POLICY ADVICE GIVEN	REFERENCE	IMPLEMENTATION PROGRESS	IMPACT	COMMENT
requirements			banking	
effective September 2004			institutions in line with international best practices.	
Labour, Business and	Paragraph 2.76,	i. The challenges the	i. Demand for higher	
the public sector urged	Page 25	economy is facing have	wages persist against	
to exercise restraint in setting prices, wages and services charges.		made it difficult to achieve any projects	the background of continuous rise in prices	
Fiscal discipline- Line Ministries urged to operate within budgeted programmes	Paragraph 3.25, Page 38	i. Some line ministries are implementing cash budgeting while some continue to spend beyond their allocated budgets.	i. Expenditure management has been enhanced. ii. Expenditure overruns by some line Ministries has, however, contributed to inflationary pressures.	
Conservancies- Government urged to address concerns hampering the wildlife sector from effectively contributing to foreign currency generation. This includes:	Paragraph 5.25 Page 21	i. Inter-government Bilateral Investment Promotion and Protection Agreements (BIPPAs) being ignored in some cases. e.g. farm invasions	i. Minimal/constrained contribution to foreign currency generation. ii. Infrastructure destruction retards development iii. Poaching leads	

POLICY ADVICE GIVEN	REFERENCE	IMPLEMENTATION PROGRESS	IMPACT	COMMENT
			to	
i. Protection of private property; ii. Poaching and rampant cutting down of trees; iii. Cutting of Conservancies perimeter fences; and		ii. Poaching and cutting down of trees still rampant. iii. Foreign currency leakages within the sector. iv. These have still not been	extinction of wildlife. iv. Tree cutting results in land degradation and loss of potential foreign currency earnings. v. Erosion of confidence vi.Lack of security of	
iv. Review of tenure of leases.		issued.	tenure scaring investors.	
Introduction of toll gates along the country's main	Paragraphs 5.32 Page 53	i. Toll fees being collected at border posts.	i. Toll gates generate foreign currency through fees charged	
highways through Build Operate and transfer (BOT) schemes		ii. Construction has, however, been delayed by the unavailability of forex required to put up state of the art infrastructure.	on international traffic.	
Zimbabwe Revenue Authority (ZIMRA) and Civil Aviation Authority of Zimbabwe (CAAZ) urged to improve service delivery at the country's points of	Paragraph 5.36 Page 54	i. ZIMRA has now improved service delivery at border posts. ii. $630 billion allocated by RBZ under PARP to CAAZ for the refurbishment of the	i. Faster clearance of goods. ii. Promotion of tourism. iii. Convenience to the country's visitors.	

POLICY ADVICE GIVEN	REFERENCE	IMPLEMENTATION PROGRESS	IMPACT	COMMENT
entry i.e. good treatment of visitors, reduction of waiting period.		country's airports.	iv. Enhanced revenue collection.	
Paradigm shift at household, firm, Government and municipal level in terms of transforming operation systems to optimise usage of resources e.g. reduction in burst pipes and equipment breakdowns.	Paragraph 5.43, Page 55	i. Efforts being made to alert stakeholders	i. Efficient utilisation of resources and improved service delivery still to be realised.	
Put in place a performance based contract system for the top management in parastatals	Paragraph 6.65, Page 71	i. Progress is slow	i. Efficiency in management of parastatals and service delivery systems compromised. ii.Continue to drain the fiscus.	
Real Estate Agents urged to facilitate access by Zimbabweans abroad to affordable and decent housing	Paragraph 6.1 Page 56	i. Estate agents advertising their property to Zimbabweans living abroad in conjunction with Homelink.	i. There is potential to generate foreign currency but there is low interest from non-resident Zimbabweans due to the perceived low exchange rate.	

