemicals for industrial use and food processing as well as water treatment (Zimbabwe only produces about five out of ten chemicals required for water treatment).

Pharmaceuticals

Whilst pharmaceuticals are well catered for with a wide range of local and international brands being manufactured and marketed locally and within the region, including Anti Retro Virals (ARVs), malaria control and TB drugs, opportunity exists for the development of medical products from locally grown natural raw materials, including the controlled growth of prescribed drugs for the industry;

Other chemicals

Manufacturing of fertilizers, pest control and other agricultural chemicals, paints, detergents, petroleum products, rubber and plastic products remain available to investors as the country and region remain under supplied.

7.7.5 Metals and Metal Working Industries Value Addition

The Government will resuscitate the metal working industries, providing strong backward and forward linkages with other sectors of the economy, linking up with mining, transport equipment, agricultural machinery and implements, earth moving and construction equipment, manufacturing plants and structural steel works.

There is need for a functioning iron and steel plant. A review of capacity and monopoly status of ZISCO will be carried out to revive and strengthen the iron and steel industry. This industry has backward and forward linkages with several sub sectors such as building and construction, steel based furniture, motor vehicles, rail wagons and other metal products.

7.7.6 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; & food processing;
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 e.g. 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 indudtry 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 7.2 below summarises the above as well as illustrating raw material availability status and economic sector benefits from the possible investments

Table 7.2 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	Contruction 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

7.7.7 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.

8 MINING

8.1 Introduction

The mining sector has the capacity and potential to create substantial impetus for economy wide growth and value creation. 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 percent 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 show sustained decline, particularly in gold output with notable exception of platinum and related PGMs.

8.2 Challenges and Constraints

The key challenges facing the mining sector are:

i. Electricity and power supply shortages and interruptions;
ii. Recapitalization, financing and working capital finance;
iii. Uncertainty arising from the amendments to the Mines and Minerals Act;
iv. Uncertainty related to the indigenisation legal framework;
v. Skills flight;
vi. Inefficient rail and telecoms system; and
vii. Environmental degradation mainly due to illegal mining operations.

The mining sector has the capacity to sustain double digit growth, but the above challenges are impeding faster recovery. 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.

Recapitalization and working capital finance are huge challenges in the current environment. 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 are seeking regional capital financing and working capital. The prevailing high country risk perception remains a major challenge.

8.3 Potential sources of Growth

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

8.3.1 Gold

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

i. Freda Rebecca secured US$10 million from the Industrial Development Corporation of South Africa to facilitate to resume production;
ii. Completion of the second phase of expansion at Freda Rebecca by end of 2010;
iii. Metallon Gold has commenced operations at its major mines. Currently Metallon Gold is producing at 25 percent of capacity due to financing and power constraints. Acturus and Mazowe mines have also commenced but output is low. Redwing mine is scheduled to reopen in June 2010.; and
iv. The release of new ground for exploration.

8.3.2 Nickel

Nickel production is driven by the following assumptions:

i. Resumption of operations by Bindura Nickel Mining Company Limited (BNC) in the last quarter of 2010;

ii. Hunters Road Mine was granted a national project status to import its capital equipment duty free;
iii. Commissioning into operation of the Hunters Road Mine; and
iv. Increased production activities in the Platinum Group Metals.

8.3.3 Chrome

Chrome is expected to increase based on the following factors:

i. Implementation of ZIMASCO production expansion plans, subject to it securing financing; and
ii. Re-opening of Maranatha Mine, which is a major chrome producing company.

8.3.4 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;
ii. Opening of Unki-Platinum Mine in the last quarter of 2010; and
iii. Increased investment by platinum houses.

8.4 Policy Objectives

i. Zimbabwe's natural resources and mineral endowment to be profitably exploited for socio- economic development of Zimbabwe; and
ii. Increase in the production of gold, nickel, coal, chrome and platinum.

8.5 Policy Targets

i. Conclusion of the Zimbabwe Mineral Policy and Plan for the development of the country's resources; and
ii. Finalisation of the amendment of the Mines and Minerals Act.

8.6 Policy Measures

8.6.1 Diamond Mining

The diamond fields in the country are a major national resource and require transparency in handling them. The Kimberly Process System (KPS) will continue to be engaged to make sure that the appropriate procedures are followed across the board. This will protect the diamond industry in the medium to long term. The following policy measures will be undertaken:

i. Security around the fields will continue to be strengthened;
ii. ZIMRA to be present at the mining fields for effective revenue collection;
iii. A diamond cutting and polishing industry will be set up and initially 10% of all diamonds mined will be cut and polished in Zimbabwe; and
iv. Promotion of the development of a viable diamond jewellery industry.

With regards to **Chiadzwa diamond fields**:

The mining of diamonds at Chiadzwa will be in partnership with Government. Government will hold not less than 50% of the operation. The partners to Government have to pay for the right to work with Government on any of the concessions.

i. The remaining area (almost 12,000 ha) will be divided into 4-6 claims;
ii. The partnering with Government will be auctioned to the prospective partners who will pay a lumpsum to Government plus provide the necessary working capital to operationalise the mine within an agreed timeframe; and
iii. The people to be moved and resettled progressively as new areas are placed under mining.

8.6.2 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.

The suggested levels of ownership are set as follows: -

i. >50% foreign ownership (these are foreign controlled);

ii. 50 – 50% ownership (these are joint ventures); and

iii. < 50% foreign ownership (these are locally controlled).

The suggested Royalty levels are as shown in Table 9.1.

Table 8.1 Proposed Tariff

Mineral	Current Tariff	> 50%	50–50%	< 50%
Coal	1%	5	2	1
Base Metals	2%	10	6	3
Industrial Metals	2%	10	6	3
Precious Metals	3%	10	6	3
Precious Stones	10%	15	12	10

The social responsibility spent, outside of that taken as empowerment credits, will be assessed and that which is approved will be deducted from the total royalty charge.

8.6.3 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.

8.6.4 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. 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.

8.6.5 Sovereign 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 up to 75 percent of the Royalties and any other designated inflows. This fund will be used in developmental programmes in all provinces and surrounding communities where the mining companies are housed 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 the Fund will be undertaken jointly between Government and the Private Sector, with overseers from Government, the mining industry and civil society.

The Sovereign Fund will be applied as follows: -

i. To fund regional mapping

Regional mapping is an exercise of studying the geology of an area and proving all the necessary information and data that reveals the mineral potential of the area. Exploration companies utilize information and data availed through regional mapping to select targets for mineral exploration.

ii. Mining Ventures

The Sovereign Fund will be applied as an investor in the extractive industry where support for the project is not available but the project has material and significant benefits to the economy and its people. Once a project is up and running, the fund can dispose of the respective investment to Zimbabwean investors.

iii. New Industries

Minerals have a finite life. The next generation can benefit if there are new industries created to replace this finite resource together with new and robust infrastructure.

The fund will also support commercialization of industrial research. Emphasis will also be placed on developing and co-investing in new **knowledge**

industries and technology based industries. These will provide Zimbabwe with a long term competitive edge.

iv. **General Investment**

The Sovereign Fund will have the liberty to invest its surplus after meeting the areas where Government believes will be necessary for the economic development of the country.

8.6.6 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.

8.6.7 Skills Development and Retention Policy

The Government will 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.

8.6.8 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.

8.6.9 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. All mining entities, large and small, are required to submit a plan of their mine operations from inception to closure, sighting environmental management strategies in line with the Environmental Management Act. The strategies will highlight issues relating to pollution control, and other preventative and mitigatory measures, monitoring activity and emergency response measures. Stricter penalties will be imposed on defaulters;
ii. Greater advocacy being placed on the adoption of environmentally sound technology and the use of less toxic chemicals;
iii. Post extraction environmental recovery; and
iv. Building resilience against climate change through improved optimal procedures and effective waste management.

8.7 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 8.2: 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 manufacture
	Phosphate Coal bed methane	• Fertiliser manufacturing
	Platinum	• Refinery

9 TOURISM

9.1 Introduction

The Government has earmarked tourism as one of the country's strategic sectors for economic growth and development, due to its links with other industries and its positive contribution to GDP, employment, foreign currency earnings and investment. The main thrust is to have a sustainable tourism sector that promotes economic growth and improves livelihoods.

9.2 Recent Performance

In recent years, activity in the tourism sector had declined. The sector is now on a recovery drive and is set to contribute more to the economy. In 2008, Zimbabwe recorded a decline in arrivals due to cholera, safety issues and instability. Table 10.1 below shows the trends in terms of contribution to GDP.

