

519. Furthermore, establishing a credible security of tenure policy will be essential for building confidence and allowing investment in the land as well as facilitating agricultural financing.
520. Under the Framework, Government will address all land tenure issues in a legal manner.
521. This will readily facilitate access by the new farmer to financial credit as these serve as security for loans, so vital for restoring the confidence critical for banks to fully play their role in financing agriculture.
522. The programme will incorporate all the formal processes which include the necessary farm audits and land surveys, preludes to issuance of leases and putting an end to farming disruptions arising out of multiple claims over farms.

Land Audit

523. Government will, during 2010, carry out the National Land Audit. This will cover 12 000 A2 farms, 108 000 A1 farms, 56 250 old resettlement schemes, as well as 6 000 small and large scale commercial farms.

524. In 2011, the National Land Audit targets auditing 4 000 A2 farms, 36 000 A1 farms, 18 750 old resettlement schemes, and 2 000 small and large scale commercial farms.
525. To ensure broader stakeholder participation and input, key stakeholder meetings will be convened by Government prior to the onset of the National Land Audit.
526. Beyond the provision of logistics and support services for inspection Land Audit Committees and Provincial teams, other activities under the National Land Audit exercise will include training of enumerators and data captures, as well as carrying out of pilot audits.

Title Surveys

527. The National Land Audit will facilitate the undertaking of title surveys for 1 200 A2 farms in 2010, and 3 000 A2 farms in each of the years 2011 and 2012, critical for issuance of 99 year leases to A2 farmers.
528. This will involve carry out of field surveys, preparation and approval of survey diagrams by the Surveyor General's Department. Given the large volume of work involved, sub-contracting of title surveys on A2 farms will be unavoidable.

529. Other critical work by the Surveyor General's Department during 2010 – 2012 includes the implementation of satellite imagery for map revision and generation, resuscitation of photogrammetric operations, as well as the establishment of a Geodetic Information System which will involve scanning index maps and charts.
530. The adoption of Provincial 99 year lease recommendations will be presided over by an Agricultural Land Settlement Board, which Government will be instituting in 2010. This will also facilitate the inspection of A2 farms by Provinces.

Land Use

531. The completion of the Land Audit should also facilitate a comprehensive re-planning and re-designing process of land use, with due regard to agro-ecological zones and the protection of conservancies and wildlife.
532. This will be complemented by strict application of the maximum farm size and one-man one-farm principles, with flexibility and due regard to viability concerns.

533. Further, Government and local authorities will identify land for peri-urban agriculture and housing development, consistent with the Regional Town Planning Act.
534. Feasibility studies will also be undertaken over planning of State land, with 100 farms targeted annually for planning and demarcation during 2010 – 2012. This will involve training for staff in land use planning, as well as the actual production of layouts and sub-divisions.
535. The necessary Land Information Management System will be acquired, including upgrading of existing databases and acquisition of new network linkage equipment to accommodate all the Provinces.

Compensation

536. Payment of compensation to the previous farm owners remains an imperative and necessary precondition of bringing finality to the land reform programme, over and above the questions of land tenure and security of occupation.
537. The GPA recognises the inability of Zimbabwe to offer adequate compensation to the former land holders and, hence, that the

international community will have to play a role in assisting and dealing with this issue.

538. However, what should be done first during the Framework period is to evaluate the quantum of the compensation.

539. Technical work will involve farm inspection visits, Deeds search, production of Valuation reports, constituting of Compensation Committees, verification visits, and ultimately undertaking of the necessary compensation negotiations.

540. All land, equipment, machinery and improvements acquired during the land reform programme remains state owned and, as such, it remains protected under the provisions of the Constitution and the Audit and Exchequer Act.

541. Hence, an audit of the equipment, machinery and improvements will be conducted, with a register for these assets compiled for the State.

542. This will facilitate the formulation of an appropriate disposal policy, which will be implemented during the Framework period.

Financing

543. In STERP, Government noted concerns over substantial resources availed to farmers not being commensurate with production, delivery and loan repayment levels.
544. Previously, a disproportionate share of agricultural support was finding its way through unsustainable arrangements, making the creation of a sustainable revolving agricultural loan facility so far remain elusive.
545. Therefore, guided by experiences and lessons from the past, a sustainable strategy for financing agriculture is through the banking sector and other private arrangements, such as contract farming.

Vulnerable Groups

546. Government will, however, pay particular attention to the need for financial interventions targeted at the vulnerable farmer.

Banks

547. Given the new agricultural financing dispensation unveiled under STERP, the crop financing requirements for the 2010/11, 2011/12

and 2012/13 planting seasons will predominantly be met from ordinary banking sector financial resources, contract farming arrangements, in conjunction with farmers' own resources.

548. Increased reliance on agricultural finance from financial institutions' lending out of their own deposits is a sustainable way of financing agriculture.

549. Furthermore, break up with the past practices where the fiscus was expected to avail resources to agriculture forces banks to intensify follow-ups on loan recoveries, critical for sustainable allocation of depositors' resources.

Agribank

550. In support of further provisioning of agricultural finance during 2010 to 2012, Government will seek re-capitalisation of Agribank by bringing on board the private sector.

Suppliers' Credits

551. Seed and fertilizer suppliers will also be called upon to enter into seasonal support arrangements with farmers.

Irrigation Development & Drought Mitigation

- 552. Dam construction programmes under the Framework will be complemented by the development of irrigation infrastructure to ensure that farmers fully utilise water bodies and mitigate drought, that way laying the foundation for the sustainable revival of agriculture.
- 553. Provision of financial sector resources will be made for both underground and surface irrigation rehabilitation.
- 554. Such rehabilitation will be supported by measures to enforce full utilisation of irrigation equipment and infrastructure lying idle on acquired farms.

Capacity Building

- 555. Strengthening agricultural institutions, both those focussed on research, production and land management, as well as marketing and agro-industrial infrastructure and service provision, will be critical to their efficiency and effectiveness in supporting the capacity for the new farmer.
- 556. This will require comprehensive strategies targeted at enhancing training, research, packaging and extension

capacities. In particular, focus will be on improving the quality and seed production base for the major crops through support to a targeted nucleus of seed growers.

557. Adequate provision of resources for staffing and operational resource needs of agricultural research extension and technology institutions will also be undertaken.

Training & Extension Services

558. In order to strengthen the capacity of farmers in terms of agricultural skills Government, through AREX and other agencies, will provide extension support services to farmers. Farmer-training programmes will be conducted at colleges, farmer-training centres and at farms.

559. In support of agricultural extension, the staff complements for AREX will be increased. This will be complemented by adequate budgetary resources for research and extension and the promotion of the compilation of production manuals for use by the new farmer.

Research

560. The Framework contains measures in support of the greater

participation of private sector agricultural institutions' participation in complementing Government efforts with regards to agricultural research and extension services.

Farmer Organisations

561. The Framework recognises the importance of farmers organising themselves into self-reliant farmer organisations and commodity-based Farmer Associations, which provide effective representation of farmers, extensive networking with agro-industry, the banking fraternity, as well as policy and regulatory authorities.
562. These provide complementary technical extension services, marketing, and research support to farmers, that way serving as umbrellas for co-ordinating Government initiatives and plans in agriculture.
563. Furthermore, farmer organisations foster farmer interactions, facilitating the sharing of knowledge and information among farmers. They also offer scope for provision of leadership over contract farming, as well as recovery of loans, in partnership with financial institutions.

564. Hence, the farming community, including the Unions, will be required to partner Government in its quest for improved agricultural productivity by spearheading the process of re-establishing specialised vibrant commodity associations, which also develop their own extension services support.

Levies

565. The capacity of Farmer Organisations to deliver services to farmers is critically dependent on more farmers registering with the organisations, and contributing to the supportive levies and subscriptions.

566. This is also consistent with efforts being made by Government in other areas to have more businesses graduate from informal activities to formal registered business entities.

567. Furthermore, all the respective marketing agencies, both private and public, will be required to collect stipulated statutory levies in support of capacitating farmer organisations who need to attract and retain experts to service the demands of farmers.

568. Pursuant to this, Government will offer a tax incentive structure supportive of affiliations to farmer organisations, which will be

reviewed annually in consultation with the Zimbabwe Farmers' Union, the Indigenous Commercial Farmers' Union and the Commercial Farmers Union.

569. In this regard, beneficiary farmers will have to register and belong to any of the farmer organisations.

Agro-Stockists & Dealers

570. Centralised procurement of agricultural inputs undermined the role of well and long established retail agricultural input stockists of directly selling and distributing inputs to farmers.
571. This also often meant that everyone, including those with own resources, had no alternative market sources of supply, disrupting farmers' planning and cropping programmes.
572. Hence, the Framework highlights the need for a greater role for market agro-stockists and dealers in the supply of agricultural inputs, implements and other technical support.
573. This overcomes challenges associated with the previous centralised procurement and distribution arrangements which often forced farmers to converge at designated points waiting

for inputs that for the unconnected majority never became available.

Cash Crops

- 574. Medium term intervention strategies will also be implemented under the Framework to anchor the rejuvenation of such plantation crops as coffee, tea and sugar.
- 575. Supportive measures will include seed certification, and broadening expertise amongst extension workers, with agricultural colleges offering specialised training in these areas.

Fertilizer Production

- 576. The fertilizer industry has the potential to facilitate increased yields in the agricultural sector. However, local production of fertilizers is constrained by the limited resources and lines of credit to procure the required inputs, and the under-utilisation of the available local raw materials.
- 577. Government will, therefore, take advantage of the availability of such local raw materials as phosphates, coal bed methane gas, among others, and the existence of modern production

technologies in the industry, such as granulation and blending to boost fertilizer production.

Livestock Production

578. Targeted agricultural production will also focus on livestock production and management, including the rebuilding of the national beef herd, dairy farming, poultry and small livestock rearing.
579. The rebuilding of the national beef herd will require not only adequate financing, but also training of farmers in improved livestock production and management. This will be critical for reversal of decline of the cattle herd, which was 6.19 million in 2000, and had fallen to 5.11 million by 2008.
580. Under-staffing and funding of veterinary services have contributed to deterioration in the national herd. This has allowed for unsatisfactory dipping practices and facilities, which have seen some cattle in communal and resettlement areas go for more than six months without dipping. The recommended minimum frequency during winter is once a month, and during summer, once every two to three weeks.

581. Government will implement programmes to improve provision of financial, material and human resources to deal with these challenges, in partnership with such co-operating partners as the UN's Food and Agriculture Organisation.

Animal Disease Control & Prevention

582. Central to animal disease control and prevention will be the enhancement of veterinary governance, including restoring standard sanitary measures for international animal health recognition.
583. Interventions will also be made during the Framework period to reduce livestock mortality resulting from such common tick borne diseases as red water, heart and anaplasmosis. Prevalence of lumpy skin disease, which is caused by a virus, also led to recordings of many cattle deaths during 2009.
584. To contain these and other diseases, which include black leg, foot and mouth, and anthrax, Government will ensure ready supply and availability of the necessary drugs in the market, and through the Department of Veterinary Services.
585. Furthermore, the Department of Veterinary Services will remain

on standby, ready to institute prevention and control measures over any outbreaks of such notifiable diseases as anthrax, and foot and mouth, across provinces.

- 586. This will be through vaccine procurement and activation of all the required official vaccination campaigns and programmes against notifiable diseases.
- 587. Enhancement of animal health risk assessment surveillance systems will remain crucial for the maintenance of animal health intelligence.
- 588. Increased efficiency in detecting, confirming animal health problems, and reactions to restore animal health will require improved motorisation and transport for veterinary officers and animal health inspectors.
- 589. This, coupled with veterinary infrastructure development and decentralisation of services, will facilitate service delivery and expand the outreach of professional services for effective monitoring of animal health, early disease detection and control.
- 590. Sustainable delivery of veterinary extension services will have to be complemented by animal health extension programmes

to empower stakeholders, including communities. Improved animal health will also require making veterinary medicines accessible to livestock producers.

