



**A CATALOGUE OF POLICY ADVICE GIVEN BY
THE RESERVE BANK OF ZIMBABWE
TO THE NATION
DECEMBER 2003 TO DATE**

SUPPLEMENT TO THE 2007
FOURTH QUARTER MONETARY POLICY REVIEW STATEMENT

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JANUARY 2007

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INTRODUCTION

1. It is exactly 48 months since the advent of the stewardship and tenure of this Governor, which began in December 2003. Over this period, your Central Bank is on record for having continuously extended to the nation, a battery of policy suggestions and advice on the indispensable and strategic ingredients vital to stabilize our economic environment and hence lay the foundation of sustained growth and development.

2. As can be attested to by the contents of all the Monetary Policy pronouncements we have presented to the nation to date, our advice have mainly been inspired by our clear and collective objective to build a stronger and bolder Zimbabwean economy which derives its character from:
 - i) Low and Stable Inflation
 - ii) Stability in agriculture production and food security;
 - iii) Adequate foreign exchange reserves, enough to guarantee at least six months import cover.
 - iv) Investor friendly economic and other policies which lay the base for sustained foreign investment inflows for the betterment of our collective well being as Zimbabweans.

 - iii) Unity of purpose among social partners i.e. Government, Labour, Business and Civic Society in general so as to allow for investment of time and effort in constructive productive activity as opposed to needless conflict;
 - iv) A disciplined financial sector which commands respect and confidence from within and without our borders.
 - v) An efficient Government, Parastatal and Local Authority Sector that is the pride and envy of other countries in Africa and beyond.

3. It is, however, exceedingly dismaying to note that a rear reflective assessment of the Nation's progress when it comes to implementation of these modest and well thought-out recommendations towards the economically stable Zimbabwe we all envision paints a picture of a nation lacking the requisite commitment and discipline to transform its economic fortunes for the better, particularly when it comes to the following areas:
 - i. the fight against corruption and indiscipline;
 - ii. stakeholder unilateralism and the pursuit of selfish sectoral interests;
 - iii. instilling overall discipline in matters of policy implementation;
 - iv. monitoring and review in most Government ministries and departments; and
 - v. Restraining fiscal expenditures and enhancement of agricultural productivity.

4. With the aforementioned slippages that occurred on the implementation front over the last 48 months, it should therefore not come as a surprise to any Zimbabwean, Great, Small and otherwise that our country has continued on the downward and inevitable path of economic decline with inflation remaining the country's number one enemy.
5. To this end, members of the public have had to unnecessarily continue to lead a life of shortages and economic inconvenience characterized by power blackouts, water cuts, lack of basic commodities and lately cash shortages.
5. This supplement, therefore, is an up-dated continuation of a similar publication we presented in October 2007 which outlines and presents the catalogue of recommendations the Central Bank made to the nation since December 2003 to December 2007.
6. As Monetary Authorities, we verily hope and strongly recommend that all Zimbabweans will take this consolidated reflection as an instrument to guide and aid individual and institutional self introspection with the end result being a resolve by all of us to act differently through playing our respective roles in the turnaround journey.