Table 9.1: Contributions of Tourism to the Economy in Recent Years

	2004	2005	2006	2007	2008	*2009
Foreign currency contribution (US$ m)	193	98	338	365	294	522
Contribution to GDP (%)	3.5	2.7	4	5	4.7	6.5

*Estimates

Zimbabwe is home to the 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. Despite these internationally well known attractions, Zimbabwe was ranked 121 out of 133 countries (2009) in the World Economic Forum's Travel and Tourism Competitiveness Report.

9.3 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. Power / 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.

9.4 Policy Objective

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

9.5 Policy Targets

i. Increase the number of rooms from 8,510 in 2008 to 15,000 by 2013;
ii. Increase the number of beds from 12,088 in 2008 to 18,000 by 2013; and
iii. Increase total tourist arrivals from 1,95 million in 2008 to 4 million by 2013.

9.6 Policy Measures

9.6.1 Marketing

- The Ministry of Tourism and Hospitality Industry and the Zimbabwe Tourism Authority and the industry at large will embark on an intensive international campaign targeting the world's top tourism generating markets and top tourism spenders (Germany, USA, UK, Japan, France, China) portraying Zimbabwe as a safe tourism destination through rebranding, marketing at world travel expos and through advertising;

- 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.

9.6.2 Streamlined Customs and Immigration Formalities

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

9.6.3 Diversification of the Tourism Product

Various activities to make the tourism experience in Zimbabwe more enjoyable and diverse will be considered. The tourism product will be diversified through launching of new activities or hosting of mega events to make the destination more diverse to include Sports tourism, Business tourism, Eco-tourism, Adventure tourism and Cultural tourism.

9.6.4 Domestic Tourism

During the Plan period, a major focus will be placed on domestic tourism. The Government realises the importance of Zimbabwean nationals visiting their own tourism attractions across the country. This initiative will be supported by incentives such as family packages and discounts for Zimbabwe residents exploring tourism resorts. This will ensure that Zimbabweans enjoy the beauty of their country and it would ensure the viability of the smaller resorts and SME tourism enterprises.

9.6.5 Capacity Building in the Tourism and Hospitality Industry

Training in international languages will also ease the language barrier between the operators and the international tourists visiting the country. Institutions of higher learning will be engaged to teach languages spoken in the country's major tourism markets with a bias towards French, Spanish, Portuguese and Chinese.

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.

There will be emphasis on rebuilding capacity of hospitality training institutions such as the Bulawayo Hotel School and other tourism programmes at other colleges, and the creation of private training institutions to cater for this aspect. Upgrade of skills at all levels shall be encouraged.

9.7 National Programmes and Projects

i. Review the tourism act to streamline the roles of the Ministry of Tourism and Hospitality Industry and the Zimbabwe Tourism Authority;
ii. Strengthen the national web portal for ease of access of information and reservations by tourists locally and internationally;
iii. Establishment of efficient, well stocked and equipped Tourist Information Centres at all major ports of entry;
iv. Government will develop a National Tourism Master Plan by December 2011 to guide the growth of the tourism sector;
v. Strengthening of the existing ZTA foreign offices in order to market Zimbabwe's Tourism endowments;
vi. Rehabilitation and development of tourism infrastructure;
vii. Devolve and unbundle the Ministry's administrative structures to provincial and district levels to promote equitable regional tourism development;
viii. Establishment of visitors bureaus in the top ten source markets; and
ix. Promotion and support of Domestic Tourism.

9.8 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.

Specific areas of investment in tourism include the following:-

- Tourism Resorts and Casinos;
- Accommodation (Hotels and Lodges);
- Sports Facilities e.g. Golf Courses, Fitness Centres, etc;
- Restaurants;
- Conference Facilities and Convention Centres;
- Theme Parks and Tourist village centres;
- Air Services, luxury tourist coaches and safari trains;
- Travel and Touring Services;
- Hunting Safaris;
- Transfrontier Conservation Areas (TFCAs) and Tourism Development Zones (TDZs); and
- Community Based Tourism Enterprises.

9.9 Institutional Arrangements

The Ministry of Tourism and Hospitality Industry (MTHI) is responsible for tourism at policy level. The ZTA plays the regulatory role, while the Zimbabwe Council of Tourism (ZCT) represents the Private Sector through its member associations. Under the MTP, the Private Sector is being assigned an increasing role in Zimbabwe's overall economic development.

The tourism legal framework will be reviewed to streamline the roles of the new Ministry of Tourism and Hospitality Industry and the ZTA.

10 FINANCE

10.1 Introduction

The financial sector plays a critical intermediatory 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.

Total bank deposits rose from US$298 million in January 2009 to US$1.38 billion in December 2009, while loans and advances were US$700 million in December 2009 reflecting the return of confidence in the sector. The bulk of the deposits are still short term, and the loans and advances to deposits ratio has remained at about 50 percent. As at 31 December 2009, there were 27 banking institutions; 16 licensed Asset Management Companies; and 95 operating microfinance institutions under the supervision of the Reserve Bank.

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.

In the medium term, financial sector reforms will seek to strengthen financial sector stability and restore financial sector confidence; promote inclusive access to finance, especially through microfinance; establish sound prudential and regulatory framework; facilitate efficient financial sector infrastructure; and, encourage empowerment programs through innovative methods.

10.2 Challenges and Constraints

The main challenges facing the sector are the following:-

i. Relatively low market liquidity;
ii. High interest rate spreads;
iii. Central Bank not performing its role of lender of last resort; and
iv. Lack of long term finance.

10.3 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 to the currently underserved segments of the economically active population, in particular to the informal sector, SME and micro enterprise sectors, and to the rural and agricultural sectors.
iii. Lower cost of financial access, in terms of reduced interest rates and intermediation spreads as well as reduced costs of financial transactions.

10.4 Policy Targets

i. Implementation of the revised RBZ Act by 2010;
ii. Expansion of SME and micro-finance banking;
iii. Creation of new risk weighted and appropriately priced financial instruments;
iv. Capital Market Development – create viable medium and long-term capital markets; and
v. Establish a secondary bourse (or alternative market) to cater for SMEs by 2013.

10.5 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. Liberalize interest rates; and
iii. Implementation of the ammended RBZ Act to enforce prudent banking practices through effective supervision.

10.6 National Programmes and Projects

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

11 SMALL AND MEDIUM ENTERPRISES AND COOPERATIVES

11.1 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 percent of GDP and 50 percent 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.

11.2 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.

11.3 Policy Objective

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

11.4 Policy Targets

i. SME Policy and Strategy Framework to be in place by 2010;
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 book-keeping and recording systems to enable SMEs to grow into formal companies; and
vi. Improving access to infrastructure by the SMEs including construction of vendor marts, 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.

11.5 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.

11.6 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 marts 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.

11.7 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.

12 ENVIRONMENT AND NATURAL RESOURCES

12.1 Environment

12.1.1 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.

In the MTP, the key principle of 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.

12.1.2 Challenges and Constraints

Zimbabwe faces a major challenge from activities affecting the environment's balance through over exploitation of resources, lack of due care of environmental resources and emission of greenhouse gases contributing towards climate change.

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. Veldt fires;
vii. Poor management of forests, veldts, 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.

12.1.3 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.

12.1.4 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' re-afforestation 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.

12.1.5 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 veld 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.

12.2 Forestry

12.2.1 Introduction

Zimbabwe's forest resources constitute 45 percent of the land area and contribute over 3 percent 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 percent 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.

12.2.2 Challenges and Constraints

The major challenges in forestry are deforestation due to land clearance for agriculture, over exploitation of trees for fuel wood for domestic and agricultural uses, overgrazing, wild fires, localised damage due to elephant grazing, brick making and illegal harvest for wood curio carvings. It is estimated that some 1.84 percent (or approximately 320,000 ha) of Zimbabwe's indigenous forests and woodlands are lost to agriculture and other household uses such as energy supply and construction timber each year. In some areas, the Land Reform Programme has negatively affected forestry due to some illegal settlers clearing plantations and research plots for settlement and agricultural purposes.

However, the increasing demand on the world market for plantation timber to make furniture creates expanded opportunities for the Timber industry.

12.2.3 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.

12.2.4 Policy Targets

i. New Forestry Commission Act updated by end of 2010; and
ii. Introduce licenses for selling firewood by 2010.

12.2.5 Policy Measures

i. Facilitate the formulation 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. Training will be prioritized and upgraded.

12.2.6 National Programmes and Projects

i. Expansion of tree planting initiatives; and
ii. Strengthening preparedness against fires to reduce the impacts of wild fires.

12.3 Parks and Wildlife

12.3.1 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 for Indigenous Resources (CAMFIRE) 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 excersise 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 Transfontier Conservation initiatives most of the Communal Lands implementing the CAMPFIRE programme will form major wildlife corridors that Zimbabwe share with neighbouring countries.