- 591. Regionalised control of contagious animal diseases, in conjunction with trans-frontier conservation areas, will be complemented by programmes for maintenance and construction of game and cattle fences.
- 592. Other programmes include refurbishment and construction of dip tanks in communal and resettlement areas, as well as animal health centres countrywide.

Small Livestock

- 593. Support for the development of animal husbandry will also embrace revival of poultry, piggery, goat and sheep rearing.
- 594. Goat numbers have been on the decline, falling from 3.8 million in year 2000 down to 3.17 million in 2008.
- 595. Declines have also been experienced with regards to sheep and pig numbers, which fell respectively from 690 000 to 400 000, and from 340 000 to 200 000, over the same period.

596. The success of Government interventions to revive livestock development will much depend on the operational efficiency and adequate funding of major players in the sector, including the Veterinary Department.

Cold Storage Company

597. The Cold Storage Company (CSC) was in the past a critical player in Government interventions to support beef livestock development, with the organisation holding in its own right between 20 000 and 25 000 cattle at its ranches during the 1990s.

598. Currently, the CSC has a breeding stock of less than 1 500 cattle. Out of its seven ranches, five are being leased to private operators.

599. The company has about 42 beasts for slaughter, against an all time average of 700 beasts per day – a development which has seen the domestic beef market being wholly held by private operators.

600. Even the exports of beef and canned products the CSC used to undertake to the EU and other smaller markets have all but stopped, leaving its large abattoir and slaughter facilities throughout the country idle and moth balled.

601. During the Framework, Government initiatives to unlock value out of the massive existing CSC infrastructure being left to rot and deteriorate will include the re-capitalisation of the CSC, bringing on board both private sector capital as well as management.

Dairy Development

602. Challenges experienced with overall livestock production have also undermined dairy farming.
603. As a result, raw milk supply which was 256 million litres per annum in 1990, has since fallen to current levels of 23 million litres. This is against national demand of 96 million litres, and an installed capacity of 350 million litres.
604. The general decrease in dairy production is also a result of viability challenges, unavailability of stock feeds on the market in previous seasons, as well as crippling labour shortages.
605. The Framework targets increasing dairy production to around 25 million litres in 2010. Supportive measures during 2010 to 2012 include support for growth in the dairy herd, which had been depleted to around 140 000, against an all-time high of about 1.4 million.

606. Already, modest starts have begun with more than 1 000 herd of dairy cattle having been bought, and programmes for the rehabilitation of both large and small-scale dairy farms earmarked during the Framework period.
607. The anticipated increase in deliveries of milk by farmers will be supported by private sector investment in milk processing plant and equipment rehabilitation estimated to cost US\$50 million.
608. Funding for increased local milk processing to volumes of up to 12 million litres per month over the next five years will require support for access to lines of credit, complemented by Government support for strategic partnerships with external potential investors.

Agro-Processors

609. With regards to the agro-processing industry, a major challenge is further support for value addition to the economy's agricultural commodities. This will create additional jobs, enhance incomes and significantly contribute to overall economic growth and poverty reduction.
610. Government will, therefore, give incentives to those companies that make meaningful contribution towards value addition of agricultural commodities.

611. The ongoing research work and investment in agro-processing by the Industrial Development Corporation (IDC) will also be promoted and strengthened.
612. Further, Government will promote new technology for storage, processing and handling of produce, especially for the benefit of smallholder farmers.

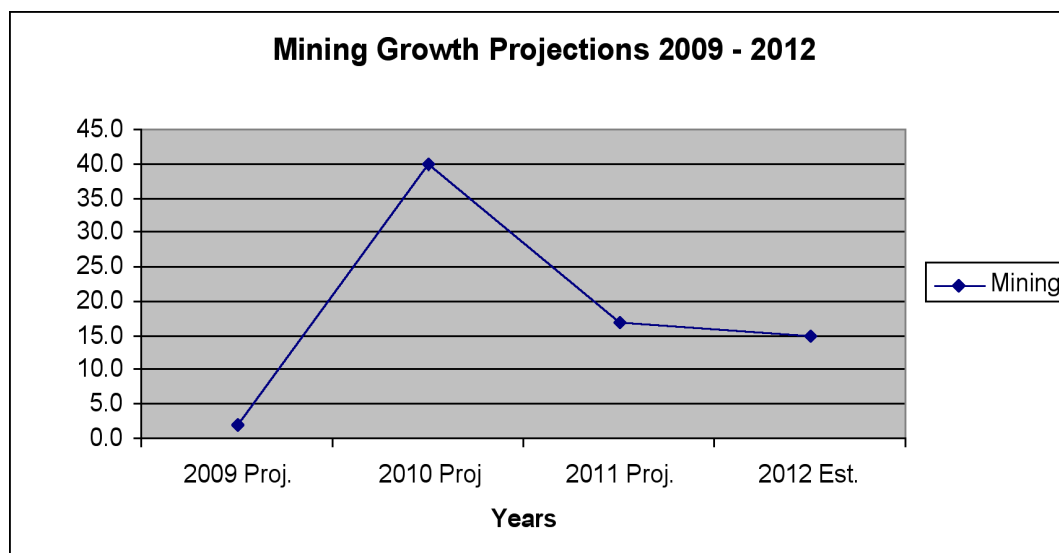
MINING

613. Notwithstanding the substantial decline in mining contribution to GDP since 2000, STERP recognised its potential with some of the liberalisation measures targeted at its revival. In 2008, the sector's contribution to GDP had fallen to about 2% from 9% in 1999.
614. Decline in operations had reduced mining activity from about a hundred registered mines to a mere three, working at some reasonable capacity. These were at Zimplats, Mimosa and Murowa Diamonds.
615. Others were either at negligible capacities or were on care and maintenance, largely as a result of domestic policy and economic

challenges, which effectively overtaxed mining companies through surrender requirements and sub-economic exchange rates. The prevailing global economic crisis exacerbated the situation.

- 616. Given the country's diverse mineral resource base, tapping into its vast underground wealth will be central to the country's economic recovery.
- 617. Already, some of the STERP measures have already begun to bear fruit as more mining houses which had suspended operations resume production, especially in the gold sector.
- 618. Hence, this Framework builds on STERP efforts to restore the ability of mining houses to begin realising adequate revenues to cover production costs and allow for surpluses to support expansion of capacity.
- 619. The Framework establishes an investment climate that is favourable to attracting new mining investment, that way ensuring that the mining sector can regain its position in the economy as a key contributor to exports, jobs creation and overall GDP.

620. Mining activity is, therefore, projected to grow by 40%, 17% and 15% in 2010, 2011 and 2012, respectively.



Legislative Framework

621. Guaranteeing the development of the mining sector will require a comprehensive mining sector policy and a stable legislative framework.

Mines & Minerals Act

622. The current Mines and Minerals Act, which has been the backbone of the development of the mining industry in the past, however, requires reviewing in order to remove speculative tendencies in Exclusive Prospecting Orders and discourage their hoarding.

623. During the Framework period, Government will finalise the amendments to the Mines and Minerals Act, addressing weaknesses in the minerals licencing system, reviewing the framework for mining rights, enhancing the mining title system and reforming the Mining Affairs Board.

Exclusive Exploration Licences

624. This will be supported by a mining policy which separates mining from exploration processes as well as the replacement of the current system of Exclusive Prospecting Orders (EPOs) by Exclusive Exploration Licences (EELs).
625. In this regard, procedures for acquisition of EPOs will be removed from the current Act, while procedures for acquisition of EELs will be introduced into the regulations. This will also entail updating and streamlining of the mining cadastre, that is maps and registers.

Exploration

626. Similarly, Government will expedite issuance of EELs and Special Grants and also avail ground for exploration and mining for potential serious investors.

627. As a result, Government will be able to reclaim all undeveloped mining claims held by some of the country's mining companies for speculative purposes, as some mining houses are holding on to mineral claims with no plans to exploit them.
628. Given that holding of claims by some mining houses for speculative purposes is detrimental to securing fresh investment in mining, processes of identifying and weeding out speculators will be instituted and implemented on a case by case basis.

'Use It' or 'Lose It' Principle

629. In this regard, Government will repossess all claims held for speculative purposes on a 'use it' or 'lose it' basis.
630. This will be done with strict adherence to the laws of Zimbabwe, as a way to ensure that there is space for mining houses.

Undeveloped Claims

631. Dialogue will also be undertaken with mining companies to release undeveloped claims.
632. Release of large tracts of mineral enclaves would come in handy for potential foreign investors ready to invest in the country's mining industry.

Exploration Company

- 633. Exploration is, by nature, risky business, requiring large investment expenditure outlays, a fact which has contributed to the little exploration activity since the 1980s.
- 634. Global experiences estimate the average mining exploration success rate at under 12%, with regards to viable resource returns on exploration investment.
- 635. The absence of extensive exploration work has perpetuated the prevailing situation where most of the underground mineral wealth remains inferred resources at a time when the country requires an appreciation of the actual untapped mineral resource base.
- 636. Hence, Government will finalise and operationalise an exploration company to also undertake prospecting in areas neglected by private investors. This will complement private mining exploration activity.

Minerals Marketing

- 637. As alluded to under the review of STERP, liberalisation measures to remove surrender requirements, improve marketing

arrangements and allow for full retention of proceeds particularly benefited gold producers, whose viability has been enhanced.

638. The current marketing arrangements will be retained under the Framework as part of Government measures to improve investment and development of the mining industry.

Diamond Concessions

639. Formal arrangements for diamond mining at Chiadzwa stand to benefit the country, and send positive signals over the credibility of the country's mining policy regime.
640. Government will, therefore, act in compliance with the Kimberly Process, clearing out the area of any illegal mining activities and operationalising the Chiadzwa diamond mines in partnership with private investors.
641. Furthermore, under this Framework, Government will formulate a diamond policy to provide further guidelines for exploration and mining of diamonds.

Coal

642. Realisation of thermal power generation will require concerted

efforts on the part of Government and the private sector to guarantee adequate availability of coal, the workhorse of the Nation's thermal electricity industry.

643. Coal is critical not only for energy generation, but also for boiler operations in manufacturing, curing in agriculture, as well as such public institutions as hospitals and colleges.
644. Given that Zimbabwe holds one of the biggest world coal reserves, support for more investment in coal production will be a critical component of Government's interventions during the Framework period.
645. Hence, timely and reliable coal supply remains one of the key enablers for the revival of business and the realisation of overall economic turnaround during the Framework period.

Hwange Capitalisation

646. Under the Framework, therefore, Government will be supporting measures towards initiatives to re-capitalise Hwange Colliery, targeted at procurement of mining equipment that is necessary to restore and expand production capacity.

647. Indications are that some US\$175 million will have to be mobilised as part of the first and second phases of re-capitalisation.
648. Injection of fresh capital into Hwange Colliery Company should allow for regular repair and maintenance of mining equipment, including the dragline, all critical to enabling increased coal production. As a result, coal production in 2010 is set to improve to 2.5 million tons.
649. Arrangements for uninterrupted supply of electricity between Hwange Colliery and Zimbabwe Power Company should also boost coal production during the Framework period.
650. This will be complemented by continued implementation of a skills training programme which is already underway and has managed to lure back some key skills for the company.
651. Framework measures in support of restoring production of coal at Hwange will be complemented by other interventions to guarantee movement and delivery of supplies throughout the country.

Beneficiation of Minerals

- 652. Government has noted with concern that most of the country's mineral resources continue to be exported in raw form with little value addition.
- 653. Even where some smelting and refinery capacity is locally available, rising tendencies and practices to export in raw form have been noted, a development that exports local manufacturing jobs and undermines the economy's graduation from dependency on export of commodities.
- 654. Previous initiatives to support greater beneficiation of the country's natural resource endowments have often been frustrated by inconsistent application of regulations and reversal of the same.
- 655. During the Framework period, Government will formulate the necessary policy regime supportive of greater beneficiation of the country's minerals for maximum benefit to the economy, mindful that specific technologies, skills and investments beyond mining operations will be required.
- 656. This will include implementation from 2010 of water tight policies

discouraging export of raw mineral products, with penalty taxes and other measures instituted.