THANK YOU



DR. G. GONO
GOVERNOR

MID-TERM MONETARY POLICY REVIEW STATEMENT 1 OCTOBER 2007

POLICY ADVICE GIVEN	REFERENCE	IMPLEMENTATION PROGRESS	INTENDED IMPACT
Recommend Government to re-align the country's international termination rates in the Telecommunications sector in line with international levels	Pg 28, Paragraph 4.16	Telecommunication termination rates have not yet been fully adjusted to international levels.	<ul style="list-style-type: none"> To realize full value for telecommunications services and unlock value in this sector.
National Incomes and Pricing Commission advised to recommend cost effective tariffs for parastatals.	Pg 37, Paragraph 5.26	ZINWA, ZESA and Air Zimbabwe have partially adjusted tariffs as part of efforts to ensure viability of operations.	<ul style="list-style-type: none"> To enhance the viability of key public state owned enterprises and ensure efficient service delivery.
Advised banking institutions to actively engage each other through a flourishing inter-bank market	Pg 44, Paragraph 6.12	Active inter-bank trading taking place in the financial market. Some financial institutions are, however, still resorting to punitive overnight accommodation.	<ul style="list-style-type: none"> To reduce reliance on the overnight window and curtail money supply growth.
Urged shareholders of banks to ensure that their institutions are well capitalized.	Pg 44, Paragraph 6.13	All banks are well capitalized and the banking sector is currently safe and sound.	<ul style="list-style-type: none"> To foster banking sector soundness and stability.
Cotton merchants should pay cotton growers prices that are in line with import parity levels.	Pg 58, Paragraph 6.85	The next cotton crop will be marketed in April-August 2008 and a marketing framework has already been developed.	<ul style="list-style-type: none"> To ensure viability of cotton growers.

POLICY ADVICE GIVEN	REFERENCE	IMPLEMENTATION PROGRESS	INTENDED IMPACT
<p>Tourism industry advised to work out modalities of usage of international credit cards as means of payment.</p>	<p>Pg 69, Paragraph 6.149</p>	<p>The Tourism industry still to finalize the modalities to use international credit cards as a means of payment.</p>	<ul style="list-style-type: none"> • To enhance payment convenience for tourists and facilitate transactions. • Stimulates tourism activities in the country.
<p>Legislators and Government advised to strike a fine balance between the objectives of indigenization and the need to attract foreign investment through a gradual approach.</p>	<p>Pg 80, Paragraph 7.2</p>	<p>Indigenization thresholds proposed by the RBZ have not yet been embraced.</p>	<ul style="list-style-type: none"> • To promotes fair valuation, reasonable return by initial investors and smooth transition from old to new shareholders.
<p>Government and relevant Authorities advised to expedite finalization of on-going reviews of the mining legislation.</p>	<p>Pg 84, Paragraph 9.6</p>	<p>Amendments to the Mines and Minerals Act still under review.</p>	<ul style="list-style-type: none"> • To restore investor confidence in the Mining Sector and promote mining sector development.

INTERIM MONETARY POLICY REVIEW STATEMENT 26 APRIL 2007

POLICY ADVICE GIVEN	REFERENCE	IMPLEMENTATION PROGRESS	INTENDED IMPACT
<p>Need to build environment free of disruptive policy inconsistencies and enhance viability of business</p>	<p>Paragraph 1.12 & 1.13, page 5</p>	<p>Government, Business and Labour committed themselves to the implementation of credible macroeconomic policies to stabilize the economy within the context of the Social Contract signed on the 1st of June 2007</p> <p>Policy inconsistencies still exist in some areas particularly with regard to the pricing of some goods and services.</p> <p>Business viability still being eroded by inflation hence the need to institute corrective measures.</p>	<ul style="list-style-type: none"> • Enhance business viability • Boost business confidence through credible and consistent policies, • attract investment into the country
<p>Develop dams and irrigation infrastructure and enhance land utilization</p>	<p>Paragraph 1.18 & 1.31, page 6 & 7 respectively</p>	<p>RBZ Availed funds for dam construction and irrigation development.</p> <p>Resources from the National Budget still insignificant</p> <p>Most dams are however still incomplete.</p>	<ul style="list-style-type: none"> • Boost agricultural production through increased crop hectrage, • Enhance employment output and increase foreign currency generation • Enhance land utilization