12.3.2 Challenges and constraints

The major challenge 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.

12.3.3 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
iv. A sound framework for benefit sharing to ensure sustainable utilization of wildlife resources

12.3.4 Policy targets

i. The Parks and Wildlife Act updated by end of 2010 and;
ii. Extend extension services to all beneficiaries of wildlife farms by 2010-2012

12.3.5 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 disadvantages;
v. Introduce deterrent sentences for poaches of specially protected species; and
vi. Engage traditional leaders in conservative of wildlife resources.

12.3.6 National Programmes and Projects

i. Expansion of wildlife ranching initiatives

ii. Enhanced ant- poaching measures, to reduce negative impacts on wildlife resources.

12.4 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.

AREX, 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.

13 EMPLOYMENT CREATION AND POVERTY REDUCTION

13.1 Introduction

The most visible and effective poverty reduction strategy is through jobs and employment creation – a result of expanding economic activity across all sectors of the economy. The MTP envisages significant jobs and employment creation over the Plan period. As the economy’s capacity to produce goods and services increases, employment creation will be closely correlated with real GDP growth. Also, as economic activity expands, underpinned by sustained key sectoral growth trends, the economy steadily re-formalizes and some sectors that had informalised will resurface to enhance economy-wide job creation.

Like many other countries in the world, Zimbabwe is faced with a daunting challenge of dealing with the scourge of unemployment and endemic poverty. This challenge is exacerbated by the current global recession. The increasing levels of global integration among nations imply that Zimbabwe will not be spared by this crisis, especially as it relies on world markets for its primary exports. The challenge for Zimbabwe is formidable given sustained negative growth since 1999. As economic growth declined in Zimbabwe, so did the labour absorptive capacity of the economy, such that by 2004, four out of every five jobs were informalised, resulting in massive decent work deficits.

13.2 Challenges and Constraints

i. Lack of sustained high levels of growth resulting in high un- 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, the domain of more than 80 percent 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 entrepreneurial skills;
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.

13.3 Indicators measuring progress in employment creation

i. The number of people with decent work deficits;
ii. The number of new start up businesses;
iii. Measures of inclusiveness such as the gini coefficient and poverty levels;
iv. Measures of macroeconomic stability, e.g. single digit inflation, low budget deficits;
v. The number of people (re)trained and placed into jobs;
vi. HIV / AIDS prevalence rates;
vii. Disadvantaged people in gainful employment (women, youths, people with disabilities, people living with HIV / AIDS); and
viii. Sectoral and national productivity levels.

Government has developed a National Employment Policy Framework. The employment policy will be operationalised during the Plan period. In implementing the Framework, the following principles will be promoted:

i. A combination of both a bottom-up and top-down approach that is people driven;
ii. A shared, partnership approach that will create smart partnerships at all levels, with Government providing leadership. This partnership will encompass individuals, groups, communities, civil society, the Private Sector, local and central Government as part of an overall participatory approach;
iii. Improving the quality, and not only the quantity of employment – promoting decent and productive employment for all;
iv. Promoting equal and equitable development;
v. Putting employment at the heart of the socio-economic policies (broad-based, pro-poor growth);

vi. Communities will be empowered to develop their own priorities and meet their basic needs;
vii. Nurturing a culture of 'job-creation' as opposed to 'job-seeking' and promoting an entrepreneurial culture;
viii. In order to achieve well-targeted policies and programmes requires an efficient and effective Labour Market Information System that is appropriately decentralised; and
ix. An employment and gender-sensitive, national and local budget framework.

13.4 Policy Objective

i. To promote and secure sustainable, full, productive and freely chosen decent employment for all under the conditions of freedom, equity, security and human dignity.

13.5 Policy Targets

i. Creating an enabling and conducive environment for sustainable employment creation;
ii. Promoting the integration of marginalized and vulnerable groups such as women, youths, people living with disabilities and the retrenched;
iii. To produce appropriately skilled and employable labour force;
iv. Reversing the brain drain and turning it into a brain gain;
v. Making the National Productivity Institute functional; and
vi. Strengthening and coordinating workplace initiatives on HIV and AIDS.

13.6 Policy Measures

i. Leverage employment intensive infrastructure rehabilitation and development as a basis for recovery and broad-based growth;
ii. Support for SMEs and cooperatives to facilitate integration of small businesses into the mainstream economy;

iii. Review labour market policies to increase flexibility for easier hiring and firing of labour in accordance with business cycle conditions and future expectations;
iv. Align wage increases to productivity growth;
v. Integrate labour market flexibility, training and re-skilling of labour, inward investment and growth oriented policies to create conditions for which economic growth translates to the creation of new jobs;
vi. Promote synergies between training institutions and industry to bridge the disconnect between the training institutions and industry requirements;
vii. Assess vocational skills training against industry requirements;
viii. Target sectors and processes that enhance the labour absorptive capacity of the economy by for instance promoting backward and forward linkages between sectors, clusters and value chains both locally, regionally and globally;
ix. Review the regulatory framework to encourage the growth of SMEs and promote decent employment creation;
x. Create an efficient and effective labour market information system to enhance labour market analysis and human resources development and utilisation;
xi. Retrain and redeploy retrenchees and rehabilitate closed mines;
xii. Provide specific employment incentives for disadvantaged groups (e.g. people living with disabilities and youths); and
xiii. Reactivate Board of the National Productivity Institute and refocus and implement its strategic plan.

13.7 National Programmes and Projects

i. Disaster and Public Works Programme;
ii. Community Recovery and Rehabilitation Programme;
iii. Orphans and Vulnerable Children Programme;
iv. Youth Business Forum;
v. Capacity Building for SMEs and cooperatives;
vi. Resource Mobilisation and Project Management;
vii. Loan Booth Programme;
viii. Development of savings and credit cooperative societies;

ix. Business Management and Entrepreneurship Training Programme;
x. Career Guidance and Staff Development Programme;
xi. Networking and Linkages Programme;
xii. Common Services Centres/Business Shelters;
xiii. Corporate Entrepreneurship Programme;
xiv. Micro Sector Entrepreneurship Training;
xv. Zimbabwe Development Communities Programme;
xvi. Schools and Clinics Rehabilitation and Construction Public Works Programme;
xvii. Development of Rural Infrastructure such as roads, water, power etc and Rehabilitation Public Works Programme;
xviii. Environmental Conservation Public Works Programme;
xix. Dams and Irrigation Infrastructure Rehabilitation and Construction Public Works Programme;
xx. Pro-poor Urban Public Works Programme; and
xxi. Vocational Training Programme.

14 PUBLIC SERVICE

14.1 Introduction

In 1989, the Government established the Public Service Review Commission to look at critical national issues that needed urgent attention. The Public Service review Commission identified a number of critical areas which were impeding Government reorientation towards better service delivery. These included inter alia inappropriate organisational culture, management and administration philosophies, systems, practices, poor conditions of service, work ethics, obsolete training facilities, high staff turnover, limited skills base, duplication of effort and a severely bloated civil service. Some of these challenges are still prevalent in the Public Service.

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 inevitable 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.

The Ministry of Public Service was mandated to train and capacitate al 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**.**

14.2 Challenges and/or Constraints

- Inadequate funding
- Inadequate and obsolete training equipment and materials
- Critical skills flight of trainers due to poor conditions of service and inappropriate organizational culture
- Dilapidated infrastructure at all the fourteen (14) Public Service training Institutes (including ZIPAM)
- Poor communication systems and network
- High staff turnover, and limited skills base
- Unattractive conditions of service
- Non-competitive remuneration packages

14.3 Policy objectives/Thrust

i. Improve the welfare of public service employees
ii. Reviewing public service administration and management systems
iii. Enhancing 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, including the Zimbabwe institute of Public Administration and Management (ZIPAM)

viii. 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
ix. Safeguard the welfare of the general public through effective and efficient training and policy implementation
x. Increase competence levels of all civil servants
xi. Enhance the visibility of (14) Public Service Training Institutes including the Zimbabwe Institute of Public Administration and Management
xii. Train and attract skilled, sufficiently qualified and experienced personnel
xiii. Conduct induction training for the newly appointed, promoted, advanced and regraded civil servants
xiv. Rehabilitate and refurbish all 13 Public Service Training Institutes
xv. Promote gender parity at all levels in the Public Service
xvi. Restore quality service delivery service-wide
xvii. Facilitate multilateral and bilateral cooperation agreements with other countries

14.4 Policy Targets

i. Improve operational competencies of public servants by closing existing competence gaps by 2014
ii. Conduct induction training of new recruits and appointees
iii. Increase competency levels of civil servants
iv. Cascade Result Based Management (RBM) and Personnel Performance System (PPS) to all levels of the civil service
v. Harmonised collective bargaining framework by 2010
vi. Skills and payroll audit results by 2010
vii. Reviewed national training and development policies by 2010
viii. Reviewed the Public Service Act and related statutes by 2011 in line with harmonised labour laws
ix. Improve the welfare of the public service employees in terms of remuneration, benefits, pensions, funeral and other allowances