657. Where current production capacity does not provide for the necessary economies of scale for domestic mineral beneficiation, definitive expansion programmes will be required by Government, indicating the time frames for future beneficiation programmes.

Small Scale Miners

658. Sustaining the current liberalised environment will facilitate mining houses' mobilisation of lines of credit in support of re-tooling programmes, also embracing small scale gold miners, who when capacitated have proved ability to make significant annual contribution to gold production.
659. Furthermore, Government will also play its part by assisting small scale miners with support for banking sector loans for machinery and equipment, technical services, and re-capitalising the Mining Industry Loan Fund.
660. The mechanisation of small scale miners will involve purchase

of mining equipment and fabrication materials for their use, especially those with potential to generate substantial mineral exports.

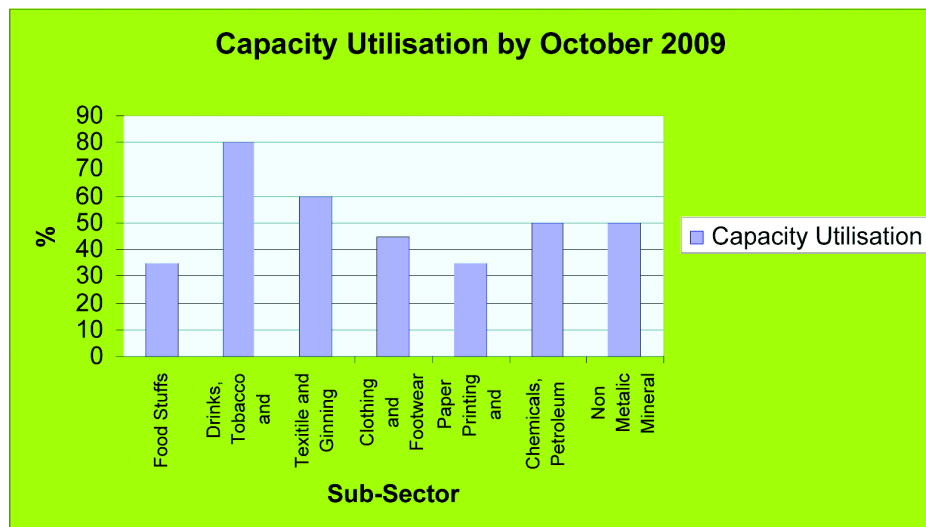
Mining Trust Funds

661. Trust funds for community development projects will also be created by mining companies as part of their contribution to the development of communities upon their withdrawal or end of mining operations.

INDUSTRIAL DEVELOPMENT STRATEGY

Capacity Utilisation

662. Under STERP, the manufacturing sector was identified as an epicentre for stabilisation, and the outcome of STERP was to ensure that the current industrial capacity is increased from the low levels of around 10% to over 60%.
663. Currently, average capacity utilisation in most industries is between 30% and 45%.



664. Hence, while some progress has been realised across some sub-sectors, during the Framework period Government will be instituting measures to further raise capacity utilisation.
665. In this regard, the Framework targets are to increase capacity utilisation levels from current levels to 75% by December 2010 and 100% by December 2011.
666. Measures in support of improved capacity utilisation also target the re-equipping and replacement of obsolete machinery to improve production efficiencies and product quality and make the industry more competitive, both locally and regionally.
667. However, while STERP emphasised more on targeting improved capacity utilisation, the thrust from 2012 will be on

promoting incremental investment and expansion of the economy's industrial production capacity.

668. This will be anchored on the implementation of the country's industrial development strategy measures with all the necessary support, including lines of credit, identified around the key targeted sectors.

Industrial Development

669. Central to the country's industrial development during the Framework period will be:

- Taking advantage of the economy's diverse primary resource endowment;
- Reversing de-industrialisation;
- Reversing large scale informalisation experienced prior to STERP; and
- Releasing the potential contribution of manufacturing to overall economic growth.

670. This will be anchored by implementation of initiatives for value addition, business and technology linkages, and development

of industrial clusters in both the productive and export sectors, underpinned by the necessary incentive structure.

671. The resultant improvement in industrial productivity should also enhance the competitiveness of Zimbabwean industrial products over both the domestic and regional export markets.

Distressed Strategic Companies

672. Under the Framework, focus will also be on support for resuscitating distressed strategic companies.
673. Central to this will be innovation and the adoption of appropriate modern production processes that allow for quality and price competitive products.

Duty on Raw Materials

674. Higher import tariffs in the form of customs duty and VAT on industrial raw materials and packaging that increase the cost of locally manufactured goods contribute to their un-competitiveness.
675. As part of the deliberate policy measures to level the playing field against competition from imported finished products, some

of which enjoy very little if any duty and are VAT free, duties and VAT on industrial raw materials and packaging materials will be reviewed under the Framework.

Lines of Credit

- 676. The liquidity constraints facing the domestic financial market make it necessary to identify additional lines of credit, ring-fencing them in support of the country's industrial development, with the necessary close monitoring and evaluation on the utilisation of such facilities.
- 677. These will be essential for supporting increased industrial production capacity and economies of scale, necessary for reduction in production line cost structures.
- 678. Hence, Government will continue the STERP initiative to broaden availability of short to medium-term credit lines at favourable interest rates, with reasonable grace periods of up to 3-6 months, and repayment over 12-24 months.
- 679. This is to finance raw materials, packaging materials, production consumables, laboratory reagents, spare parts, repairs and maintenance of plant and machinery, marketing, distribution and other operational costs.

680. Increased access to lines of credit should also facilitate greater access by local industry to irrevocable letters of credit that allow them the opportunity to raise pre-shipment finance to assist in securing raw materials and packaging materials for their orders.

BUSINESS PRACTICES AND PRICING

Business Practices

681. STERP recognised the importance of facilitating a competitive domestic trade environment, premised on fair trading practices and protection of consumer welfare.
682. Therefore, policies earmarked to stimulate domestic production will be complemented by measures supportive of increased domestic trading competition, good business ethics and protecting the welfare of consumers.

Pricing

683. In the liberalised environment of market determination of prices, monitoring of pricing trends, including regional parity pricing for goods and services will be undertaken during the Framework period.

684. This will help to draw comparisons in the prices of similar products in neighbouring countries, develop price models for locally produced goods and services which would serve as a guide to industry and commerce in their costing structures and pricing thereof.
685. Input from monitoring of price developments will allow for understanding of the pricing dynamics in Zimbabwe, and for policy interventions for increased competition, a competitive and sustainable pricing regime, as well as levelling of the domestic trading field.
686. In this regard, greater interface with wholesalers and retailers, complemented by enforcement of product measurement standards will be undertaken.
687. This follows removal of price controls under STERP, where outright price determination by Government through the National Incomes and Pricing Commission was done away with in favour of promotion of competition among businesses, price surveillance and assessment of impact on consumers.
688. The removal of the controls has also contributed towards ready availability of basic and essential goods in both urban and rural

shops, with retail prices also stabilising in line with growing competition and an increasing assortment of locally manufactured products.

CONSUMER PROTECTION

Legal Framework

689. STERP recognised the absence of firm legal provisions for consumer protection regulating relationships between individual consumers and businesses that sell goods and services as is the case in such SADC countries as South Africa, Mauritius, Tanzania, and Botswana.
690. The existing consumer protection legislation does not provide for waterproof protection for consumers as it is effected on a need arising basis, in liaison with organisations such as the Consumer Council of Zimbabwe, the National Incomes and Pricing Commission, the Competition and Tariffs Commission and Government departments for remedial action and regulatory direction.
691. In that regard, a stronger consumer protection legislation will be developed during 2010 – 2012, also informed by stakeholder

perspectives, as well as principles from the legislation already in place.

692. The proposed legislation framework will be guided by principles of equity and accessibility, market integrity and transparency, competitiveness, business innovation as well as consumer safety.
693. Consumer protection measures will also include sustainable pricing of key public utility tariffs, also cognisant of the need for Zimbabwe's economic production cost structures to remain competitive in the globalised business environment.

Business Ethics

694. The prolonged recession which the country experienced over the past decade had significantly eroded business ethics, leading to businesses instinctively moving away from orthodox means of doing business to unorthodox practices in order to ensure their survival and for other rent seeking purposes.
695. It has, therefore, become critical that both the public and private sectors take adequate steps to regain the trust of the broader public in their conduct of business.

696. A well managed business will become one of the cornerstones upon which real economic transformation and recovery should be built. Zimbabwe needs to build a credible image to boost investor confidence.
697. In this regard, and in support of the existing code of governance, a Business Ethics Policy will be introduced to manage business ethics and corporate governance.
698. Such policy would, among other issues, require employers to develop and implement ethics management programmes, including ethics training for their workers, with annual evaluation undertaken in line with regional best practices.
699. Specific aspects of the Ethics Policy will cover ethics codes, ethics implementing structures, including its committees, as well as strategies for training of staff and monitoring of programmes.

TRADE & EXPORT PROMOTION

700. The Framework calls for the development of a comprehensive national trade policy, with a framework of laws, regulations and strategies pertaining to trade, incorporating export strategy and other trade support measures.

National Trade Policy

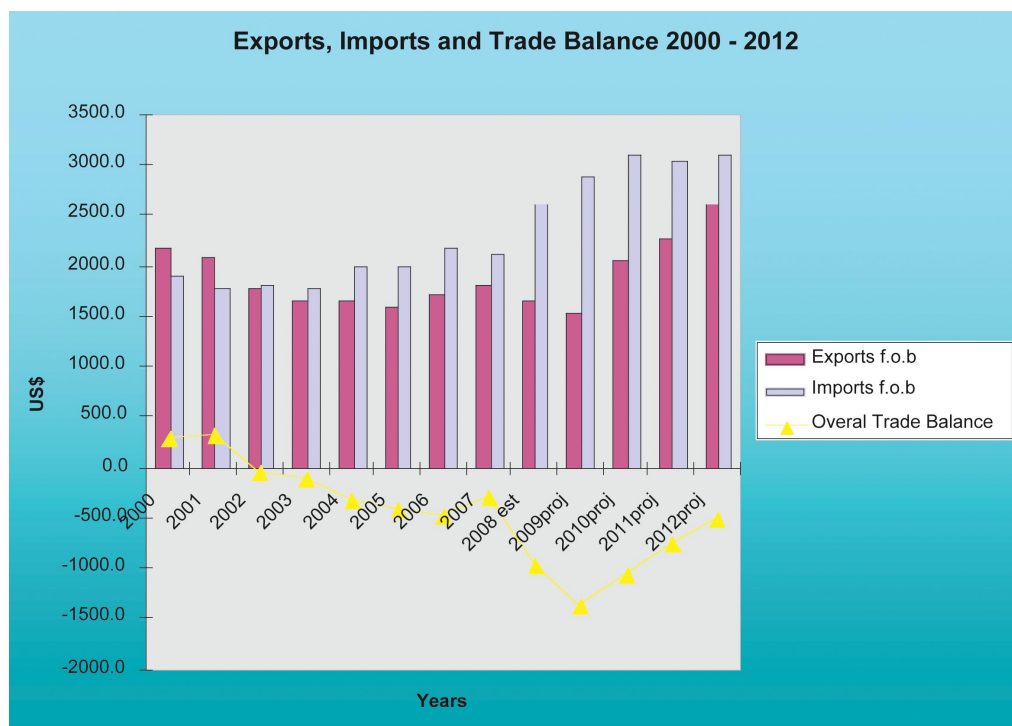
- 701. Government will, therefore, develop and implement a National Trade Policy, encompassing a National Export Promotion and Development Strategy.
- 702. The National Trade Policy will focus on exports promotion, integrated with the industrialisation development strategy, also focussing on attaining higher industrial productivity and output.