POLICY ADVICE GIVEN	REFERENCE	IMPLEMENTATION PROGRESS	INTENDED IMPACT
Timeous importation of agriculture inputs for Winter & Summer crop	Paragraph 1.23, page 6	The Government and the RBZ have secured foreign lines of credit for the importation of agricultural inputs in support of the winter and summer crops	<ul style="list-style-type: none"> • Ensure timely availability of raw materials • Boost foreign exchange • Stabilization of food inflation
Removal of price controls and subsidies	Paragraph 1.37 & 1.38, page 8	<p>Price controls instituted on selected commodities as part of current efforts to stabilize prices in the economy</p> <p>Price of a few other commodities are currently being monitored</p> <p>Subsidies still exist in selected commodities such as grain, fuel and electricity</p>	<ul style="list-style-type: none"> • Reduction of Government expenditures and reallocate resources towards infrastructural development • Ensure a viable pricing structure that takes production costs into account
Maintain momentum for the fruition of Social Contract	Paragraph 2.5, page 8	<p>Government, Business and Labour signed the Social Contract Protocols on the 1st June 2007.</p> <p>Focus is now on the implementation of agreed terms, as embodied in all the three Protocols.</p>	<ul style="list-style-type: none"> • Stabilize the economy through stimulating supply and reducing inflation to stable levels.

POLICY ADVICE GIVEN	REFERENCE	IMPLEMENTATION PROGRESS	INTENDED IMPACT
Realignment of prices of wheat and maize	Paragraph 2.11, page 9	Government has reviewed the Producer Prices of maize and Wheat, but there is still need for further alignment to ensure grower viability.	<ul style="list-style-type: none"> Put in place a pricing policy that takes production costs in to account and eliminate subsidies.
Raising of duty levels and broadening of non-essential items attracting import duty in foreign currency	Paragraph 4.17, page 16	<p>Government has not raised duty levels, Raising duty levels will be contrary to current regional efforts towards Free Trade Areas.</p> <p>The list of products attracting duty in foreign currency has not been broadened.</p>	<ul style="list-style-type: none"> Reduce importation of non essentials Encourage importation of critical inputs Boost foreign currency generation
Curbing smuggling of gold	Paragraph 5.3, page 17.	<p>Government implemented Operation 'Chikorokoza Chapera' as part of current measures to curtail the smuggling of precious minerals</p> <p>There is still scope to intensify measures to curb smuggling of precious minerals.</p>	<ul style="list-style-type: none"> Increase gold deliveries to Fidelity Printers and Refineries Boost foreign currency availability
Establishment of the Tourism Development Fund	Paragraph 7.3, page 30	<p>The RBZ has put in place a Tourism Development Fund to the tune of Z\$10 billion.</p> <p>The Funds have not been utilized as yet.</p>	<ul style="list-style-type: none"> To support, upgrade and refurbish tourism amenities so as to increase the foreign currency generative capacity of the country

POLICY ADVICE GIVEN	REFERENCE	IMPLEMENTATION PROGRESS	INTENDED IMPACT
Development of Tourism Infrastructure through Public Private Partnerships (PPPs)	Paragraph 7.5 page 30	Opportunities for PPPs remain largely untapped. These include opportunities to develop tourism infrastructure through initiatives such as Joint Venture, Build Own Operate, and Build Operate Transfer.	<ul style="list-style-type: none"> • Development of world class Tourism infrastructure • enhances foreign currency generation capacity
Finalization of Mining legislation	Paragraph, 7.11, page 31	<p>Draft mining legislation still under review.</p> <p>Delays in finalizing the legislation continue to undermine investor confidence and retarding growth prospects in the mining sector.</p>	<ul style="list-style-type: none"> • increases investment in the mining sector • encourage long term investment in the sector • Increase mineral output and boost foreign currency earnings
Speed up issuance of 99 year leases	Paragraph 8.23 page 34	<p>Government started issuing 99 year leases in December 2006, but this has progressed at a slow pace.</p> <p>Efforts are however being directed at stepping up the issuance of the 99 year leases.</p>	<ul style="list-style-type: none"> • Ensure security of tenure in the agricultural sector • Enable farmers to borrow from the banking sector • Encourage farmers to engage in long term investments on farms