POLICY ADVICE GIVEN	REFERENCE	IMPLEMENTATION PROGRESS	IMPACT	COMMENT
RBZ to issue foreign currency bonds for non residents Zimbabweans with effect from 1 August 2004	Paragraph 6.35 Page 63	i. Bond issued.	i. Response was below expectations (with only four subscribers amounting to USD32000) due to perceived country risk, hence low foreign currency generation from Zimbabweans living abroad	
Zimbabweans in the diaspora encouraged to form consortiums for equity shareholdings in corporates.	Paragraph 6.70 Page 71	i. This has not yet happened	i. Low foreign direct investment.	
Corporate sector reminded to work towards re-orienting their operational and financial positions for a uniform interest rate structure	Paragraph 7.10 Page 75	i. Dual interest rate framework still in place. ii. There is still wide divergence between concessional and market rates	i. Prolonged uniformity of interest rate structures in the various financial institutions	
Banking sector implored to align their interest regimes to inflation linked monetary policy	Paragraph 7.22 Page 78	i. Banks' lending rates are adjusted in line with inflation developments. Deposit rates, however, remain low and	i. Low savings.ii. High lending costs passed to the borrower.	

POLICY ADVICE GIVEN	REFERENCE	IMPLEMENTATION PROGRESS	IMPACT	COMMENT
framework i.e. 10-20% above inflation		negative in real terms.		
Government urged to ensure that existing dams are put to productive use (income generating projects)	Paragraph 8.15 Page 86	i. Progress is slow due to financial constraints.	i. Production in agriculture remains low.	
Banking sector encouraged to renew their confidence and trust in the agricultural sector, taking advantage of the 99 year lease	Paragraph 8.36 Page 89	i. Started to issue 99 year lease agreements but the Process is slow	i. Funding of the agricultural sector by banks continue to be through ASPEF only.	
arrangement.				
Put in place long-term frameworks that allow for pooled procurement of inputs, discharge of tillage programs and marketing arrangements that support the revival of agriculture. (Ministry of Lands)	Paragraph 8.42 Page 90	i. Progress is slow	i. Development in agriculture, the back bone of the economy remains sluggish.	
Increase focus on technological advancement and	Paragraph 9.18 Page 97	i. Progress is slow largely reflecting foreign exchange challenges	i. Sub optimal crop yields impacting negatively on food security and	

POLICY ADVICE GIVEN	REFERENCE	IMPLEMENTATION PROGRESS	IMPACT	COMMENT
mechanisation			foreign exchange generation.	
Financial sector encouraged to set up branches in and around rural and new agricultural communities in order to bring banking services closer to people	Paragraph 9.29 Page 100	i. Financial services remain restricted to urban areas. ii. Rural areas remain unbanked and starved of financial assistance.	i. Low profitable business in rural and agricultural areas makes it difficult for banks to expand their existing network.	
Ministry of Industry and International trade to consider the	Paragraph 9.24 Page 99	i. No measures put in place as yet.	i. Beneficiation take-off is slow. Impacts on foreign currency generation and	
possibility of setting ceilings on unprocessed exports as a way of			exchange rate stability. ii. Industrialisation	
promoting beneficiation.			advancement is constrained	
Real Estate Agents urged to stop underhand practices, such as quoting property prices in foreign exchange, wanton hiking of rentals and parallel market trading.	Paragraph 9.44 Page 104	i. Real estate agents are largely complying with exchange control regulations. ii. Rental increases being done in line with movements in inflation and demand for properties	i. Reduces illegal and inflationary activities in the economy. ii. Rental inflation contained.	