Export Promotion & Development Strategy

- 703. Sustained export promotion and development is critical for foreign currency generation, necessary to provide for import and other balance of payments requirements, reduce dependency on increased foreign indebtedness and create additional employment.
- 704. The Framework, therefore, prioritises the development and implementation of an export promotion and development strategy, as a key component for quick and sustainable economic recovery and growth.
- 705. The strategy will aim at identifying and developing export products, expanding market share for our products, in both old

and new markets, providing trade information and specialised support services, such as export procedures, product quality, export financing, transportation and other logistics, as well as promotional activities.

706. Implementation of the export promotion and development strategy will initially focus on enhancing and consolidating the volume of exports into existing markets, as well as diversifying into other export markets.
707. Accordingly, increasing output, together with value addition, beneficiation and improving quality will, therefore, be supported as part of the export promotion programme.



708. The Framework will also encourage development of capital and technology intensive industries in order to enhance the competitiveness of local products in the international markets.
709. Given the immense cost competitiveness potential of SMEs, supportive measures that enhance the capacity of these entities, including promotion of strategic alliances with foreign firms, will be part of the export promotion strategy.

Trade Barriers

710. Zimbabwe's economy, being diversified, is well positioned to take advantage of the export promotion and development strategy, and exploit foreign markets.
711. Realising this will also entail campaigns for the removal of barriers to trade, including some of the restrictions imposed on some products originating from Zimbabwe in the European and American markets.
712. Furthermore, our Embassies and trade Missions abroad will be capacitated to also play a major role in promoting our trade interests in international markets.

International Trade Fairs

713. The Zimbabwe International Trade Fair (ZITF) remains an important event for integrating the domestic economy into the global market. It is a major trade promotion window that provides an invaluable opportunity for the country to showcase its potential to the regional and international community.
714. In this regard, the ZITF and all other such provincial and district Fairs and exhibitions, bringing on board all the relevant domestic and international participants, will be given prominence and support as premier trade promotion events.
715. Similarly, Zimbabwe's participation at several major trade fairs and exhibitions, both in the region and internationally, will also be necessary as it presents an invaluable opportunity for intensifying ongoing efforts to re-engage and integrate with the global community. It also facilitates showcasing of Zimbabwe's products and abundant business opportunities on the international markets.

Trade Promotion Offices

716. As Zimbabwe continues to intensify on-going efforts to put her name back on the world map and regain her position in the

regional and international arena, Trade Promotion Offices will be increased beyond the current 13, targeting strategic trade and investment markets.

- 717. This will necessitate re-opening of stations that had been closed previously due to prevailing economic challenges.
- 718. Trade Promotion Offices will facilitate business, identifying opportunities, and also ensuring that Zimbabwe's trade interests are safeguarded, including under the on-going multilateral trade negotiations with the European Union and within the World Trade Organisation.
- 719. Trade Promotion Offices will also be called upon to become effective in negotiating for more market access and better trading terms at the bilateral level and mobilising business in the post territories to come to Zimbabwe.

Trade & Investment Missions

- 720. One of the major strategies for promoting trade and investment will be undertaking trade and investment missions abroad. In this regard, high powered business delegations, comprising both

Government and the private sector representatives, will be despatched to targeted markets, based on potential for business.

721. By the same token, Government will also facilitate receiving incoming business delegations from regional and international co-operating partners. These incoming business delegations have already begun to increase, as the international community renews its interest to do business with Zimbabwe.

Regional Integration

722. Opportunities also exist with regard to regional trade promotion under both SADC and the Common Market for Eastern and Southern Africa (COMESA), for which Zimbabwe assumed Chairmanship in June 2009.
723. The two regional economic communities to which Zimbabwe is signatory to have embarked on market integration programmes which are expected to run through the three year Framework period.
724. COMESA established the Free Trade Area in the year 2000 and is currently working on facilitating implementation of the Customs Union, which was launched in June 2009.

725. Efforts are currently centred on completing negotiations for the regional trade policy, list of sensitive products and schedule of tariff phase down, among other issues.
726. On the other hand, SADC established a free trade area in August 2008 and is working on finalising negotiations for the Customs Union which is scheduled for launch in 2010.
727. Hence, Government will also undertake the necessary technical preparations for the launch of the SADC Customs Union. Given that this entails the country taking on obligations, private sector involvement will be invited, in consultation with other relevant stakeholders.
728. This will include such issues as common tariff nomenclature, common customs documentation, common external tariff and Regional Trade Policy.

Dual Membership

729. However, World Trade Organisation rules stipulate that a country cannot belong to two Customs Unions.
730. Hence, in order to deal with the dual membership challenge, harmonisation will be considered under the auspices of the

Tripartite Forum constituted by COMESA, the East Africa Community (EAC) and SADC.

World Trade Organisation

731. The deadline for the conclusion of the Doha Round of Negotiations was set for 2010. The process leading to the conclusion of the negotiations involves intensive consultations with the relevant stakeholders at the national level.
732. As the negotiations come to an end, Zimbabwe will prepare itself to effectively participate in the negotiations.

International Commodity Bodies

733. Zimbabwe has benefited immensely from international commodity bodies such as the International Coffee Organization (ICO) and Common Fund for Commodities through technical advice and funding for several projects targeted at improving production and trade of commodities.
734. Government will, therefore, co-ordinate the implementation of some of these projects.

735. This will also entail re-launching the commodities agenda from a poverty reduction and development perspective; and addressing capacity limitations, bring on-board all stakeholders, including commodity producers, farmers, financial institutions, millers and traders.

Commodity Exchange

736. STERP recognised the need for a commodity exchange as one of the marketing channels through which the free marketing of agricultural commodities can occur following Government's commitment to liberalise the economy in general, and agricultural commodity marketing in particular.
737. In order to provide a ready, safe and transparent agricultural market that can stimulate and raise agricultural production and ensure that farmers get competitive prices for their produce, the establishment of a commodity exchange market will further be pursued.
738. Therefore, the legal and regulatory framework, necessary for establishment and implementation of the commodity exchange will be developed.

Border Posts

739. The broader objective of One Stop Border Posts is to promote trade facilitation and reduce congestion through encouraging border clearance efficiency by eliminating duplication of procedures.
740. This also reduces transaction costs on the part of transporters as less time is spent at the border post.
741. Two major Border Posts have been identified and work on the implementation of the One Stop Border Post concept will be undertaken at Chirundu and Beitbridge during the Framework period.
742. The Chirundu One Stop Border Post is scheduled to be launched in December 2009. The launch of the Beitbridge One Stop Border Post is, however, scheduled for July 2010.
743. Nyamapanda, Victoria Falls, Forbes as well as Plumtree Border Posts will also experience initiation of Border Efficiency Schemes in 2010 as part of trade facilitation.

Trade & Economic Development Corridors

- 744. Economic development corridors offer great investment potential for land locked countries like Zimbabwe in activities such as eco-tourism and manufacturing, among others.
- 745. Such corridors generate sustainable economic growth and long-term employment creation.
- 746. To this end, development of economic corridors will be promoted in an integrated manner, utilising the concept of multi-modalism to the best advantage.
- 747. Stakeholders, who include public and private sector organisations, will work together to develop, facilitate, co-ordinate and oversee implementation of projects in the corridors under this Framework.
- 748. These include the Beira Development Corridor, the Limpopo Development Corridor, the North South Corridor, as well as the Walvis Bay and the Trans Limpopo Spatial Development Initiatives.
- 749. In particular, the North South Corridor has been identified by the EAC, COMESA and SADC as a vehicle where trade

facilitation initiatives will be undertaken during the Framework period.

Spatial Development Initiative

- 750. The Spatial Development Initiative aims to unleash the region's economic integration developmental potential by broadening the scope of Economic Development Corridors.
- 751. Focus is on development of transportation infrastructure as an anchor of development opportunities that arise along transport routes and catchment areas, in line with the 1996 SADC Protocol on Transport, Communication and Meteorology.
- 752. Central will be use of public resources to leverage private sector participation in investing in identified potential investment opportunities in infrastructure, benefiting from an investment friendly environment and available resources.

Beitbridge Port Development

- 753. As part of the initiatives to facilitate cross border trade, Government will be pursuing implementation of investment projects to re-develop the Beitbridge Border Port and facilities

during the Framework period at an estimated cost of US\$85 million.

754. Given the limited resources available to Government, the development of the Beitbridge Border Port and facilities will be in partnership with private investors on a BOT basis.

755. With most of the design and architectural work already in place, the Beitbridge Border Port and facilities development will involve construction of:

- A re-developed Border Port, allowing for efficient processing of freight traffic and speedy immigration and customs' clearance of passenger traffic;
- Inspection/Government warehouse;
- ZIMRA Scanners building;
- 4 km of road and weigh-bridge;
- An additional New bridge across the Limpopo;
- Truck Inn, Fuel facility, Accommodation and Ablution facilities for truck drivers;
- Freight Agency/Commercial Centre buildings; and
- 200 units of residential accommodation, embracing duplex units, apartments and houses for Border Port personnel.

756. The development of the Beitbridge Border Port and facilities will be in phases, beginning in early 2010, also to allow for some of the facilities to become available for use in time for the FIFA World Cup in June 2010.
757. The need for Beitbridge Port efficiency is important for the smooth flow of goods and services in the region, reducing costs associated with moving goods across borders and reducing time spent at the border posts.

RESEARCH, SCIENCE & TECHNOLOGY

Science, Technology & Innovation

758. Science, technology and innovation are important for the sustainable exploitation of the country's natural resources, and rapid industrialisation.
759. Their utilisation also improves value addition, productivity and the various sectors' competitiveness in world markets, creating scope for more opportunities for employment and better quality of life for citizens.

Research & Development

760. In this regard, Zimbabwe will keep abreast of global science and technology developments, promoting Research and Development under the country's Science and Technology Policy.
761. In line with the position adopted following the ratification of the SADC Protocol on Science and Technology, resources will be ring-fenced in support of improved funding for research and development from both Government and the private sector.
762. The necessary fiscal incentives will be put in place to encourage greater participation in research and development by private sector companies and institutions.

Research Capacity

763. Government recognises the need for a holistic approach to research, science and technology capacity building, a process which will entail investment in infrastructure, equipment and human resource development.

Collaborative Research

764. Linkages and collaboration will also be established with regional and global science, technology and innovation experts, as well as with non-resident Zimbabwean experts.
765. Furthermore, Government will enhance the development of a science, technology and innovation culture nationally, as well as promote awareness of the importance of science and its impact on everyday life to policy makers and the general public.

Innovation

766. Measures will also be instituted to encourage innovators generate new technologies. These will include aggressive promotion of technology transfer, commercialisation of research and development, recognition and rewards for science and technology achievers. Special attention will be paid to development of youths and women in science.
767. Attention will be given to emerging technologies such as biotechnology, alternative energies sources and nanotechnologies.
768. In addition, Government will consider duty exemption, for

scientific equipment and technology for use by schools, tertiary and Research and Development institutions.

Information Communication Technology

- 769. Information Communication Technology (ICT) has revolutionised the world by increasing access, processing and the speed of information distribution.
- 770. Ranging from fixed telephones networks, mobile phones, to fast internet data services and 3G, through satellite technology, systematic application and innovative use of ICTs can transform Zimbabwe into a knowledge based society.
- 771. Emerging ICTs technology removes most barriers to information dissemination systems, connecting interest groups at low cost, and availing arrays of information which communities can productively utilise.
- 772. While investment in ICT infrastructure in the country has improved dramatically in recent years, for the economy to realise the huge potential offered by ICTs, it will be necessary that all the programmes and projects intended to increase the use of ICT are implemented.

773. These include the establishment of the Policy Framework, Infrastructure development, E-awareness, E-government and ICT utilisation.
774. Government has so far made strides in facilitating the growth of ICTs in the country through creation of a window whereby ICT products are imported duty free.
775. The licencing regime has also been fine tuned to cater for the dynamic changes taking place in the sector, resulting in a number of operators being licenced to offer advanced ICT services such as 3G in the country.

Policy Framework

776. During the Framework period, interventions in the ICT area include review of the National ICT Policy Framework and the establishment of an ICT Act whose principles are already going through Government approval processes.
777. Furthermore, a policy and strategy to promote ICT and the relevant infrastructure will be developed.