14.5 Policy Measures

i. Improve staffing at all (14) Public Service Training Institutes, including ZIPAM
ii. Provide adequate modern training equipment at all Public Service Training Institutes.
iii. Improve transport and communication networks at all (14) Public Service Training Institutes, including ZIPAM
iv. Increase and maintain consistent funding for research and development.
v. Computerize all (14) Public Service Training Institutes, including ZIPAM, to lay the foundation for the scientific orientation of the public sector
vi. Review the public service training curricula to reflect the requirements of a responsive and results-oriented work culture
vii. Review and revise the national training policy to support the capacity building programme
viii. Establish state of the art infrastructure at all (14) Public Service Training Institutes, including ZIPAM
ix. Develop a medium-term policy to address the skills gaps in the public service
x. Develop a comprehensive public service reform strategy to guide the design and implementation of Public Service reforms

14.6 Policy Outcomes

i. Improved conditions of service
ii. Functional management and administration systems
iii. Improved competences of public servants
iv. Improved service delivery

15 HEALTH

15.1 Introduction

In 2000, Zimbabwe was on its way to achieving several of the MDGs. However over the last couple of years, MDG indicators have deteriorated rapidly. In 2006, WHO declared that Zimbabweans had one of the world's lowest life expectancy figures, at 37 years for men and 34 for women. In addition, the deterioration in physical infrastructure, lack of materials and supplies and poor working conditions seriously eroded service provision. In order to reverse this, the Plan will focus on programmes in the following priority sectors:

i. health;
ii. education; and
iii. social protection.

Population growth is a priority factor in ensuring sustainable social development and is also dealt with in this chapter.

During the past decade, Zimbabwe has been experiencing economic difficulties which have resulted in a sharp decrease in funding for social services, in real terms. This has directly contributed towards an unprecedented deterioration of health infrastructure, loss of experienced health professionals, drug shortages and a drastic decline in the quality of public health services.

Appropriate medical equipment for diagnosis, treatment and monitoring of patients is critical in the provision of quality care at all levels of the health system. Currently most of the equipment 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.

The economic difficulties resulted in the falling of life expectancy at birth from 62 years in 1988 to 43 years by 2009, with maternal mortality levels at an unacceptable high level of 725 deaths per 100,000 live-births by 2009 and with HIV prevalence continuing at a high level of 13.7 percent (15-49 age group) with only 180,000 of an estimated 400,000 persons on ART by mid 2009. Child health indicators are also worsening with infant mortality reported at 67 per 1,000 live births, under five mortality at 94 per 1,000 live births (MIMS 2009), which is an increase from Infant Mortality Rate (IMR) of 60 and an under five mortality rate of 82 reported in the ZDHS 2005/6.

The above figures are however, way above the following MDG targets: Infant mortality rate of 22 deaths per 1000 live-births by 2015;

- Under five mortality rate of 34 deaths per 1,000 live-births by 2015; and
- Maternal mortality rate of 145 deaths per 100,000 live births by 2015.

15.2 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. Massive exodus of skilled and experienced health personnel due to low remuneration;
iv. Reduced access to health services delivery especially by vulnerable groups due to unaffordable fees, high transport costs and spatial distribution of health facilities;
v. Household food insecurity and the resultant malnutrition;
vi. Inadequate Health Information, Education and Communication (HIEC);
vii. High morbidity due to HIV and AIDS, malaria, vaccine preventable disease;

viii. Dilapidated health infrastructure which negatively affects health service delivery; and

ix. Poor community participation and involvement in health issues reducing their support to local health institutions in cash or in kind.

15.3 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.

15.4 Policy Objective

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

15.5 Policy Targets

i. Increase availability of medicine from 50 percent to 100 percent for vital and essential from 30 percent to 80 percent 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 percent by 2012;
vii. To increase the local production of drugs, medicines and medical equipment;
viii. To set up referral medical institutions to attend to high end medical problems and initiate medical tourism;
ix. Increase the staffing levels from the current 65 to 100 percent by 2012;
x. Rehabilitate health infrastructure to at least 80 percent functionality by 2012; and
xi. Improve the availability of reliable transportation and telecommunication systems in at least 60 percent of public health facilities.

15.6 Policy Measures

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

i. Finalise and 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. Enforce the implementation of a comprehensive Primary Health Care approach;
v. Allocate 15 percent of the National Budget to the health sector in line with the Abuja Declaration by 2015;
vi. Enhance and strengthen the PPP concept for the rehabilitation of health infrastructure and provision of medicine 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. Expand behaviour change communication, drugs availability, community support and counselling to mitigate the impact of HIV and AIDS;
xi. Restore basic health service delivery at community level, focusing on basic packages of preventive and curative maternal and child health, HIV and AIDS, TB and Malaria; and
xii. Strengthen regulatory authorities such as the Medicines Control Authority of Zimbabwe.

16 EDUCATION

16.1 Primary and Secondary Education

16.1.1 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 failing 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 prevails at secondary school. The pupil-text book ratio is, however, worse in rural schools. 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 percent were female. Since 2000 the pupil teacher ratio has been 38:1 whilst the net enrolment ratio declined from 99 percent in 2000 to 91 percent in 2009.

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

- Pupil teacher ratio of 28:1;
- Completion ratio of 100 percent;
- Net enrolment ratio of 100 percent; and
- 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.

16.1.2 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.

16.1.3 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

16.1.4 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 percent 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 percent to 98 percent by 2015.

16.1.5 Policy measures

i. Increase and maintain consistent funding for the education sector;
ii. Introduce free and compulsory primary education;
iii. Plan towards making every child have access to secondary education;
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 of 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.

16.2 Higher and Tertiary Education

16.2.1 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.

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 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.

16.2.2 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.

16.2.3 Policy Objectives

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.

i. Provide attractive incentive schemes for the recruitment and retention 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. Monitor the social well being and career progression of students studying outside the country;

iv. Provide adequate financial assistance to students with no capacity to pay tuition fees at universities, polytechnics and teachers colleges through the cadetship scheme;

v. Attract back the skilled and qualified Zimbabwe nationals in the Diaspora through the Human Capital Website to contribute to the development of the country;

vi. Provide an enabling regulatory framework for the operations of Public Private Partnerships in Higher and Tertiary Education Institutions; and

vii. Enhance the resource base and management of higher and tertiary education by intensifying income generating projects and forging public private partnerships (PPPs).

16.2.4 Policy Targets

i. Establish the Zimbabwe Examinations and Qualifications Authority (ZIMEQA) by 2010;

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.

16.2.5 Policy measures

i. Implement attractive retention packages for staff at Higher and Tertiary Institutions
ii. Provide funds to refurbish infrastructure and complete ongoing projects.
iii. Appoint Education attache's to attend to the welfare of the growing number of students studying in South Africa and Algeria.
iv. Extend the use of ODel technologies to universities, polytechnics and teachers colleges.
v. Provide adequate funds for the cadetship scheme.
vi. Market and formalise the Human Capital Website.
vii. Formulate an enabling regulatory framework for Public Private Partnerships in Higher and Tertiary Education Institutions.

17 SPORT, ARTS AND CULTURE

17.1 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.

17.2 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. Lack of organizational capacity;
v. Piracy;
vi. Limited marketing channels and opportunities; and
vii. Absence of a systematic pricing regime of arts and culture products.

17.3 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.

17.4 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;
iii. Achieve sustainable and profitable businesses in the sector that contribute at least 10% to the GDP by 2015;
iv. Professionalise sport, arts and culture by 2015;
v. Develop viable sport, arts and culture programmes in both Government and private institutions by 2015;
vi. Establish effective and culturally relevant instruction of sport and arts by appropriately trained personnel by 2015;
vii. Develop a sport industry based on soccer, athletics, tennis, cricket, rugby and golf by 2015;
viii. Develop rural sports centres and sport academies by 2015;
ix. Enforce regulations on copyrights by 2011; and
x. Develop recording studios for music and film industries by 2015.

17.5 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; and

viii. Establish skills development fund for artists, culture and other sporting disciplines.

17.6 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.

18 POPULATION AND DEVELOPMENT

18.1 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 percent) implying a potential increase in population size as the young enter the reproductive ages. 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 percent. This population growth rate is high compared to the annual average negative GDP growth rate of -4.1 percent 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.

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.