POLICY ADVICE GIVEN	REFERENCE	IMPLEMENTATION PROGRESS	IMPACT	COMMENT
Airline industry encouraged to charge for their tickets in local currency to promote air travel	Paragraph 9.46 Page 104	i. Airlines charging in foreign currency except Air Zimbabwe which charges in local currency.	i. The airlines argue that charging in local currency negatively impacts on the viability of airlines where the bulk of its expenses are in foreign currency.	
RBZ to insist on the production of quarterly progress reports on the implementation of turnaround plans and publication of accounts by parastatals	Paragraphs 10.8 Page 107	i. Parastatals audited and/ or unaudited accounts lagging behind and not being published.	i. Performance measurement remains blurred due to lack of transparency and accountability by parastatals. ii. Service delivery remains inefficient	
Authorities encouraged to respect existing and future investment protection agreements.	Paragraphs 10.8 Page 107	i. Ongoing.	i. Violation of BIPPAs reduces investor confidence.	
Zimbabwe to enhance the repayment of arrears to the international creditors	Paragraphs 11.2 Page 108	i. Zimbabwe has cleared its IMF arrears on the General Resources Account and made partial payments to AfDB and the World Bank.	i. Repayment of arrears contributes to the normalisation of the country's relations with the international community. ii. Improvement in the country's credit worthiness	

POLICY ADVICE GIVEN	REFERENCE	IMPLEMENTATION PROGRESS	IMPACT	COMMENT
RBZ to undertake study visits to other countries to learn how they succeeded.	Paragraph 13.3 page 43	i. Visits have been made to South Korea, Russia, Turkey and China	i. Learnt from the experiences of other countries. ii. Prospects of investments from these economies have brightened	
Production of an economic blue-print	Paragraph 13.4 page 43	i. NEDPP was instituted.	i. Economic programme to guide the nation's policies under a coordinated approach that includes Government, Business and Labour.	

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POLICY ADVICE GIVEN	REFERENCE	IMPLEMENTATION PROGRESS	IMPACT	COMMENT
Bank Charges – RBZ called upon banks to charge reasonable service fees.	Paragraph 4.21, page 38	i. services charge now reasonable ii. RBZ has no legal authority to determine bank charges which banks should use.	i. encourages the public from maintaining savings with banks	
Troubled Bank Resolution Framework	Paragraph 3.30 (e), Page 17	i. Implemented. Formation of ZABG was part of the TBR Framework. ii. Allied Financial	i. Instilled confidence in the banking sector. ii. Ensured the existence of a safe and	

POLICY ADVICE GIVEN	REFERENCE	IMPLEMENTATION PROGRESS	IMPACT	COMMENT
			sound	
		Services in place and has an operational Board.	adequately capitalised banking system.	
Registration of non-banking financial institutions	Paragraph 3.64 – 3.70, page 26 - 27	i. 17 AMCs issued with perpetual licenses.	i. Improves financial sector regulation and supervision.	
Banks to offer high returns on savings	Paragraph 4.26, page 39	Deposit rates remain low and negative in real terms.	i. Discourages savings mobilisation and investment remains low.	
Educating the public on inflation by relevant stakeholders such as	Paragraph 5.5, page 42	Awareness done through the CCZ monthly publications and	i.Understanding of the inflation phenomenon has improved.	
CCZ		press statements.		
Pricing systems reflective of market fundamentals	Paragraph 5.7, page 42	Pricing is still being done based on replacement cost. Some basic commodities are under price controls. Some public enterprises and local authorities are charging sub economic prices. Price distortions exist for commodities like fuel and grain.	i. Continual increase in prices. ii. Viability problems for producers iii. Poor service delivery. iv. Price distortions present arbitrage opportunities and encourage rent seeking behaviour	
Fiscal Discipline	Paragraph 5.13,	i. Government trying to live within its means but hyperinflationary environment hampering	i. Complemented	