ICT Infrastructure

778. A well developed broadband ICT infrastructure backbone, as well as access networks, are critical components for supporting ICT development.
779. Government will, therefore, support the construction, implementation and refurbishment of ICT infrastructure. This requires significant resources which Government alone cannot undertake and, hence, the necessity to bring on board the private sector through Public Private Partnerships.
780. Under STERP, target areas implemented included carry-out of a national communication infrastructure audit, ensuring optimum utilisation of existing infrastructure, assessing and increasing bandwidth to the international gateway by 40% and improving telephone and mobile communication services by 30%.
781. The ICT infrastructure audit which was undertaken in 2009, allowed for the production of an infrastructure Master Plan, under which all service providers are being encouraged to share and optimise use of existing infrastructure.
782. The result has been improved planning and co-ordination and, hence, better response to faults and reconnections for the fixed

telephones, while mobile communication providers increased lines significantly.

783. In order to improve connectivity at lower costs, connection to the international gateway will be prioritised. Access network (Wimax) will also be developed not only for provincial centres but district centres as well.

784. Furthermore, drawing from experiences from most Asian economies on the concept of ICT parks for innovation development, Government will encourage local assembling of ICT equipment as well as manufacturing of ICT components. In the long run, this will reduce the cost of ICT, whilst at the same time stimulating growth of industry.

Development of E-enabled Services

785. In order to increase access to ICT services, the Framework prioritises the development of web portals, increasing bandwidth to the internet gateway, improving ICT usage, broadening provision of computers and connectivity within Government, installing the Results Based Management application to monitor targets and outcomes, ICT publicity and provision of ICT services to line Ministries.

786. Already, websites for the Ministry of Information Communication Technology, Ministry of Tourism and Hospitality, Ministry of Housing and Social Amenities are now complete, while a Government Portal template has been developed to allow for revamping of the portal.
787. Other Ministries operating updated and active websites include Finance, Youth Development, Indigenisation and Empowerment, Foreign Affairs and the Public Service Commission.
788. Work is in progress to spruce up outdated and inactive Ministry websites as well as development of sites for those Ministries that currently do not have.
789. Furthermore, the Results Based Management application to monitor Ministries' work plans has been uploaded and the template for use by Ministries developed.
790. The Public Financial Management System has also been resuscitated, while the civil service payroll, pensions system, police accident statistics and public assistance systems have been maintained and are operational.
791. However, due to limited financial resources, the database for monitoring progress on Results Based Management is still to be developed.

E-Awareness

792. The use of ICTs will depend on public awareness on the attendant benefits. Under this Framework, an e-awareness programme will, therefore, be undertaken with Government support.

E-Government

793. E-Government improves efficiency in public service delivery. The resource requirements to develop e-Government infrastructure are, however, quite substantial.
794. Government will, therefore, enlist the support of the private sector and co-operating partners in financing the development of planned e-Government infrastructure projects and the establishment of Community Information Centres at strategic locations in rural areas to enable rural communities' access to e-services.

ICT Utilisation

795. Government runs critical national systems which require modernisation to enable maximisation of benefits from advances in ICTs.

796. As such, Government will prioritise funding of projects which are central to its operations.
797. Utilisation of ICTs is a function of ICT literacy and, therefore, this Framework will ensure that ICT becomes an integral component of every school curriculum through provision of more Personal Computers for classroom projects. The participation of co-operating partners as well as the local business community will also be embraced in this regard.
798. Internet gateway and connectivity to information kiosks will also be set up country wide.

TOURISM

799. STERP recognised tourism as one of the sectors with potential for quick returns in support of economic recovery.
800. This is more so given the country's diversified tourism resource base, which includes favourable climate, wildlife, scenery, flora and fauna, among others.
801. Hence, under the Framework, Government will prioritise image building, marketing, products re-branding, improving access to

tourism destinations, investment in tourism infrastructure, and preparations for the 2010 World Cup Football games, among others.

National Tourism Organisations

- 802. The tourism industry will be incentivised to support capacity building of national tourism promotion organisations, critical for spearheading the development of tourism.
- 803. This will entail mobilising financial, material and human resources to allow the tourism promotion organisations to effectively promote growth of the tourism sector.

Tourism Product Re-Development

- 804. The challenges which were experienced by the country during the pre-STERP period compromised the quality and competitiveness of tourism products, with further downturn in tourism arrivals into the country.
- 805. Hence, tourism product re-development has become necessary under this Framework.
- 806. Central to product re-development and enhancement of competitiveness will be focus on product quality, pricing as well

as re-capitalisation by the tourism sector, particularly in view of the upcoming 2010 FIFA World Cup.

807. The Zimbabwe Tourism Authority will, therefore, continue to monitor pricing trends in the tourism sector, vis-à-vis the region, as part of the overall marketing strategy.
808. Competitive pricing will also be complemented by modern payment systems, such as the use of internationally acceptable credit cards and travellers' cheques. Progress in this area has been slow and the Central Bank, in conjunction with the banking sector, will speed up the expansion of the National Payments System.
809. The mobilisation of resources through lines of credit for re-capitalisation and to allow the tourism operators to revamp, renew and refurbish their products and services during the Framework period will also be prioritised.
810. Government on its part will continue to review fiscal incentives for the sector and maintain duty free importation of selected capital goods.
811. Furthermore, Government in conjunction with the tourism and hospitality industry will intensify efforts to promote foreign direct

investment towards re-developing tourism products and infrastructure.

Accessibility of Tourism Destinations

- 812. Transport challenges are also a limiting factor to easier accessibility to tourism destinations in the country.
- 813. While in 1996, Zimbabwe was served by forty five foreign air carriers linking the destination to more than one hundred international source markets, currently there are only seven carriers serving the destination.
- 814. While this is attributable to a combination of factors, chief among them being the negative portrayals of Zimbabwe as a safe tourism destination, measures to increase destination access from the major source markets will be instituted to take advantage of the benefits arising out of the new political dispensation.
- 815. In this regard, Government will introduce more liberal and less protective air transport policies and offer competitive incentives to attract foreign airlines.
- 816. Furthermore, internal access to local destinations by road, air

and rail will be improved during the Framework period with a view of reducing traveling time to tourist resorts.

817. Therefore, deliberate efforts will be made by the tourism industry to facilitate the operations of domestic airlines, luxury tourist coach services and other faster and luxurious modes of transport.

Administration of Ports of Entry

818. The capacity and level of facilitation at most of our ports of entry remain a challenge. Immediate intervention by Government to bring our ports of entry, i.e. airports and border posts, to international standards is required.

819. Government will, therefore, improve on the capacity of personnel manning entry ports, including training in public relations, in order to ensure that our visitors receive fast and hustle-free entry services.

820. This will be complemented by the establishment of the necessary infrastructure and facilities as well as availing of appropriate and modern equipment.

821. In support of the above, Government will accelerate its plans to establish a National Ports Authority which will develop and manage our ports of entry along the same lines as management of airports by the Civil Aviation Authority of Zimbabwe.

Promotion & Image Building

822. The growth of the tourism sector is primarily being undermined by the country's perceived image in major source markets as well as in major investments and trade markets.
823. The Global Political Agreement and formation of the Inclusive Government have ushered a new era and opened opportunities for promotion of good international relations through the ongoing re-engagements with the international community for support to Zimbabwe and the removal of sanctions and other restrictions.
824. Already, as alluded to under the section on Tourism developments, following the formation of the Inclusive Government several countries have started removing travel warnings against Zimbabwe.
825. Government will, therefore, take advantage of such improvement in international relations and launch an informative

marketing campaign, under the theme 'Visit Zimbabwe', covering the domestic, regional and international markets.

826. This campaign will be championed by high level teams to different countries to reflect on the correct image and potential of the country, as well as removing the country risk perceptions entrenched in overseas markets.

CONSTRUCTION & HOUSING

Construction

827. The construction industry remains depressed, notwithstanding the significant positive developments that have seen improvement across sectors in the economy brought about by STERP.
828. The challenges facing construction reflect the lagged nature of spill over benefits of recovery.

Funding

829. Currently, revenue constraints under the prevailing cash budgeting Framework have meant that there are no major

projects that are being embarked on at the moment, both in terms of on-going works and supply of new public sector construction projects.

- 830. The few projects available have been those where developers have also been able to identify alternative sources of funding.
- 831. Similarly, pension funds who underpin supply of major private sector construction project developments are still to recover from the ravages of hyper-inflation which wiped out their savings base.

Partnerships

- 832. Government support for construction during the Framework period will include facilitation of partnerships between local contractors and foreign developers, including over participation in public private partnership and BOT project initiatives.
- 833. This is especially with regards to interventions to rehabilitate the trunk and urban road networks. Completion of on-going dam construction projects should also benefit the industry, against the background of growth in Budget revenue inflows and expenditure allocations.

834. Furthermore, the huge housing delivery backlog offers opportunities for Government, local authorities and private developers to collectively revive construction activity, and ensure its full contribution to economic recovery and growth.

Housing

National Housing Policy

835. The Framework recognises housing provision as a basic human need and right which is being prioritised under Government's harmonised National Housing Policy, guiding increased housing delivery in line with the Millennium Development Goals⁷ and poverty alleviation initiatives.
836. Interventions to resuscitate the housing sector follow on the conducive environment that has arisen with the launch of STERP.
837. In particular, implementation of the National Housing Policy will focus on facilitating acquisition of land for housing development, planning, resource mobilisation strategies, promoting equity in accessing housing and enhancing quality and standards of both construction and infrastructure provision.

⁷See Annexure 4: Millennium Development Goals

On-going Developments

838. In 2010, the Framework thrust will be on the completion of outstanding housing programmes and projects, including social amenities construction projects.
839. This will entail restructuring the management of Garikai/Hlalani Kuhle housing projects which have been outstanding for some years. A Cabinet decision on transferring the housing scheme from an inter-Ministerial project to a Ministry specific project will accordingly be implemented.
840. Furthermore, local authorities will provide the requisite infrastructure under the existing on-going housing projects. Resources will be mobilised from beneficiaries, the financial sector, employers as well as local authorities for this purpose.

Standards

841. In order to ensure maintenance of quality and standards, consistent with best regional and international practices, local authorities will accordingly review and enforce existing by-laws.

Expanded Housing Programme

842. In addition, under the Framework Government, in conjunction with local authorities, will acquire land to facilitate an expanded housing development programme.
843. This entails identifying suitable peri-urban land for housing development in all the 29 urban local authorities. In this regard, Government will target 2 farms of appropriate sizes around each provincial capital, including Harare and Bulawayo.
844. Furthermore, the expanded housing development programme also promotes the participation of employers in providing housing for their employees in order to maintain high levels of motivation, necessary for increased productivity, efficiency and socio-economic well being.

Funding

845. Government will, therefore, on its part, re-capitalise the Civil Service Housing Loan Fund which previously supported a number of civil servants with housing loans.
846. Government will also pursue public private partnership models

as a strategy for promoting financing of housing development in the country. This is in view of the higher financing capacity within the private sector.

847. In this regard, the financial sector, especially building societies, pension and insurance funds, will be expected to play a leading role in housing development programmes.
848. The resurgence of provision of mortgage finance by building societies will also contribute towards improved housing delivery.

Servicing

849. Given the large pre-housing development infrastructural servicing requirements, Government will engage development co-operating partners, including private land developers, for their support and participation.

Building Brigades

850. To take advantage of abundant idle labour, Government will promote labour intensive construction modes of building, also embracing youth building brigades and co-operatives.

Rural Housing Programme

- 851. In the rural areas, the provision of decent and affordable housing uplifts the standards of living of communities, a pre-requisite for sustainable development.
- 852. Properly housed communities, with access to clean water and sanitation facilities, are more productive and contribute more effectively to the development of the country.
- 853. As the economy recovers during the Framework period, Government will re-capitalise the Rural Housing Loan Fund in support of individual initiatives for rural housing development.
- 854. Identified beneficiaries will be required to provide equity in the form of locally available resources, while potential development co-operating partners will complement this programme by availing financial resources and expertise.
- 855. Community participation by identified beneficiaries remains the mainstay of the programme and, hence, Government will undertake re-organisation of settlements patterns in some communal areas for easy provision of basic services and social amenities.