18.2 Challenges and Constraints

The major challenges and constraints are as follows:

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

18.3 Policy Objectives

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

18.4 Policy Targets

i. Launch and disseminate the National Population Policy by end 2010;
ii. Establish a National Population Council by 2011; and
iii. Carry out a Population Census in 2012.

18.5 Policy Measures

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

i. Establish and operationalise the National Population Council (NPC) proposed in the 2009 revised NPP through an Act of Parliament;
ii. Mobilise resources for the establishment of the NPC;
iii. Build capacity of the NPC Secretariat and partner agencies;
iv. Mobilise resources to carry out a population census in 2012;
v. Strengthen CSO for timeous collection, processing and analysis of data, and dissemination of findings;
vi. Increase contraceptive availability, accessibility and use to ensure sustainability of family planning programmes;
vii. Mobilise resources for sustained funding of family planning programmes;
viii. Develop programmes to reduce unmet need of contraception;
ix. Strengthen the vital registration (births, deaths, national identity card) system ;
x. Strengthen data collection systems at district and lower levels;
xi. Educate and inform the population on the implications of their reproductive health decisions on the nation;
xii. Intensify male motivation campaigns in order to increase men’s participation in reproductive health; and
xiii. Strengthen awareness of sexual and reproductive rights.

19 SOCIAL PROTECTION

19.1 Introduction

The segments of the population that have been seriously affected by economic decline 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.

19.2 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.

19.3 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.

19.4 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.

19.5 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.

20 PERSONS LIVING WITH DISABILITIES

20.1 Introduction

In Zimbabwe, it is estimated that 4 percent of the population lives with various forms of disabilities. 90 percent 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.

20.2 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.

20.3 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.

20.4 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 by 2015.

20.5 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 that all public places and buildings are easily accessible 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.

21 GENDER AND WOMEN DEVELOPMENT

21.1 Introduction

Gender equality is a major dimension of human development. Women constitute 52 percent 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 21.1 and 21.2 below. This disparity is invariably translated into areas of employment, economic empowerment and decision making where women are largely marginalised. Consequently, women are relegated to small businesses.

Table 21.1: 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 21.2: 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 21.3 Women and Politics in 2008

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

Table 21.4 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 percent representation. Female representation in managerial positions in the Public Service also remains very low. By way of example, in 2009, 74 percent of Permanent Secretaries were male while 26 percent were female. For the Principal Director posts, 74 percent were male while 26 percent were female. At Director Level 67 percent were male and 33 percent 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 percent were male while 30 percent 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 percent for women in senior civil service positions and to 30 percent 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 percent below the Total Consumption Poverty Line (TCPL) compared to the male-headed households at 60 percent below the TCPL, (PASS 2003).

In addressing the above disparities, Government has at the broader macro level, introduced the following measures, to be strengthened by the policies and targets set out below:

i. 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; and
ii. Through the Gender Budgeting Programme, the Ministry of Finance managed to engender the Call Circular of 2008 and 2009. Engendering of a Call Circular is an important determinant of the degree to which Gender Budgeting is being institutionalized in a country.

21.2 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 percent 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.

21.3 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; and
ii. Mainstream gender into all sectors to eliminate all negative economic, social and cultural practices that impede equality and equity of the sexes.

21.4 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 percent 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;
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.

21.5

21.6 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 Central Statistical Office 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.

21.7 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.

22 YOUTH DEVELOPMENT

22.1 Introduction

According to the 2009 CSO population census projections, the youths (10-35 years) constitute about 53% percent 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 22.1 below:

Table 22.1: 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.

22.2 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.

22.3 Policy Objectives

i. Promote youth participation in policy issues and development;
ii. 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;
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.

22.4 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.

22.5 Policy Measures

i. Empower youth to participate in national, provincial and district level 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. Revise and implement the National Youth Policy in line with the African Youth Charter;
v. Promote sport and the development of recreational facilities for the youth; and
vi. Strengthen career guidance and counselling for the youth at schools, tertiary and vocational institutions.

23 GOVERNANCE AND RIGHTS

23.1 Introduction

The successful implementation of the MTP rests on good governance being promoted across all sectors. This will be dependent on the strengthening and upholding of the rule of law and safeguarding of basic freedoms and security of person and property.

The ideals of good governance require transparent and democratic political processes, accountability, robust legal framework, independence of the judiciary, freedom of information, and an administration aimed at efficiency and effectiveness. They envisage cooperation among civil society organizations, Private Sector and the Government in the hope that strong institutions and market based policies will bring about an appropriate discipline amongst all. They also recognize the importance of efficiency in resource allocations, elimination of corruption, protection of human rights, sustainability of the environment, and equitable development, among all institutions.

23.2 Policy Objectives

i. To promote equality, national healing, cohesion and unity;

ii. To adhere to the principles of the rule of law, respect and uphold the Constitution and other laws of the land;

iii. To ensure free political activity, freedom of assembly and association, and freedom of expression and communication; and

iv. To promote the values and practices of tolerance, respect, non violence and dialogue as means of resolving political differences.

23.3 Policy Targets

i. Finalization of the Constitution making by early 2011;
ii. Efficient management of all public sector institutions;
iii. Establish a National Economic Council by 2010;
iv. Establish a budget office by 2011;
v. Zero tolerance to corruption;
vi. Zero tolerance to political violence; and
vii. Open space for more diverse views and voices to be heard by 2011.

23.4 Key Governance Issues in Zimbabwe

As already noted above, the GPA acknowledges the depth and breadth of governance concerns in Zimbabwe and presents a unique foundation for governance improvement. The MTP seeks to build on the following governance issues recognised in both STERP and the 100 Day Implementation Plan:-

- strengthening governance and accountability;
- promoting the rule of law;
- fighting corruption;
- reforming media laws and practices;
- promoting equality and fairness, including gender equality;
- fostering institutional recovery; and
- facilitating national healing, reconciliation and integration.

There is therefore a wide inter-party consensus that the governance environment needs to be refurbished and that the governance pillars need to be rebuilt and strengthened. This will be a critical requirement for promotion of Zimbabwe as an attractive investment destination. The following overarching governance pillars cut across all sectors of the state, economy and society which experienced the deepest erosion over the years.

23.5 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 local Government institutions will give impetus to industry to improve production and capacity. To foster accountability, there is going to be strict observance of standards in the publication of all matters to do with public finance and any other relevant information of public interest.

23.6 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. The commitments made in the GPA with regards to transparency should help to bring more openness in the society during the Plan period. The expected increase in the usage of information and communication technology (ICT) in managing Government affairs and 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.

23.7 Participation

Participation is inbuilt in the idea of 'Inclusive Government' and the MTP will endeavour to institutionalise participation in all Government operations largely through the establishment of the National Economic Council (NEC). This demands a new paradigm from the old ways of doing Government business. A new paradigm has already been initiated through the twin processes of Constitution making and National Healing, Reconciliation and Integration. The Plan will seek to consolidate and expand this 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.

23.8 Independent Budget office

In order to cultivate participatory decision making processes by citizens in the formulation and implementation of the national fiscal policy, 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 and economy 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.

23.9 Anti-Corruption

Corruption is now easily the number one problem in both the public and private sectors as well as in civil society in Zimbabwe. 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. Effort will also be made to address institutional weakness which makes it possible for citizens to embezzle national resources and abuse power without being checked.

23.10 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 the Judiciary, Police Force, Comptroller and Audit General, Ombudsmen Parliament and its Public Accounts and Service Committees. Reforming key public institutions is fundamental and will ensure institutional effectiveness. The Government will pay special attention to the management of the key public institutions in order to ensure greater transparency, efficiency, and accountability.

Major decisions in public enterprises 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.

23.11 The Constitution

In order to restore a social pact between citizens and the State, Zimbabwe needs a new Constitution that among other things, will act as the template for the rule of law. To be regarded as politically legitimate, any Constitution making process must involve Zimbabweans, both men and women, and their constituency representatives. The GPA accepts that this process should be inclusive and democratic and must be completed within a period of eighteen months. In the Plan, the process will be completed by 2011.

23.12 Parliament

The Parliament's role will be to provide legal backing and oversight in the implementation of the Plan. 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.

23.13 Governance and Rights Priorities

The MTP will put emphasis on those programs that assist the implementation of the GPA and the concrete attainment of its governance goals and objectives. Pride of place will therefore be on rebuilding eroded state institutions, re-equipping such institutions and reorienting or redirecting them towards a new culture of inclusive governance while also restoring citizen and civic space.

23.13.1 Media Reforms

To enhance accountability, transparency and combating corruption, media reforms will be undertaken in earnest during the Plan period. The presence of international correspondents like CNN, BBC and the expected entrance of private media show the commitment of Government to open up and improve the position of the country internationally as an open society.

23.13.2 Security Reforms

The Government will intensify its efforts to adequately resources 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.