POLICY ADVICE GIVEN	REFERENCE	IMPLEMENTATION PROGRESS	INTENDED IMPACT
Reclassification of diamond as a national reserve	Paragraph 9.24 page 46	Reclassification of diamond as a national reserve asset under the management of the RBZ is a matter that has been put across for consideration by relevant authorities	<ul style="list-style-type: none"> • Ensure that the country receives maximum benefit from diamond mining in terms of foreign currency earnings
NOCZIM-GMB Synergies	Paragraph 9.48 page 48	<p>Disorder and unstructured Diamond mining activities continues to stifle growth</p> <p>NOCZIM and GMB still exploring the possibility of creating synergies in the provision of inputs using GMB nationwide branch network</p>	<ul style="list-style-type: none"> • Create one-stop shop for farmers to get their fuel and other inputs from GMB depots • Enhances efficiency in the acquisition of essential inputs

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POLICY ADVICE GIVEN	REFERENCE	IMPLEMENTATION PROGRESS	INTENDED IMPACT
Appropriate maize pricing for millers	Paragraph 3.20 page 9	i. Millers still receiving maize at subsidized prices.	i. To reduced burden on the fiscus thus reducing inflationary money supply growth. ii. To curbe corruption and rent seeking behavior.
Remove misalignment in fuel prices for the agriculture sector and public transport	Paragraph 3.26 page 10	The misalignment between fuel prices for the agriculture sector and public transport still exists	i. To encourage farmers to undertake their core business of farming and transport operators to transport the public.
Implementation of appropriate utility tariffs	Paragraph 3.26 page 11	i. ZESA is still charging end user tariffs that are lower than the cost of supply. ii. ZINWA and Local Authorities tariffs are now being reviewed.	i. To allow parastatals to recapitalize their operations ii. To reduce burden on the fiscus thus curbing money supply growth and inflation.
Review of fertilizer prices to reflect cost of production	Paragraph 3.38 page 12	Fertilizer is still being subsidized.	i. To alleviate fertilizer shortages and Boost agricultural production.
Realignment of telecoms international call charges	Paragraph 3.42 page 12	The realignment of call charges is not yet implemented.	i. To increase foreign currency inflows into the country.

POLICY ADVICE GIVEN	REFERENCE	IMPLEMENTATION PROGRESS	INTENDED IMPACT
Review of fines on economic crimes	Paragraph 3.53 page 14	i. Fines have been reviewed upwards but the fines are not deterrent enough	i. To reduce the smuggling of our precious commodities and foreign currency.
Appropriate remuneration of the Judicial system	Paragraph 3.57 page 14	i. The Judiciary System received office equipment, staff vehicles and working conditions have improved.	i. To achieve timeous and efficient discharge of justice. ii. Reduction in economic crimes.
Removal of price distortions in the tourism sector	Paragraph 3.61 page 15	i. Distortion still prevalent largely influenced by the exchange rate misalignment	i. To increase foreign currency through increased tourist arrivals
Removal of salary distortions	Paragraph 3.66 page 15	i. This is still in progress as it is being done within the context of the Social Contract.	i. To improve work productivity.
Removal of foreign exchange parallel market indexation of rentals	Paragraph 3.72 page 16	i. Landlords are still indexing their rents in foreign currency.	i. To reduce inflation
Rationalization of recurrent expenditure	Paragraph 3.75 page 16	i. Recurrent Expenditure still absorbing a growing proportion of Government Expenditure.	i. To reduce money supply growth and inflation. ii. To release resources for capital expenditure.

POLICY ADVICE GIVEN	REFERENCE	IMPLEMENTATION PROGRESS	INTENDED IMPACT
Conclusion of the mining legislation and the indigenization and empowerment framework	Paragraph 3.79 page 17	ii. The indigenization bill is tabled for discussion in parliament.	i. To ensure maximum benefit for the mining industry. ii. To empower indigenous black people
Implementation of the Social Contract	Paragraph 8.27 page 36	The Social Contract was signed on 1 June 2007 with the following protocols on: i. Incomes and pricing stabilization protocol. ii. Restoration of production viability. iii. Mobilization, pricing and management of foreign currency.	i. Economic growth characterized by low and stable inflation.