SMALL & MEDIUM ENTERPRISES

Challenges

856. The decade long economic contraction experienced to 2008 forced a number of company closures and downsizing, resulting in many workers losing employment.
857. Consequently, formal unemployment rose to over 70%, resulting in a sharp increase in informal sector activities, which if adequately co-ordinated and supported, have the potential to significantly contribute to economic recovery, growth and development.

SMEs Development

858. The country's SMEs development strategy takes cognisance of the above opportunities, including those ushered by ICT such as readily available access to information on business setup, product development, global markets, among others.
859. In this regard, Government will enact the SMEs Bill and finalise the review of the SMEs Policy and Strategy Framework, including the establishment of an SME Observatory Unit and

conclusion of the SMEs census for creating an SMEs database in order to correctly inform the status of the sector and guide the formulation and implementation of appropriate interventions.

860. Government will also mainstream SMEs activities into local authorities and other organisations' strategic plans.

Clusters

861. Promotion of industrial clusters and development linkages with established companies encourages mentorship development. This will promote re-organisation and growth of SMEs, thereby facilitating the graduation from micro to small, medium and large enterprises.
862. This will also increase SMEs access to information on markets and standards, advice on strategies, and access to technology and innovation, coupled with appropriate financing packages under tolling arrangements.
863. Effective support for SMEs, especially with regards to development of business linkages and marketing clusters, will require the creation of a database to inform on such issues as

their spread, concentration, capitalisation, employment levels, product varieties, financing requirements, among others.

864. This will facilitate consolidation and transformation of SME activities into the mainstream economy, so that support to them over linkages and exporting can be effectively co-ordinated, while they also assume their responsibilities with regards to contributions towards revenues to the fiscus.

Financial Support

865. Supportive measures will also be instituted to increase the capacity of financial institutions to develop profitable SMEs lending programmes, while prioritising the development of innovative and flexible collateral instruments, such as group guarantees and loan guarantee schemes.
866. Micro-finance institutions that lend to micro-projects and have a wider outreach in rural areas will be supported through a Micro Finance Fund.
867. Furthermore, Government will also prioritise financial support for SMEs development through mobilising appropriate domestic and external lines of credit through the banking sector.

868. This will be complemented by the re-capitalisation of SEDCO to enable it adequately meet financing needs of SMEs.
869. Government will also provide support for the resuscitation of the National Handcraft Centre and the Chitungwiza Garment Factory which have been under-capitalised for the past five years.

SMEs Capacity

870. SMEs will also be assisted through capacity building programmes in business services such as business management, planning, marketing, trade promotion, product research and development, information processing and legal advice, among others.
871. In this regard, the establishment of a Business Links office will be finalised to offer such technical support as advice, information and training to SMEs.
872. The above will be complemented by effective participation by SMEs associations in national dialogue that helps set the strategic framework for development, as well as ensuring that the contribution, policy and support needs of SMEs are fully

recognised as central to growth, employment, and poverty reduction in the economy.

SMEs Infrastructure

873. In the medium-term, the Framework focuses on provision of adequate and suitable infrastructure for SMEs such as the development of incubators, factory shells, as well as walk through shopping malls.

Co-operatives

874. Government recognises the role played by the Co-operative Movement in employment creation, poverty reduction and economic development.
875. Efforts will be made to realign the Co-operative Societies Act [Chapter 24:05 of 1996] with the new Cabinet approved Co-operative Societies Policy, and subsequently a re-alignment of the Societies' by-laws with the Act and the Policy.
876. Furthermore, Government will provide support for the development of the Savings and Credit Co-operative Societies as they play a major role in providing funds to Co-operative

Societies. To this end, Government will enact a separate Savings and Credit Co-operative Societies Act.

Co-operating Partners

877. Through Government to Government agreement, the Indian Government supplied state of the art equipment for metal fabrication and carpentry under the Indo-Zimbabwe Project.
878. Given the financial support and pledge for further funding by Government the project will be fully operationalised during the period.

INVESTING IN BASIC INFRASTRUCTURE

879. The current stabilised macro-economic environment and the use of hard currencies on their own, will not guarantee improved capacity utilisation and expansion of the economy's production potential.
880. Central to recovery of industry will be provision of such services as electricity, water, telecommunication systems, rail, road, air freight, as well as infrastructural services.

881. In this regard, the key enablers whose rectification remains a critical outstanding factor in support of economic recovery include ZESA, NRZ, Hwange Colliery, ZINWA and local authorities.
882. Efficient service delivery by these utilities, coupled with the establishment of external and internal credit facilities for importation of raw materials and equipment for re-tooling, provides much scope for increased capacity utilisation levels of our industries.
883. The Framework proposes measures for the resuscitation of service delivery by the key enablers, including overcoming challenges related to uncompetitive behaviours.

POWER

884. The power sector has undergone major reforms. These have resulted in the unbundling of ZESA into generation, transmission and distribution.
885. Generation has been opened up to private players, including independent power producers and through public private partnerships.

886. Furthermore, economic tariffs have been introduced, with positive impact on the efforts towards restoration of viability in the provision of power.
887. However, domestic power generation capacity still falls far below current demand and future requirements, as a result of old generation, transmission and distribution infrastructure and coal supply and distribution constraints.
888. Out of a total installed generation capacity of 1 960MW, only 1 200MW is currently available.
889. Industrial rebound, as capacity utilisation increases in line with improved production, will have to be matched by growth in electricity generation and supply, central to which is speedy refurbishment of all idle or underutilised Thermal Power Stations.

Hwange Thermal

890. Given resource constraints in Government and at ZESA, involvement of private players with capacity to refurbish, lease and operationalise idle thermal power stations will be instituted.
891. This will be complemented by ring fencing ZESA proceeds

arising from application of economic tariffs towards refurbishment work of all the six units at Hwange Power Station and other stations, thereby adding another 500MW and 700MW of power to the national grid.

892. In the longer term, this will be complemented by Hwange Power Station 7 and 8 Expansion project, estimated to cost US\$600 million.

Kariba South

893. There are also opportunities to generate additional power at Kariba Hydro Power Station. In this regard, planned power supply expansion projects during 2010 – 2012 under the Kariba South Expansion project will cost about US\$300-400 million.

894. However, consideration for the Batoka Hydro Power project, earmarked for a joint venture with Zambia, remains outside the Framework period. This would add additional power generation of 800MW to each country's power grid.

Gokwe North Thermal

895. Other power projects for full implementation outside the Framework period include Gokwe North Thermal Power project with potential capacity of over 1 400MW.

896. Government will seek to engage, during the Framework period, independent power producers to invest in this project.
897. Outside of construction of power plant and transmission infrastructure, estimated to cost US\$1.4 billion over 5-6 years, other investment opportunities include coal mining to supply fuel to the power plant.

Coal Bed Methane Project

898. Furthermore, the Coal bed methane development project in Lupane with capacity to produce about 300MW of power will also be pursued during 2010 – 2012.
899. Coal bed methane investment opportunities, costing about US\$450 million, will include gas field exploration, power station construction and pipeline construction, among others, over a time frame of 2 – 3 years.
900. Over and above gas output, the Coal bed methane project would also have by-products whose variety of uses includes manufacture of stock feed, fertilizers and petro-chemicals.

Mini Hydro Projects

901. There are also many sites for potential development of mini-hydro power stations in the country.
902. These include the Condo Hydro Electricity project, which will also be pursued during the Framework period. The Condo project alone requires about US\$150 million over a 3-year period and has potential to produce 100MW.

Transmission

903. Investments will also be undertaken in the area of transmission for power from power stations to various load centres throughout the country, embracing both the rehabilitation of the existing transmission network as well as to cater for planned expansion projects.
904. The rehabilitation and reinforcement of the existing transmission network is estimated to cost US\$100 million during the Framework period.
905. Planned transmission projects for the Kariba South expansion include 170 km of 330kV line from Kariba South to Alaska, and

160 km of 330kV line from Alaska to Sherwood. This is estimated to cost US\$60 million over a period of 2 – 3 years.

906. Similarly, the Hwange 7 and 8 Expansion project has an associated transmission line construction of 305 km of 400kV to transmit increased power output from Hwange at an estimated cost of US\$150 million over a period of 2 – 3 years.

Distribution

907. In the area of distribution, targeted projects during the Framework period include investment in medium voltage infrastructure of up to 33kV to address distribution constraints and load growth backlog.
908. This, together with rehabilitation of the distribution network, and replacement of vandalised or faulty transformers is estimated to cost US\$300 million.

Billing System

909. STERP recognised the need to enhance revenue collection from electricity consumers.

910. Pursuant to this, during the Framework period, ZESA programmes to spend some US\$50 million to improve the electricity billing system.

Petroleum

911. With regards to liquid petroleum products, the Framework targets are to maintain operational stocks equivalent to at least 20 days of national usage and national reserves equivalent to 30 days of national consumption.
912. In this regard, NOCZIM will be supported by both Government and the industry to secure the necessary credit facilities in support of the build up in stock of fuel reserves.

Alternative Energy Sources

913. A sound energy policy, incorporating alternative and renewable energy strategies, is vital for national security and protection of the environment.
914. Currently, the country has the requisite natural resource endowments, as well as access to the technology, to harness

alternative and renewable energy, which at the same time promote energy conservation.

915. In this regard, Government will during the Framework period, foster and support efforts to develop abundant but underutilised domestic renewable alternative energy sources, focusing on solar, wind energy, as well as bio-fuels, among others.
916. Investment opportunities include design and manufacture of solar panels and other solar related equipment which not only provides the energy, but also creates employment opportunities as well.
917. Government will, therefore, explore various technologies and support appropriate investments, including providing for the necessary incentives for the promotion of renewable energy technologies in solar and wind energy. These will include reduction of import duties, as well as provision of other tax incentives.

Demand Management

918. In addition to the focus on electricity supply strategies, there is need for the country to develop a culture of using energy resources prudently.

919. Hence, ZESA will invest in electricity demand side management, which will include energy conservation awareness campaigns and promotion of energy saving technologies and equipment.

Electricity Supply to Strategic Industries

920. Given that the country already faces serious electricity shortages, the Framework prioritises uninterrupted supplies to industries which are strategic and whose operations are heavily dependent on reliable supply of electricity.

Tariffs

921. STERP has already seen the introduction of an electricity tariff structure supportive of cost recovery in electricity generation, transmission and distribution.
922. Full implementation of cost reflective tariffs was, however, deferred in light of the fragility characterising a number of industries.
923. Hence, this will only be considered during the Framework period beginning in 2010, taking account of regional best practices.

Energy Regulatory Commission

924. During the Framework period, Government will implement plans to replace the Zimbabwe Electricity Regulatory Commission (ZERC) with an all encompassing Zimbabwe Energy Regulatory Commission.

TRANSPORT

925. The development and reliability of the country's transportation system and network, coupled with other communication modes, is a critical enabler in the process of our economic recovery and growth strategy.
926. In this regard, investment in transport infrastructure and services across the main modes of transport – road, rail, air, in-land water and pipeline – will all play a vital role in the movement of traffic within and beyond the country's borders.

Challenges

927. Current challenges undermining efficient transport service delivery and capacity include limited fiscal resources. Government on its own cannot meet the sector's entire investment requirements.

928. This situation has led to deferred maintenance and investment, culminating in the deterioration of transport infrastructure and services.
929. The sector has also lost significant capacity through depletion of critical equipment such as graders, front loaders, among others.
930. The absence of a comprehensive National Transport Policy to guide Government interventions and involvement of other stakeholders in the sector, skills flight, as well as absence of effective regulatory systems, are also major contributory challenges.
931. Over and above these, laxity in the enforcement of transport regulations, the slow adaptation to new transport technologies, including ICTs are also compromising efficiency.
932. As a result, the country failed to maintain its transport infrastructure and manage its fleet replacement and expansion programmes. This has prompted operators to procure and import second hand vehicles, most of which are expensive to maintain, and have a short life span.