23.13.3 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. The Government has no intention to use prisoners' labour for economic gains but for impacting skills which could be used later in life.

23.13.4 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 like Passports, National Identity Cards, and Birth Certificates.

Most of the above priorities will not be possible without the right political environment and this can only be fostered by an effective and expansive process of national healing, reconciliation and tolerance. The Government will continue to address all the core elements of good governance; political governance, institutional effectiveness, accountability, economic management and corporate governance during the Plan period.

24 DIASPORA AND ECONOMIC DEVELOPMENT

24.1 Introduction

Government acknowledges the role that Zimbabweans in the Diaspora should play in the development of the country. Article VII of the GPA commits to the formulation of policies and the institution of measures to progressively repatriate Zimbabweans with special emphasis on the skilled professionals. The STERP document notes that Government will target this group and create concessionary and attractive opportunities for their participation in the development of the economy and maximize inflows of remittances from abroad".

To address the skills gaps in the economy particularly in such areas as medical disciplines, engineering, surveying, architecture, audiology, veterinary, accounting and finance, and other areas, Government will engage the Zimbabwean Diaspora to bridge the skills gaps.

24.2 Challenges and Constraints

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

i. Lack of employment opportunities to attract lost skills and avenues to facilitate short term and sequenced return of qualified professionals for transfer of skills, knowledge, ideas and technology;
ii. Lack of viable investment avenues to attract Diaspora funds;
iii. Unattractive financial products to lure deposits into the domestic financial system; and
iv. Lack of dual citizenship and voting rights for Zimbabweans living in the Diaspora.

24.3 Policy Objectives

i. Mitigate the flight of qualified professionals through skills training and retention programmes;
ii. Formalise the export of labour to maximize the benefits to the economy;
iii. Increase participation of Zimbabweans in the Diaspora in the country's development process;
iv. Increase the remittance flows from the Diaspora through the creation of a conducive environment in Zimbabwe; and
v. Create job opportunities to attract lost skills.

24.4 Policy Targets

i. Increase contribution of remittances through formal channels in line with GDP growth;
ii. Establish a comprehensive Diaspora database showing critical skills in the Diaspora by 2011;
iii. Finalise, adopt and implement the Migration Management and Diaspora Policy by 2010; and
iv. Develop Diaspora bonds and other financial instruments for investment by the Diaspora by 2011.

24.5 Policy Measures

i. Provide a conducive legal and regulatory framework that facilitates and encourages the inward transmission of remittances from the Diaspora through formal channels;
ii. Consideration for dual citizenship of Zimbabweans;
iii. Train and retain critical skilled manpower;
iv. Encourage nationals abroad to contribute to the development of the country through facilitating short term and 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; and

vi. Develop Diaspora bonds and other financial instruments for investment by the Diaspora.

25 FINANCING OF THE MEDIUM TERM PLAN

25.1 Introduction

The recent global economic and financial crisis imply 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.

25.2 Policy targets

A total investment of about US$7 billion will be during the Plan period in order to meet the MTP growth and development targets. This investment will comprise public investment as well as private investment, both foreign and domestic. It is important to note that most of these inflows will come through Foreign Direct Inflows, Private Sector credit lines from outside and PPPs. In addition, there will be capital transfers largely targeted towards social service delivery which will be channelled through the recently approved Aid Coordination Policy.

25.3 Sources of funding

25.3.1 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

Foreign investors will put in new equity into existing businesses as the local businesses recapitalize. We have seen a number of foreign entities underwriting capital raising initiatives and this will continue. Local capacity is also 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. Notable among these is Delta Corporation. 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. There is an improvement which will continue as more money is available on the local market. Already the loans are less expensive and are available for little longer periods. 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 risk of the country reduces.

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.

A lot more new direct investment is expected into the manufacturing sector as the local demand expands and the country is used to attack the SADC and COMESA markets.

New sectors like communications and IT are attracting new investment.

The policies on mining regarding local procurement will have a huge multiplier effect in the economy, whilst boasting SMEs and general empowerment. There will be investment which follows mining and the Zimbabwean diamonds are an interesting investment opportunity. So too is platinum, lithium and chrome.

25.3.2 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 $1,3b loan into the Beitbridge 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, etc.

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 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. 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 very likely. 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 channeled through the banking sector. The lines of credit to assist the reequipping and restocking in the economy will bring the most benefit.

25.3.3 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.

25.3.4 Diaspora remittances

The remittances from the Diaspora have kept many families away from disaster and enabled them to sustain demand even when local production was at its lowest.

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.

These can be used for supporting consumption, hence demand for local industries, savings, where local families' income improves, and finally investment. Appropriate instruments for saving and investing will be created.

25.3.5 Levies

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 etc.

The purpose of the Medium Term Plan (MTP) is to ensure that the appropriate policies are in place and well coordinated to ensure that the country risk is managed downwards. The success story that Zimbabwe is becoming will in itself unlock other sources of funds. The few investments funds already in the country will soon become a multitude. Investors like a place where a dollar can be made and Zimbabwe provides such an opportunity.

Table 23.1: Investment Targets (US$ million)

	2010	2011	2012	2013	2014	2015
Private Investment	460	767	935	840	794	972
*Public Sector Investment (Capex)	250	245	318	333	368	405
Total Investment	**710**	**1,012**	**1,253**	**1,173**	**1,161**	**1,377**

*Public Sector Investment excludes PPPs

25.4 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.

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 advent of the Land Reform in 2000 culminated in Government acquiring land including agricultural investments covered by these agreements, resulting in disputes with foreign investors. The resolving of the outstanding issues on land by the Government during the Plan period will help to restore investor confidence.

25.5 Policy Measures

i. Finalise and operationalise all pending BIPPAs to restore investor confidence; and
ii. Resolve amicably the outstanding issues on the already acquired farms which were protected under the BIPPAs.

26 FRAMEWORK FOR MONITORING AND EVALUATION

26.1 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; and
iv. Allow for continuous sharpening and focusing of strategies and assist in the formulation of appropriate interventions.

The Plan will be monitored regularly at three levels: policy, operational and stakeholder levels.

26.2 Policy Level

The Prime Minister's office 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 Ministry of Economic Planning and Investment Promotion may direct a change of focus or strategies. It may also initiate a review of specific policies for improved implementation.

26.3 Operational Level

The ministerial Clusters 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 Cluster Leaders who will at regular intervals submit consolidated reports to the Ministry of Economic Planning and Investment Promotion.

26.4 Setting up the MTP M&E Results Framework

The MTP will use a results based framework for monitoring and evaluation.

Key ingredients for Results based M&E System that will be used include the following:

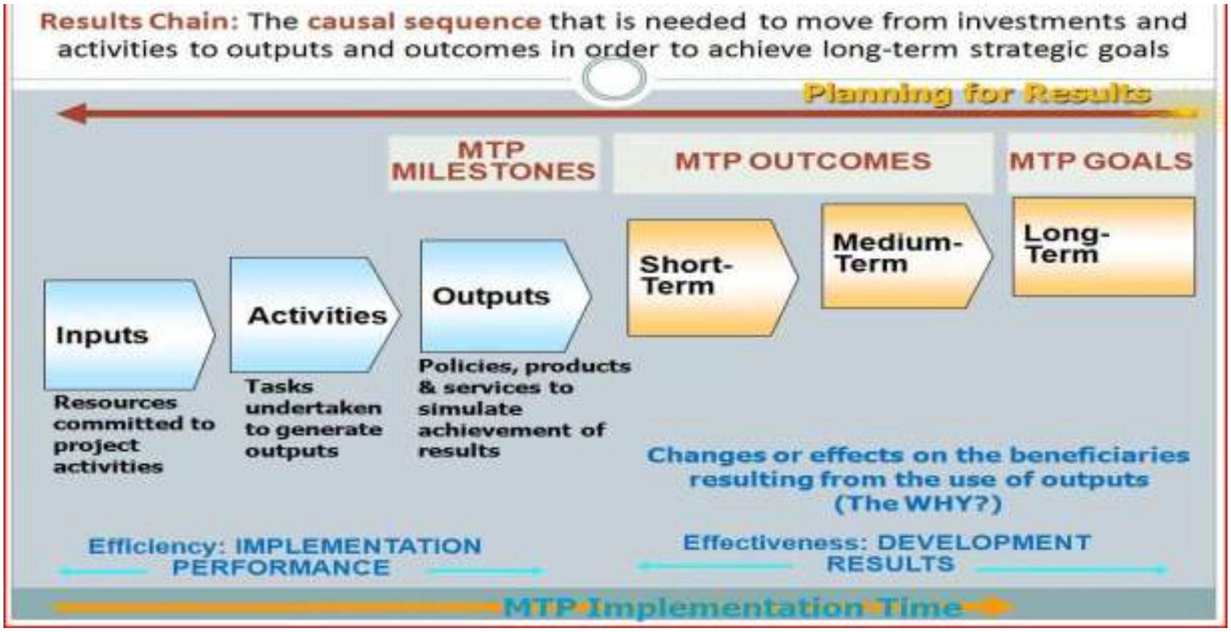
i. Identifying long-term **strategic goals** and agreeing on a set of **clear key outcomes** for the short and medium term per sector and cross cutting area;