FIRST HALF MPS 31 JULY 2006

POLICY ADVICE GIVEN	REFERENCE	IMPLEMENTATION PROGRESS	INTENDED IMPACT
Finalize the Land Reform Programme by declaring a moratorium to new allocations, new invasions and new disruptions effective 1 September 2006	Paragraph 5.24 Page 10	<p>Land reform program finalized and focus is now on production.</p> <p>Disruptions on farms have significantly declined.</p> <p>Isolated cases of disruptions being reported in some areas.</p>	Increased productivity of farms
Support and sustain export generating activities and initiatives	Paragraph 7.1 Page 14	<p>Drought Mitigation and Economic Stabilization Fund with a multiplier factor of 60 was introduced in April 2007 for exporters</p> <p>Exporters allowed keeping their FCA balances indefinitely.</p>	Increased foreign currency generation capacity
Expedite the implementation of the privatization programme	Paragraph 10.214 Page 45	Government divestiture program moving at a slow pace.	<p>Increased efficiency of parastatals;</p> <p>Reduced burden on the fiscus.</p>
Anti-corruption drive to rid the country of unethical business practices	Paragraph 11.21 Page 48	<p>Anti-Corruption Commission put in place by Government to investigate cases of corruption.</p> <p>The establishment of the Ministry of Anti-Corruption and Anti Monopolies to combat corruption.</p>	Reduces costs of doing business in Zimbabwe and enhances business confidence

POLICY ADVICE GIVEN	REFERENCE	IMPLEMENTATION PROGRESS	INTENDED IMPACT
<p>Set a solid foundation for the concept of “one commodity one price” in the following areas:</p> <ul style="list-style-type: none"> o Diesel and petrol prices o Exchange rate o Electricity tariffs o Grain 	<p>Paragraph 11.6 Page 46</p>	<p>Price distortions for grain have been removed.</p> <p>Distortions still exist in the fuel sector where the agriculture and transport sector benefits from subsidized rates.</p> <p>Multiple exchange rates exist for gold, tobacco and the rest of the economy.</p>	<p>Reduces opportunities for arbitrage.</p> <p>Improved supply/availability of commodities</p>
<p>Provide subsidies for actual production as opposed to pre-production free handouts.</p>	<p>Paragraph 11.8 Page 46</p>	<p>Support being provided to evoke supply side response.</p>	<p>To incentivise production</p> <p>To curb misallocation of resources into non-productive activities.</p>
<p>Streamline fiscal expenditures in line with the economy's revenue generating capacity.</p>	<p>Paragraph 11.14 Page 47</p>	<p>Expenditures not matched to revenue generating capacity.</p> <p>Line Ministries still experiencing expenditure overruns.</p>	<p>Reduces inflationary pressures in the economy</p> <p>Reduces government expenditures (fiscal deficit) and crowding out of the private sector.</p>
<p>Capacitate the Anti-Corruption Commission with adequate resources and tools to enable them to effectively carry out their critical mandate</p>	<p>Paragraph 11.21 Page 48</p>	<p>Anti-Corruption Commission still to be fully capacitated to discharge its duties effectively.</p>	<p>Promotes national governance</p>