933. The Framework, therefore, seeks to address the challenges in the transport sector by also promoting increased private sector participation during 2010 to 2012.

National Transport Policy

934. Government will finalise the National Transport Policy, providing for investment promotion, the framework for a co-ordinated, efficient and cost effective transport system that enhances the country's competitiveness.
935. The formulation of the National Transport Policy will be consistent with the SADC Protocol on Transport, Communication and Meteorology.
936. This recommends private sector participation, promotion of competition, the 'user pays principle', and cost recovery, save for services provided at sub-economic levels in the public interest.

Transport Legislation

937. The successful implementation of the National Transport Policy requires an appropriate legal framework.

938. To this end, all transport Acts and Statutes will be reviewed, harmonised and updated timeously and new legislation promulgated where necessary.

939. The required legal reforms and regulations will also be to ensure adequate safety standards in the transport sector.

Transport Research & Technology

940. Research and development, as well as the integration of ICTs, offer scope and opportunities for optimising efficient and effective utilisation of transport systems.

941. In order to harness these opportunities, Government will create strategic alliances with international partners for skills, technology transfer and development in areas such as tracking and intelligent transport systems which use Geographical Information Systems (GIS) and Global Positioning Systems (GPS).

942. Support to local research institutions, organisations and relevant companies in the transport sector will complement this.

943. The capacity of the local motor industry will also be rationalised

and strengthened in the medium term in order to increase the assembling of vehicles suitable for the local environment.

944. Furthermore, incentives, coupled with focused training programmes, will be launched to retain and attract key skilled and experienced personnel.

Safety & Security

945. The country has experienced huge losses of life with more than 30 000 accidents per annum from a national fleet of only about 1.2 million vehicles.

946. Such tragedies have mainly been a result of increasing road accidents related to:

- Poor state of roads and other infrastructure;
- Engineering deficiencies;
- Lack of road signs;
- Unroad-worthy vehicles;
- Human negligence; and
- Corruption in licencing and traffic rules enforcement.

947. The Framework target is, therefore, to minimise loss of lives

and property through a number of interventions including law enforcement, public safety awareness campaigns, defensive driver training, and regular Vehicle Inspection Department checks on vehicle conditions.

- 948. These efforts will be complemented by strict enforcement of regulations on carriage of goods and passengers, stiff penalties to counter human negligence, vandalism, theft, pilferage and hijackings, as well as regular maintenance of transport infrastructure and navigation/signal equipment.
- 949. By-laws prohibiting transit of heavy goods vehicles, especially transit road haulage trucks carrying dangerous cargo, from traversing the city centres and residential areas will be enforced.
- 950. In addition, engineering deficiencies on 'black spots' such as warning signs, road expansion and clearance will be rectified in order to reduce recurrence of accidents.

Investment Funding

- 951. There has been a huge lag in investment in the transport sector during the past ten years, resulting in run down infrastructure,

equipment, as well as the depletion and depreciation of road-worthy transport fleets.

952. In order to adequately finance the transport sector requirements, particularly infrastructure maintenance and development, a number of options which tap from both public and private funding sources will be pursued.
953. These options and combinations include direct Budgetary allocations through the Public Sector Investment Programme (PSIP), and concessionary financial facilities from co-operating development financial institutions.
954. Support for continuous review of tariffs to economic levels in the sector will also allow both public and private companies to remain viable, sparing some of their own resources for capital investment.
955. Furthermore, the introduction of the toll gate system is proving to be a sustainable source of raising resources in support of the maintenance and development of the road network.
956. This also leverages complementary public private partnership investment in road network development.

Transport & Vulnerable Groups

957. The Framework takes cognisance of various challenges facing people living with disabilities and the elderly in terms of mobility and accessibility of transport facilities.
958. Consistent with other countries' legislation prohibiting discrimination against disabled people in a number of areas including physical access and transport, Government will institute measures promoting greater mobility and accessibility of vulnerable groups to transport services.
959. This is in line with the UN Standard Rules on the Equalisation of Opportunities for persons with disabilities adopted by the General Assembly in 1993.
960. In this context, Government will enforce legislation governing access by the disabled to all transport systems and facilities, as well as educating transport operators and the public for greater appreciation of the mobility and accessibility needs and rights of vulnerable groups.
961. Social responsibility which targets subsidising public transport fares for the benefit of vulnerable groups, especially the elderly,

people living with disabilities and children under the age of five years will also be encouraged.

Transport & HIV/AIDS

- 962. Long distance transport sector personnel, as well as workers in temporary camps for transport infrastructure and maintenance, are highly exposed to HIV/AIDS related environments.
- 963. Transport operators will, therefore, be encouraged to strengthen HIV/AIDS awareness and prevention programmes to reduce such risks.

Roads

- 964. Insufficient road maintenance resources, escalating costs associated with inflation, and shortage of skilled technical manpower has left the country's road network comprising 90 000 km, of which 14 000 km are surfaced, 56 000 km all-weather roads, and the rest are earth roads, severely run down.
- 965. Heavy equipment which is necessary for the maintenance of the core tertiary road network is also either in short supply or at the end of its lifespan. Some US\$155 million would be required during the period 2010 - 2012.

Maintenance

966. In 2010, the Framework seeks to mobilise requisite resources for rehabilitation and maintenance works on the road network, while upgrading and expansion, including dualisation, will be undertaken from 2011, all at a total cost of US\$1.5 billion.
967. Routine maintenance works and rehabilitation of run-down roads during 2010 will include pothole patching on paved roads, grading of gravel roads, and maintenance of drainage structures, all targeted at preventing complete collapse of the network.
968. Local authorities in urban areas will also embark on roads rehabilitation programmes, with financial support from ZINARA, to restore acceptable minimum standards.
969. The repair and installation of appropriate road and traffic signs that are less prone to vandalism and in line with regional standards, will also be prioritised as part of the Framework.
970. In addition, the use of weigh bridges by traffic enforcement agencies will be intensified to minimise road damage through axle overloading.

Traffic Management

- 971. Review of traffic flows, together with road expansion works at identified points, will be carried out to reduce traffic congestion, particularly in urban areas.
- 972. Similarly, regulations will be enforced to ensure that heavy vehicles with no business in the respective city centres use ring roads to curb traffic congestion and accident risks.

Private Sector Participation

- 973. As already alluded to, the Framework recognises that Government cannot on its own wholly finance the maintenance and expansion of the road network, given its limited resources against many other public services demands.
- 974. During the Framework period, public private partnerships (PPPs) in the upgrading of road capacity including dualisation, new construction works and maintenance will be pursued on the basis of Build Operate and Transfer (BOT) schemes.

Urban Public Transport

975. Government recognises the importance of an efficient urban public transport system that is also affordable for commuters.
976. However, capacity to deliver, monitor and manage operations of the urban public transport sector is often compromised by challenges related to adequate funding.
977. Therefore, the Urban Public Transport Strategy under this Framework reinforces the need for the re-capitalisation of ZUPCO, bringing in additional private investors, in order to realise its potential in the supply of urban public transport services.
978. Other private operators will be supported to invest in high capacity public transport modes, including buses of capacities above 26 seats.
979. In support of private sector initiatives, Government will continue to review fiscal incentives and concessions over investments in public transport.

Shelter Facilities

980. Local authorities will also provide and improve urban public transport facilities, such as shelters at terminus and bus stops as well as adequate lighting, as part of improving service delivery in their jurisdictions.

Order and Security

981. Law enforcement agencies, in conjunction with the municipal police and commuter omnibus operators and crews, will establish and enforce a framework to ensure sanity and order in public places, particularly at main bus and rail terminuses.
982. This will especially target rank touts whose behaviour has caused untold suffering and property loss to the traveling public.
983. Furthermore, a training programme for public transport operators and their crews will also be implemented in traffic safety, including basic public relations, transport planning and management.

Air Transport

984. As alluded in the section on Tourism, economic challenges coupled with the impact of the country's negative images on

business and tourism, drastically reduced demand for air transport services, which in turn reduced the number of airlines coming into the country.

- 985. Demand for the services of the local airline, Air Zimbabwe, was also reduced, further constraining re-capitalisation capacity.
- 986. Under this Framework, the re-capitalisation of Air Zimbabwe will be supported through bringing on board a strategic partner and other joint venture initiatives which will also address challenges associated with management efficiencies and modernisation of the fleet, currently expensive to maintain.
- 987. The Framework will encourage technical, commercial and marketing co-operative arrangements between domestic and foreign airlines in order to establish and extend international air transport networks.
- 988. In addition, as already alluded to, liberalisation and deregulation measures that remove unnecessary barriers and licencing restrictions in the domestic air transport sector will be adopted to attract other private operators to service internal, regional and international routes.

989. With regards to airport infrastructure, construction and rehabilitation of the country's major airports will require an estimated US\$345 million during the Framework period.

Railway Transport

990. With a market share of about 70% in terms of the movement of bulk cargo, the National Railways of Zimbabwe (NRZ) hauls about 12 million tons of cargo traffic annually, thereby playing a crucial role in servicing key productive sectors of the economy such as mining, manufacturing and agriculture.
991. NRZ also administers a total of 2 592km of railway network in the country with links to overseas markets via seaports.
992. Concessioning of the Bulawayo-Beitbridge Railway line, which was commissioned in July 1999, resulted in the closing of the missing link between Bulawayo and Beitbridge. This led to a reduction in the rail travel distance from Bulawayo to Durban by more than 250 km.
993. The downturn in NRZ's performance over the years has been attributed to a combination of factors which include ageing locomotives and wagons, depreciated rail track lines, vandalism of signals, output decline, high inflation and operational costs, and skills flight.

NRZ Master Plan

- 994. NRZ's re-capitalisation needs, for it to carry out necessary infrastructure rehabilitation and equipment procurement, are high. An estimated US\$420 million will be required during the period 2010 - 2012 for traction and rolling stock, electrical, signaling and track infrastructure.
- 995. Its Master Plan focuses on addressing operational efficiency challenges, skills development, network maintenance, safety and security of the railway infrastructure in 2010. Expansion of the railway infrastructural network and equipment will be addressed from 2011.
- 996. The strategy for 2010 will entail reviewing of passenger operations, financial restructuring including revaluation of assets, allowing track access for contiguous railways, review of non-core assets, operational improvements covering wagon turnaround and stiffer targets for rolling stock productivity.
- 997. From 2011, as improvement in the economic environment gathers momentum, Government will implement the already approved concession strategy.

Railway Infrastructure Maintenance

998. In order to ensure a well-maintained railway infrastructure, rolling stock and communication systems, the Framework provides for investments in the upgrading of the requisite facilities.
999. This will cater for all the three NRZ units, namely, freight, inter-city and commuter passenger services.

Re-capitalisation

1000. This Framework will, therefore, consolidate STERP measures on the NRZ re-capitalisation programme intended to restore its capacity to move bulk commodities at affordable prices.
1001. Given current resource constraints, Government will support the re-capitalisation of NRZ, also focusing on facilitating lines of credit.
1002. Government will pursue public private partnerships in the maintenance and development of railway infrastructure and services through schemes such as joint ventures, concessioning and build operate and transfer (BOT).

1003. In this regard, NRZ operations (freight and passenger services) will be separated from infrastructure provision.

Vandalism

1004. Dealing with vandalism of railway infrastructure is also critical as part of maintaining the value and reliability of the NRZ railway network.

1005. Therefore, stiff penalties for theft, vandalism and sabotage will be imposed in order to enhance the safety and security of infrastructure facilities at railway termini and ancillary facilities such as rail platforms at commuter train stations.

Passenger Trains

1006. The provision of urban and inter-city commuter train services has provided a cheaper and affordable mode of transport to the general public.

1007. These services will be expanded to cover the growing demand in existing operational centres as well as other cities.

1008. Locomotives and wagons will be refurbished at a cost of US\$111 million to meet the new demand and also provide a conducive travelling environment.