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 26.1.; 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 26.1 Determination of MTP Outcomes and Milestones



26.5 The M&E Process

The process will be developed with the line ministries and the Ministry of Finance following the launch of the MTP. This will entail further consultations to:

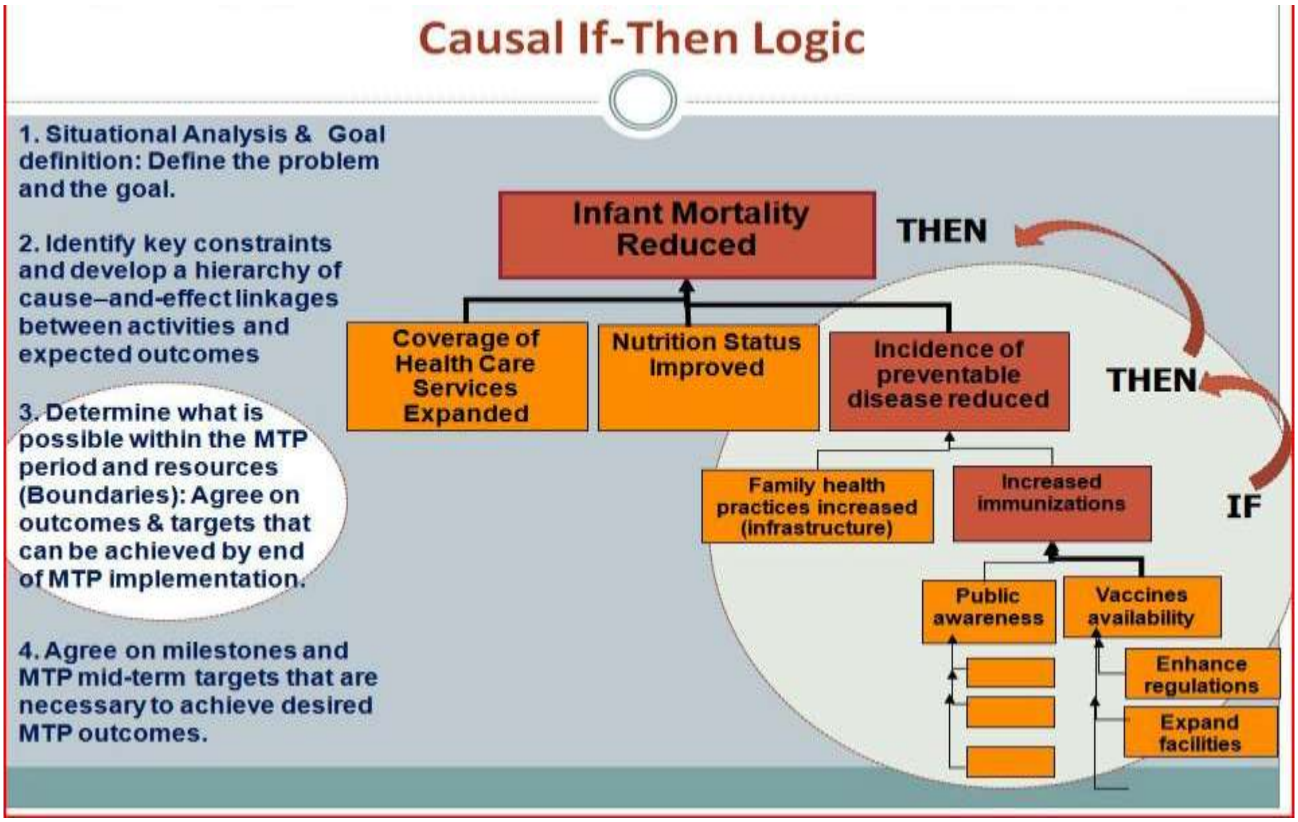
i. Revisit the Policy Objectives, Policy Targets, National Programme and Projects, and Policy measures which are listed in the MTP and group them according to their nature and position in the results chain: goals, outcomes, milestones, outputs, indicators at the line ministry level.

ii. Agree on key outcomes for each line ministry, which are linked to the strategic objectives.

iii. Revisit policy measures, actions and programs in the MTP that are necessary to achieve these outcomes at line ministry level. (Does the outcome need to be adjusted based on available resources? 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. See Figure 26.2 below.

iv. **Agree on measurable indicators** for each outcome and identify baselines, mid-term milestones and end targets for each outcome and indicator.

Figure 26.2 Identification of MTP Outcomes



26.6 Stakeholder Level

The MEPIP will periodically produce a report on the overall implementation of the Plan in line with the Plan's Communication Strategy. To promote transparency in the implementation of the Plan and to create a platform for adding value to the Plan as well as to continue to broaden ownership, the reports will be presented for discussion at periodic MTP stakeholder workshops.

26.7 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, 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.

Besides the rolling out of the Plan to the country's different sectoral and economic zones (e.g. Tourism areas, Mining areas, Agricultural areas, etc.), the Communication Strategy will focus on the following:

1. Prepare, as soon as the MTP is ready, a non-technical paper highlighting the main themes of the MTP and related actions envisaged.
2. Prepare a document of the main projects with details of the implementation time lines.
3. Convene a seminar within 18 months after the MTP launch and carry out periodic reviews till the end of the Plan period.

26.8 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 Plan 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.

26.9 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.

27 APENDICES

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 percent for women in senior civil service positions and to 30 percent 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 (2010-2015)

REHABILITATION PROJECTS

	PROJECT	OUTPUT	IMPLEMENTING AGENCY	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	Dev. Banks ZESA	2010-2012
3.	Kariba Power Station – Current repairs and maintenance and planned maintenance for 2011		ZESA MEPD	ZESA	2010-2011
4.	Transmission and Distribution network refurbishment		ZESA	Dev. Banks ZESA	2010-2011
5.	National Grid Rehabilitation		ZESA	Dev. Banks ZESA	2010-2011

	PROJECT	OUTPUT	IMPLEMENTING AGENCY	SOURCE OF FUNDS	TIME FRAME
WATER & SANITATION					
6.	Rehabilitation of water and sewerage plants; and water distribution system for • Harare • Bulawayo • Chitungwiza • Mutare • Other cities & towns		Local Authorities	Budget (Donor support for emergency works) MDTF	2010-2011
7.	Rehabilitation of rural water supply and sanitation		Local Authorities Rural District Councils DDF	Rural Capital Development Fund (RCDF) Co-operating partners	2010-2012

	PROJECT	OUTPUT	IMPLEMENTING AGENCY	SOURCE OF FUNDS	TIME FRAME
TRANSPORT					
Roads					
1.	Rehabilitation of rural road network and bridges		MTCID ZINARA	Budget Community participation	2010-2013
2.	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	2010-2011
	Trunk roads for rehabilitation and/or upgrade: a) Buchwa-Rutenga-Boli- Sango Border Post b) Mt Darwin-Mukumbura c) Bindura-Shamva d) Wedza-Sadza e) Kwekwe-Lupane f) Murambinda-Birchenough Bridge g) Gutu-Kurai h) Headlands- Mayo	 203Km 80km 7km 22km 40km 123km 22km 40km	MTCID ZINARA	Budget Toll gates collections	2010-2012

	PROJECT	OUTPUT	IMPLEMENTING AGENCY	SOURCE OF FUNDS	TIME FRAME
	i) Mvurwi – Kanyemba j) Bulawayo – Nkayi – Gokwe k) Karoi – Sengwa	150km 350km 300km			
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. *The following routes will be concessioned and all rehabilitation works will be done through PPP funding. Private players will operate their rolling stock.* Harare-Machipanda [Forbes border post (Zim/Moza)] a) Dabuka to Chicaulacuala [Sango border post (Zim/Moza)] b) Harare-Dabuka- Beitbridge c) Vic. Falls – Bulawayo –Dabuka- Harare	283km 433km 721km 823km	MTCID NRZ Concessioneers	PPP NRZ Development partners	2010-2012 2010-2014