POLICY ADVICE GIVEN	REFERENCE	IMPLEMENTATION PROGRESS	IMPACT	COMMENT
		progress.		
(a) containment of expenditure levels to budgeted thresholds, thus avoiding **supplementary budgets**; (b) avoiding awards of **unplanned benevolent or gratuity payments** that are unrelated to current production activities or real economic growth.; and	page 44 Paragraph 5.13, page 44	ii. Supplementary budgets still being done. ii. Expenditure pressures are mainly on the recurrent side to meet wage demands and operational costs. iii. No gratuity payments awarded since 2003.	monetary policy efforts in the fight against inflation by reducing monetary expansion as the government ran a surplus throughout the year.	
(c) Complementarity between fiscal and monetary policy initiatives	Paragraph 5.13, page 44	iv. Budgets issued to complement monetary policy statements. v. Government still has recourse to RBZ overdraft.		
Revision of CPI Basket	Paragraph 5.28, page 47	i. Basket revised in June 2005 and base year changed to 2001. ii. CSO to carry out an Income and expenditure survey in 2007 to rebase CPI Basket to 2007	i. The current weighting of the consumer basket is more reflective of current households' expenditure and consumption patterns.	

POLICY ADVICE GIVEN	REFERENCE	IMPLEMENTATION PROGRESS	IMPACT	COMMENT
Utilisation of ZETSS	Paragraph 7.7, page 53	ZETSS utilisation has improved as shown by the volumes and values of ZETSS transactions as compared to cheque transactions. A Z$50 million threshold implemented for cheques above which can only be transacted using ZETSS.	i. Reduces risk of non-settlements. ii. Secure and efficient settlement systems. iii. Speeds up economic transactions.	
		Cash withdrawal set at $4.5 million and $1.5 million to encourage use of ZETSS.		
Interest rate policy Maintain concessional rates at 50%	Paragraph 6.3, page 48	Concessional rates remain at 50%.	i. Lowered cost of funding for the productive sector. ii. Market interest rates adjusted in line with developments on the inflation front.	
Extension of Bearer Cheques lifespan	Paragraph 7.19, page 55	New Bearer cheques issued in August 2006.	i. The bearer cheques have enabled Authorities to meet current demand for currency. ii. Provides room for the smooth phasing out of the bearer cheques.	

POLICY ADVICE GIVEN	REFERENCE	IMPLEMENTATION PROGRESS	IMPACT	COMMENT
Reviewing of the Diaspora rate	Paragraph 8.15, page 59	Diaspora rate reviewed to Z$250 x 60 multiplier, effective 26 April 2007.	i. Enhanced exporter viability and foreign exchange inflows from non resident Zimbabweans and other holders of free funds.	
Enhanced carrot and stick export retention scheme	Paragraph 9.11 (b), page 67	Surrender requirements at 40% for all exporters with the 60% sold at $250 x 60, effective 26 April 2007	i. Availability of more foreign currency to exporters for importation of inputs. ii. Enhances export viability.	
Gold support price	Paragraph 11.4, page 77	Support price increased to Z$350 000 per gram as at 26 April 2007	i. Restored viability of gold producers. ii. Encouraged delivery of gold through the formal channels.	
Homelink Housing Development Scheme	Paragraph 12.12, page 81	i. Ongoing, demand is low due to the perceived exchange rate overvaluation.	i. Foreign currency inflows from Zimbabweans living in the Diaspora have been minimal.	
Ensure that regulatory provisions around parallel market dealing are tightened further.	Paragraph 8.30, page 61	i. Although Authorities intervened, the parallel market is still widening.	i. Widening parallel market activity.	

POLICY ADVICE GIVEN	REFERENCE	IMPLEMENTATION PROGRESS	IMPACT	COMMENT
Need to protect the interests of investors in the Mining sector, by ensuring that: (b) Investors get viable returns on their investments, through supportive Exchange Control regulations, that allow dividend remittance; and	Paragraph 10.6, page 72	i. New mining legislation not yet finalised ii. The unavailability of foreign currency is still a challenge in remitting all approved dividends.	i. Reduces investor confidence. ii. Improves viability of the sector	
Formation of Joint Ventures between existing shareholders and local investors in the Mining Sector	Paragraph 10.17, page 75	i. Little progress due to delay in the finalization of mining legislation	i. Has brought a lot of anxiety to both existing and potential investors.	
Financial sector to support agrarian reform	Paragraph 13.10, page 87	i. Banks not playing their traditional role due to risk factors.	i. Burden on RBZ with agriculture being funded through ASPEF.	
Increased support of the Construction Industry by the Insurance, Pension Funds and Building Societies	Paragraph13.39, page 93	i. Lack of adequate resources to support construction industry.	i. Construction industry is declining.	
Establishment of common ground on sustainable pricing	Paragraph 13.41, page 93	i. Pricing in the real estate still largely driven by inflation and	i. Prices have continued to escalate contributing to inflationary pressures in	