Inland Water Transport

1009. Water borne tourism and fishery are the dominant economic activities on various water bodies throughout the country.
1010. Through utilisation of water vessels, about 30 000 tons of tilapia kapenta fish can be harvested annually. Other species that are harvested include tiger and bream fish.
1011. Zimbabwe now has a national fleet of vessels totalling 23 000. The majority of these vessels are small (less than 9 metres in overall length), private use vessels with no distinct permanent operating base.
1012. In view of its contribution to waterborne tourism and commercial fishing, recreational boating as well as water sports, inland water transport system, the regulatory framework will be strengthened.
1013. Particular attention will be paid to enforcement of waterways transport safety, and the necessary statutory regulations related to vessel seaworthiness, among others.
1014. A School of Navigation will also be established to develop the knowledge, skills and attitude of boat crews and shippers.

Freight Forwarding

1015. Freight-forwarding plays an important role in facilitating trade between local and international companies through provision of global transport logistics.
1016. However, over the years, the sector's activities have not been effectively monitored. As a result, there have been a lot of revenue leakages through evasion of import duties and other illicit deals.
1017. To safeguard State revenue, arrangements for closer co-operation between transport operators, ZIMRA and freight forwarding companies will be developed.
1018. Overall industry regulation will also be strengthened in order to minimise unethical conduct of business in the sector.
1019. Furthermore, to enhance efficiency in customs documentation and processing, investment in electronic data interchange and electronic data processing will be made.
1020. Furthermore, freight forwarders will be encouraged to invest in cargo tracing technology, warehousing and distribution centres at Border posts.

Regional & International Co-operation

1021. Zimbabwe is a member of a number of regional and international organisations and conventions relevant to the transport sector.
1022. Participation in these organisations will assist the country to contribute towards the harmonisation of transport policies, legislation and regulations.
1023. Transport regulations and policies will, therefore, be aligned to regional and international practices, Conventions and Protocols, already ratified by Zimbabwe.

WATER AND SANITATION

1024. The deterioration of water infrastructure and decline in investment, coupled with reduced donor support, has negated previous gains of 100% water access coverage in the urban areas and significant coverage of above 75% in service centres and rural areas.
1025. This has hindered poverty reduction efforts, industrial activities and food production, thereby making Zimbabwe more vulnerable to water borne diseases.

1026. The Framework, therefore, proposes interventions for increased investment in water and sanitation during the period 2010 – 2012.

Technical Capacity

1027. The significant reduction in technical capacity experienced over the past ten years is also affecting the performance of all water sector institutions in terms of co-ordination, planning as well as procurement.
1028. The private sector which also played a critical role in supporting Government efforts has also faced an equally dramatic decline in engineering and other relevant technical capacity, coupled with shortages of equipment, spares and chemicals, which has all aggravated the water supply and development situation in the country.
1029. Hence, interventions to overcome water and sanitation challenges will also target enhancing the required technical capacity in both the public and private sectors.

Water Infrastructure

1030. In urban areas, critical challenges relate to ageing water reticulation infrastructure as well as failure to procure adequate water treatment chemicals.

1031. Declining waste water treatment, poor regulation of industrial wastes and inadequate resources to put in place remedial measures have exacerbated water pollution and environmental degradation.
1032. With regards to service centres, the capacity of water and sanitation reticulation facilities run by ZINWA and local authorities has been far outstripped by current demand, with supply at 40-60% of requirements in most cases.
1033. Frequent breakdowns, severe shortage of spares and power outages have exacerbated the fragile situation as most water treatment stations lack standby power sources.
1034. In this regard, the Framework prioritises mobilising resources for the rehabilitation of existing reticulation infrastructure and boreholes as well as procurement of water treatment chemicals.
1035. The total financial requirements to rehabilitate Zimbabwe's water and sanitation infrastructure are estimated at over US\$2 billion, with the breakdown contained in Table 1.

Quality Control

1036. Furthermore, water quality control measures are compromised by shortage of laboratory equipment and, hence, unsafe practices have become prevalent with partially treated water commonly delivered to consumers.

Leakages

1037. In addition, the distribution systems also suffer from heavy leakages estimated at 40% of treated water, leading to severe water rationing, impacting negatively on industrial activities as well as the sanitation needs and welfare of households.
1038. In Harare, already works to begin addressing challenges related to water leakages have been embarked upon, with resources to the tune of close to US\$20 million availed by Government with the support of South Africa. This has also targeted the City's sewerage treatment plants.
1039. The Framework earmarks expanding this programme to other urban centres during 2010 – 2012.

Waste Management

1040. The Framework also targets improvements in waste management within the urban areas. This will entail the procurement of waste removal equipment at an estimated cost of US\$240 million.

Rural Areas

1041. In rural areas, the setting up of newly resettled areas under the Land Reform Programme, the damage caused by cyclones and financial constraints during the past decade have led to significant reduction in access to safe water and sanitation coverage gains.
1042. The impact of reduced and unreliable access to safe water and sanitation facilities has increased the risk of disease outbreaks such as cholera which was experienced during the first half of 2009.
1043. The restoration of rural water supply includes borehole drilling and rehabilitation works during the Framework period at an estimated cost of US\$218 million.

Tariffs

1044. The setting of financially viable tariffs will be maintained in order to sustain water and sanitation provision by local authorities.

Partnerships

1045. Over and above provision of Government resources, public private partnership models will be pursued in the implementation of water development programmes including dam constructions.
1046. Specific programmes and projects include Tokwe-Murkosi, Kunzvi, Gwayi-Shangani and Mtshabezi dams, among others.
1047. Dam construction programmes and projects require US\$615 million during the period 2010 – 2012.

PUBLIC BUILDINGS & FACILITIES

1048. Maintenance of public infrastructure, including Government buildings and facilities, has been worst affected by the brain drain as most professional staff, such as engineers, quantity surveyors, architects, and technicians, have left the country for greener pastures.

1049. Repeated attempts by the Ministry of Public Works to recruit technical staff have failed to produce any positive outcome due to the uncompetitive and poor remuneration package offered by Government.
1050. Hence, most of the current staff are recent college graduates lacking the requisite experience necessary for effective planning, implementation, monitoring and supervision of projects. This has consequently compromised the capacity to implement various public works programmes and projects.

Equipment

1051. Reliance on obsolete and outdated specialised equipment and tools is making effective and timeous implementation of projects difficult.
1052. Effective monitoring and supervision of projects is also undermined by un-availability of adequate transport to undertake project site visits.
1053. Completion of some of the projects has also been affected by capacity constraints facing contractors in terms of equipment, resources and personnel. This is on account of the challenges that the whole country has gone through over the past few years.

Co-ordination

- 1054. The Budget allocations for various projects being implemented are under the respective line Ministries.
- 1055. Before any payment can be effected to the contractor, the Ministry of Public Works must first of all carry out the verification exercise on the work done and being claimed by the contractor.
- 1056. After verification and approval by the Ministry of Public Works, the certificate is submitted to the line Ministry for payment.
- 1057. Whilst this process should take no more than a few days, in practice it often takes about three months, thereby delaying implementation of projects as contractors move off site.
- 1058. Hence, successful implementation of programmes would require better co-ordination of construction funds provided for through the Budget.

Maintenance & Construction Programmes

- 1059. Programmes for the 2010 – 2012 Budget Framework will centre on maintenance and rehabilitation of public infrastructure, including Government buildings.

1060. Priority will be on the completion of on-going construction projects. However, all non-funded construction projects will face demobilisation until funds are made available, that way avoiding incidences of charges related to idle time.
1061. Other critical components of the maintenance and construction programme include skills development and retention, support for cadetship and apprenticeship programmes, in-house training, as well as provisions for tools of the trade.

Physical Planning

1062. Physical planning facilitates accelerated investment within the country's built environment, impacting on key areas such as tourism, industry, SMEs, housing, construction, and service delivery by local authorities.
1063. Government will identify suitable sites and locations for land development, as well as institute the fast tracking of permit procedures to accelerate the development of such diversified activities as housing, amenities, utilities and infrastructure.
1064. During the Framework period, Government has lined up the following key productive sectors and activities:

Tourist Zones

- 1065. The Framework has identified and accorded spatial planning priority to settlements that have shown tourism flagship status for investment preparedness.
- 1066. These include spatial plan sites in Victoria Falls, Kariba, Beitbridge, Chirundu and Plumtree.
- 1067. To facilitate accelerated development of all related and supportive land uses and infrastructure in such identified tourist zones, an Integrated Development Planning approach will be followed.

Housing Standards

- 1068. With regards to housing, Government intends to bring on board the main players in the sector, to come up with a Spatial Planning Monitoring and Evaluation Strategy for improved housing delivery.
- 1069. This will entail review of housing standards, focusing on super structure plans and infrastructure related standards.

1070. Other activities to come under the same programme and intended to contribute towards the review and enhancement of the National Housing Policy will include land identification, development plan permits and procedures.
1071. Resources will be mobilised for capacity building needs in order to effectively carry out the above programmes.

Spatial Planning for SME Zones

1072. Government will support the development of industrial and marketing clusters and special zones in order to facilitate coherent SME development.
1073. This will be in partnership with local authorities and other stakeholders, under the Spatial Planning Support Programme for Accelerated SME Investment.
1074. This will also embrace identification of SME investment zones, with site identifications and layouts prepared in compliance with the strategy for SME work-space provision and formation of clusters. Central will be the adequacy of funding to both local authorities and investors for servicing and for super structures.

Service Infrastructure

1075. Service infrastructure remains critical for the efficiency of utilities through development of network patterns and configuration of services and utilities in all planned development schemes.
1076. Government will, therefore, review the Regional, Town and Country Planning Act, as well as the Layout Design Manual. This will be complemented by capacity building in spatial planning within Government and at local authorities.
1077. Furthermore, the identification of zones for accelerated development, including sites for the development of tourist facilities in tourist areas will be undertaken.
1078. Similarly, identification of land for housing development in both the major and small towns will require preparation of new layout plans compliant with strategies to integrate housing with social amenities.

Civil Protection

1079. Interventions to improve disaster risk management will see

the development of a National Risk Reduction Strategy and disaster risk reduction planning at provincial, district and community levels, inclusive of schools.

1080. This will be complemented by procurement of adequate disaster management equipment, estimated at 320 units for both fire and ambulance services.

PUBLIC ENTERPRISES

1081. In line with STERP, the thrust of public enterprise reforms under this Framework is focussed at reducing their dependency on the fiscus and at enhancing their contribution to economic turnaround.
1082. There will be challenges which will be encountered during the process of reviewing public enterprise operations and mandates.
1083. These will include such inherent inhibitions as resistance to change, delays in decision making, among others, notwithstanding the prevailing dynamic and globalised business environment.

Reform Thrust

1084. The development and implementation of state enterprises and parastatals' reform strategies will be guided by procedures already approved by Cabinet, and under which individual organisations will be categorised into three clusters, i.e. commercialisation, privatisation, and restructuring.
1085. Given the strategic nature of most of the utilities' state enterprises and parastatals, consideration shall be made for either restructuring or privatisation, bringing on board strategic and joint venture partners.
1086. Commercialisation of identified state enterprises, parastatals and Government departments will also be considered. Focus will be on increasing production and earnings, reducing borrowings and recourse to the fiscus, and creating an environment of greater competition.

Roll Out

1087. The roll out of the public enterprise reforms will start with the major state enterprises and parastatals in the utilities and infrastructure sectors. This will also involve the participation of all key stakeholders.

Governance Framework

1088. To ensure compliance with the principles of international best practices by state enterprises and parastatals, the Corporate Governance Framework will be finalised and implemented during 2010.
1089. Key performance indicators to monitor and evaluate performance of individual state enterprises and parastatals in terms of financial and service delivery are being put in place for the strategic enterprises. This is benefiting from the input of the respective line Ministries and parastatals' management.
1090. The thrust with regards to the legal and regulatory environment will be on carrying out both review of individual parastatals' mandates, as well as review of their prevailing legislative frameworks.
1091. This is meant to improve sound corporate governance and performance, remove duplication among some state enterprises, Government departments and agencies, as well