	PROJECT	OUTPUT	IMPLEMENTING AGENCY	SOURCE OF FUNDS	TIME FRAME
AIR					
1.	Rehabilitation of the Harare International Airport runway		MTCID CAAZ	2010 Budget only CAAZ	2010-2011
2.	Rehabilitation of the Joshua Mqabuko Nkomo airport		MTCID CAAZ	Budget CAAZ	2010-2011
HEALTH					
1.	Rehabilitation of clinics and hospitals		MHCW	Budget MDTF	2010-2012
EDUCATION					
1.	Rehabilitation of schools, technical/teachers colleges and Universities		MESAC MHTE	Budget MDTF	2010-2012
AGRICULTURE					
1.	Rehabilitation of irrigation infrastructure • Chisumbanje • Biri • Chirundu		MAMID	Budget	2010-2013
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	2010-2013
2.	Rehabilitation of all public buildings		MPW	Budget	2010-2012

NEW PROJECTS

	PROJECT	OUTPUT	IMPLEMENTING AGENCY	SOURCE OF FUNDING	TIME FRAME
ENERGY					
1.	Leasing of small thermal power stations to private sector - Harare (100MW) - Munyati (100MW) - Bulawayo (90MW)	290MW	IPPs MEPD ZESA	IPPs	2010-2011
2.	Gokwe North *An independent power producer (IPP) has commenced project appraisal with a view to develop the power station.	1400MW	IPP MEPD ZESA	IPP	2011-2015
3.	Condo hydro	100MW	IPP MEPD ZESA	IPP	2011-2013
4.	Mini hydro power plants	50MW	IPP MEPD ZESA	IPP	2010-2012
5.	Lupane Gas	500MW	IPP MEPD ZESA	IPP	2011-2015

	PROJECT	OUTPUT	IMPLEMENTING AGENCY	SOURCE OF FUNDING	TIME FRAME
ENERGY – continued					
6.	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
7.	Hwange Power Station expansion	600MW	MEPD ZESA	IPP ZESA	2012-2015
8.	Kariba Power Station Expansion	300MW	MEPD ZESA	IPP ZESA	2011-2014
9.	Batoka	1600MW	IPP MEPD ZESA	IPP	2011-2015
LIQUID FUEL					
1.	Construction of Jet A1 dispensing facilities		MEPD MTCID CAAZ	Budget CAAZ	2010-2011
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	SOURCE OF FUNDING	TIME FRAME
WATER					
1.	Mtshabezi pipeline		MWRD	Budget	2010-2011
2.	Tokwe-Mkosi Dam		MWRD Private sector	Private Sector	2010-2012
3.	Drilling of boreholes in rural areas		MWRD	Budget	2010-2011
4.	Kunzvi Dam		MWRD Concessioneer	PPP	2010-2014
5.	Zambezi Water Project		MWRD Concessioneer	PPP	To commence 2013
6.	Small dams inc. Dombotombo, Causeway		MWRD	Budget	2010-2013

	PROJECT	OUTPUT	IMPLEMENTING AGENCY	SOURCE OF FUNDING	TIME FRAME
TRANSPORT					
Roads					
1. Regional Trunk Road Network Upgrade (RTRN)					
1.	Dualisation of Beitbridge-Harare-Chirundu 5 concessions as follows: • Beitbridge-Masvingo (289 km) • Masvingo – Chivhu (147km) • Chivhu – Harare (146km) • Harare – Karoi (203km) • Karoi – Chirundu (150km) One of the concessions will be developed by Zimhighways consortium and the other four will go to tender.	953km	MTCID Concessioneer	PPP	2010-2012
2.	Plumtree-Bulawayo-Harare-Mutare-Forbes border post	833km	MTCID Concessioneer	PPP	2011-2014
3.	Harare-Nyamapanda	238km	MTCID Concessioneer	PPP	2011-2014
4.	Beitbridge - Bulawayo-Victoria Falls-Kazungula	883km	MTCID Concessioneer	PPP	2011-2015
5.	Mutare-Beira		MTCID Min. Of Transport-Mozambique Concessioneer	PPP	2011-2015

	PROJECT	OUTPUT	IMPLEMENTING AGENCY	SOURCE OF FUNDING	TIME FRAME
6.	Nyamapanda – Changara- Moatize (Tete province)		MTCID Min. Of Transport-Mozambique Concessioneer	PPP	2011-2015
RAIL: Regional Trunk Rail Network upgrade (RTRN)					
1.	Development of Lions Den-Chirundu-Kafue railway line		Concessioneer Min. Of Transport	PPP	2012-2015
2.	Harare-Nyamapanda-Moatize (Tete province in Mozambique)		Concessioneer Min. Of Transport/Zimbabwe Min. Of Transport/Mozambique	PPP	2012-2015
3.	Mutare-Beira: – to increase availability of rolling stock		Concessioneer Min. Of Transport/Zimbabwe Min. Of Transport/Mozambique	PPP	2012-2015
BORDER POSTS:					
	Development of border posts • Beitbridge • Forbes • Plumtree • Nyamapanda		MTCID MHA PPP		2011-2015

	PROJECT	OUTPUT	IMPLEMENTING AGENCY	SOURCE OF FUNDING	TIME FRAME
AIR					
1.	Vic. Falls airport upgrade		CAAZ MTCID	Private funding	2010-2012
ICT					
1.	North South Trade Telecom Corridor: Beitbridge-Masvingo-Gweru-Hre-Kariba STM16 fibre optic transmission		MICT MTCID Private sector	Private sector	2010-2011
2.	East West Trade Telecom Corridor: Mtre-Hre-Gweru-Byo-Plumtree STM16 fibre optic transmission		MICT MTCID Private sector	Private sector	2010-2011
3.	Byo-Vic/Falls STM16 fibre optic transmission		MICT MTCID Private sector	Private sector	2010-2011
4.	Harare-Kariba STM16 fibre optic transmission		MICT MTCID Private sector	Private sector	2010-2011
5.	ICT software development and local manufacture of hardware, circuit boards, microchips, etc		Private sector	Private sector	2011-2015
MINING					
1.	Marange Diamonds auctioning of 50% shareholding		MMMD Concessioneer	PPP	2010-2011
2.	Coal Bed Methane Gas		Private sector	Private sector	2011-2015

	PROJECT	OUTPUT	IMPLEMENTING AGENCY	SOURCE OF FUNDING	TIME FRAME
AGRICULTURE					
1.	Chisumbanje ethanol plant		Private sector	Private sector	2010-2015
2.	Agro-processing plants		Private sector	Private sector	2010-2015
3.	Mushumbi Pools		MAMID	Budget	2011-2015
4.	Middle Sabi Irrigation expansion		MAMID	Budget	2010-2015
5.	Chirundu expansion		MAMID	Budget	2010-2015
6.	Other Irrigation developments		MAMID	Budget	2010-2015
TOURISM					
1.	Development of tourism facilities inc. Resorts, casinos, accommodation , theme parks etc		Private sector MTHI	Private sector	2010-2015
2.	Vic Falls development		Private sector	Private sector	2010-2015
HEALTH					
1.	Pharmaceuticals inc. Production of drugs for tuberculosis, malaria control, antiretroviral, etc		Private sector MHCW	Private sector	2010-2015
2.	Equipment for health sector		Private sector	Private sector	2010-2015
HOUSING AND CONSTRUCTION					
1.	Low income housing projects		MNHSA MPW	Budget	2010-2015
2.	Construction of factory shells, vendor marts, flea markets		MNHSA, MSMECD MPW, Private Sector	Budget Private sector	2011-2012

	PROJECT	OUTPUT	IMPLEMENTING AGENCY	SOURCE OF FUNDING	TIME FRAME
3.	New Parliament and Parliament Village		MNHSA MPW Concessioneer	Budget PPP	2012-2014
OTHER PRIVATE SECTOR PROJECTS					
1.	Fertiliser plants (inc. value addition to phosphates and coal bed methane gas)		Private sector	Private sector	2010-2015
2.	Steel manufacturing plants		Private sector	Private sector	2010-2015
3.	Textile plants		Private sector	Private sector	2010-2015
4.	Bio fuels		Private sector	Private sector	2010-2015
5.	Diamond cutting & polishing; Jewellery production		Private sector	Private sector	2010-2015
6.	Granite cutting & polishing				2010-2015
7.	Refinery for Platinum Group Metals (PGM)		Private sector	Private sector	2010-2015
8.	Lithium beneficiation		Private sector	Private sector	2010-2015
9.	Coal to liquid fuels plants				2010-2015
10.	Engineering and fabrication		Private sector	Private sector	2010-2015
11.	Electronics		Private sector	Private sector	2010-2015
12.	Chemicals production for industrial use; agriculture; water treatment; & food processing.		Private sector	Private sector	2010-2015
13.	Infrastructure development of SME Industrial Parks		Private Sector MSMECD	Private Sector MSMECD	2010-2015
14.	Beira port development		Private sector	Private sector	2010-2015

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.