POLICY ADVICE GIVEN	REFERENCE	IMPLEMENTATION PROGRESS	INTENDED IMPACT
Build capacity in agriculture sector to boost productivity.	Paragraph 11.49 Page 50	Timely and efficient provision for inputs through RBZ ASPEF program. Provision of equipment under the first phase of the farm mechanization program	Boosts production and ensures food security
Strengthen the Judiciary system through the provision of adequate resources	Paragraph 11.51 Page 51	Steps underway to capacitate the judiciary through the provision of machinery and equipment.	Capacitates the Judiciary to discharge its duties within reasonable time-frames.
Re-orient parastatals to ensure viability.	Paragraph 11.52 Page 51	RBZ implemented the Parastatal Reorientation Program which boosted efficiency and ensured sustained service delivery.	Reduces burden on the fiscus; Ensures efficient provision of services.
Declare mining areas high security zones to plug - off leakages	Paragraph 11.60 Page 52	Operation Chikorokoza Chapera undertaken to reduce panning activities.	Reduces leakages and enhances foreign exchange generation.
Create a seed fund to harness the potential in the SMEs.	Paragraph 11.69 Page 53	\$32 billion was set aside for the SMEs for working capital purposes.	Boost production and employment by the SME sector.
Undertake programmes that promote the image of the country within the region and beyond	Paragraph 11.86 Page 55	Various Investment missions have been undertaken to Korea, Russia and China and some are underway	Restore investor confidence and attract investment. Promote the tourism industry

FOURTH QUARTER MPS 2005

POLICY ADVICE GIVEN	REFERENCE	IMPLEMENTATION PROGRESS	INTENDED IMPACT
Zero tolerance on farm disruptions	Paragraph 11.20 Page 34	i. The Government condoned the invasions, but, however, disruptions on the farms are still being reported in some parts of the country.	<ul style="list-style-type: none"> i. To guarantee uninterrupted farming program; ii. To increase output on the farms on a sustained basis; iii. To encourage farmers to invest on the farms so as to re increase output generative capacity.
Expedite the finalisation of the country's mining laws	Paragraph 11.43 Page 36	i. Proposed amendments to the mining legislation under review and are yet to be finalized. .	<ul style="list-style-type: none"> i. Enabling mining laws encourage long term investments in the mining sector, thereby enhancing productivity and earnings for both investors and the country. ii. Investment in extraction and processing of minerals increases mineral output and boosts foreign exchange earnings.
Improve International image, maintain investor friendly policies and respect property rights	Paragraph 13.3 Page 41	<ul style="list-style-type: none"> i. Image building is an going process that is being supported by the NEDPP. ii. Several international investment agreements are 	<ul style="list-style-type: none"> i. To attract both foreign and local investment in the various sectors of the economy; ii. Build investor confidence;

POLICY ADVICE GIVEN	REFERENCE	IMPLEMENTATION PROGRESS	INTENDED IMPACT
		<p>currently being worked on involving Russia, Korea and China.</p>	<p>iii. Boost the country's creditworthiness and create capacity to borrow in international markets.</p>
<p>Allowing for the gradual re-alignment and liberalisation of fuel prices</p>	<p>Paragraph 14.4 Page 41</p>	<p>i. Re-alignment and liberalization of fuel process has progressed at a very slow pace.</p> <p>ii. Fuel prices are still being controlled.</p> <p>iii. Fuel is being provided to transport operators at subsidized price levels.</p>	<p>i. The gradual adjustment of fuel prices will ensure a smooth transition and protect the vulnerable sectors.</p> <p>ii. To remove potential risks of arbitrage and rent seeking behaviour.</p>
<p>Stamping out corruption in all sectors.</p>	<p>Paragraph 15.1 Page 42</p>	<p>i. The Government set up an Anti-Corruption Commission to fight corruption.</p> <p>ii. Government improved the working conditions for the Judiciary through offering competitive salaries, vehicles and computers.</p>	<p>i. Stamping out corruption reduces the cost of doing business in Zimbabwe.</p> <p>ii. Boosts confidence and country profile that are essential for attracting foreign investment.</p>
<p>Devotion of more resources, time and initiatives towards residential housing construction.</p>	<p>Paragraph 18.1 Page 43</p>	<p>i. The Reserve Bank of Zimbabwe initially set up a \$1 trillion National Housing Facility;</p> <p>ii. Under the National Housing Facility \$12.6 billion was</p>	<p>i. Provision of housing to the majority of the population;</p> <p>ii. To ease the accommodation challenges that people are facing.</p>