POLICY ADVICE GIVEN	REFERENCE	IMPLEMENTATION PROGRESS	IMPACT	COMMENT
regimes in Real Estate		parallel market developments.	the economy.	
Advice to concessional facilities beneficiaries to desist from abusing funds.	Paragraph 13.78, page 102	i. Tight monitoring of the usage of funds being implemented. ii. On-site inspections. iii. Payments made directly to suppliers.	i. Appropriate utilisation of funds to stimulate supply response and reduce inflation.	
Alternative Energy Sources.	Paragraph 13.79, page 101	i. Projects underway in Jatropha plantation. ii. Investors being sought for uranium and methane extraction.	i. Reduces pressure on foreign currency requirements. ii. Boosts the country's energy sector. iii. Savings on foreign exchange.	
Resuscitation of the National Productivity Centre	Paragraph13.86, page 103	i. National Productivity Centre still not operational	i. Lack of productivity enhancement through scientific research.	
Public Enterprise Reform	Paragraph 13.91, page 104	i. Progress for most public enterprises reforms is slow.	i. Unlocks positive supply responses beneficial to the economy. ii. Parastatals still remain a major drain to the fiscus.	

POLICY ADVICE GIVEN	REFERENCE	IMPLEMENTATION PROGRESS	IMPACT	COMMENT
Foreign Investment Protection	Paragraph 15.13, page 114	i. Inter Ministerial Taskforce on Bilateral Investment Promotion and Protection Agreements (BIPPAS) was formed but, progress on resolution is slow.	i. Slow progress affects efforts to attract greater investor participation in the economy. ii. Creates negative investor perception about the economy.	
Social Contract	Paragraph 16.1, page 115	i. TNF discussions resumed, however, no agreement has been reached.	i. Prices continue to increase because of lack of commitment by three parties to the contract. ii. The demand for higher remuneration by employees continues.	
Transparency of the Indigenisation and Empowerment Programmes	Paragraph 16.17 - 16.22, page 119	i. Policy not clear.	i. Creates anxiety among potential and existing investors.	
Completion of the Land Reform Programme and implementation of recommendations highlighted in the Utete Land Reform Commission Report	Paragraph 17.13(a), page 123	i. New invasions still being reported.	i. Limited investment on newly acquired land. ii. Negatively affects investment in agriculture	

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POLICY ADVICE GIVEN	REFERENCE	IMPLEMENTATION PROGRESS	IMPACT	COMMENT
Government and private sector urged to ensure balanced and forward looking wage and salary reviews	Paragraph 4.10 (e), Page 16	i. Wage and salary reviews largely linked to inflation due to the hyperinflationary environment.	i. Wage indexation has contributed to inflationary pressures in the economy.	
Government implored to adopt transparent pricing models for fuel	Paragraph 4.10 (f), Page 16	i. The sector has been deregulated to allow private sector participation and other direct fuel importers.	i. Improved fuel supply and stabilised fuel prices.	
Government urged to exercise fiscal restraint.	Paragraph 5.5, Page 19	i. Efforts towards fiscal tightening affected by inflation.	i. Budget deficit for 2005 revised to 8.7% of GDP up from the initial target of 7.5% of GDP.	
Government called upon to map up transparent investor friendly national empowerment policies	Paragraph 10.31, Page 41	i. Consultations taking place to come up with a comprehensive economic empowerment policy	i. Investors still awaiting the finalisation of the framework to make informed decisions.	
		framework.	ii. The proposed economic empowerment policy may deter investment if implemented	