POLICY ADVICE GIVEN	REFERENCE	IMPLEMENTATION PROGRESS	INTENDED IMPACT
		<p>disbursed to cover the construction of 58 housing units in the low density suburbs.</p> <p>iii. The facility was wound down in march 2006..</p>	<p>iii. To clear the housing backlog;</p> <p>iv. Provision of decent houses ensures increased productivity by increasing the standards of living.</p>
<p>Need for an efficient agricultural pricing system that fully takes into account production costs</p>	<p>Supplement 2 of 8: Sustainable Financing of Agriculture: The Case for Zimbabwe Paragraph 7.8 (v), Page 15</p>	<p>i. Producer prices of maize and wheat have been adjusted on a continuous basis by Government for the mutual benefit of farmers and consumers.</p>	<p>i. Efficient pricing system that takes production costs into account ensuring farmer viability and increased production.</p>
<p>Significant recapitalisation of Agribank to allow the provision of medium to long term financing.</p>	<p>Supplement 2 of 8: Sustainable Financing of Agriculture: The Case for Zimbabwe Paragraph 7.8 (viii)Page 15</p>	<p>i. The Government has not yet fully recapitalized Agribank.</p> <p>ii. Government has extending some budgetary resources to Agribank to support the agricultural sector.</p>	<p>i. Recapitalization of Agribank enhances the institution's capacity to provide medium to long term agriculture financing so as to boost agricultural production.</p>
<p>Privatisation of key Parastatals</p>	<p>Supplement 4 of 8: Parastatals and Local Authorities Re-Orientation Programme (PLARP)-The Unfinished Agenda Paragraph 24.8, Page 3</p>	<p>i. Government still to put in place modalities for the privatization of key Parastatals like ZESA, Air Zimbabwe, NRZ</p> <p>ii. Progress under the divestiture program is slow.</p>	<p>i. To improve efficiency and productivity of privatized entities;</p> <p>ii. To reduce dependency on the fiscus.</p>

POLICY ADVICE GIVEN	REFERENCE	IMPLEMENTATION PROGRESS	INTENDED IMPACT
Continue to pursue explicit monetary targeting.	Paragraph 7.21 Page 25	<ul style="list-style-type: none"> i. Reserve Bank of Zimbabwe introduced with explicit monetary targets. ii. Deviations from targets is due to challenges arising from high demand for cash due to inflation and parallel market and speculative borrowing. 	<ul style="list-style-type: none"> i. To curtail growth in money supply and control inflation in the economy.
Accommodation rates to be revised based on inflation profiles.	Paragraph 8.3, Page 26	<ul style="list-style-type: none"> i. The rates continue to be reviewed in line with inflation developments. The rates have been raised to 600% for secured and 700% for unsecured borrowing in April 2007. 	<ul style="list-style-type: none"> i. To curtail credit expansion and control money supply growth and inflation. ii. To discourage banks from over reliance on the accommodation window and encourage interbank trading. iii. The measure was aimed at achieving positive real interest rates so as to encourage savings and investment;
Promotion of Value Added Exports	Paragraph 10.25, Page 32	<ul style="list-style-type: none"> i. No schemes have been put in place to encourage value addition. ii. Modalities are still being worked on. 	<ul style="list-style-type: none"> a. Uplifting of the country's foreign exchange generative capacity; b. Enhances employment opportunities.

THIRD QUARTER MPS OCTOBER 2005

POLICY ADVICE GIVEN	REFERENCE	IMPLEMENTATION PROGRESS	INTENDED IMPACT
Productive use of every inch of the land	Paragraph 1.14 Page 4	RBZ introduced the Agriculture Sector Productivity Enhancement Facility (ASPEF) to increase utilization of land. Government provided agricultural inputs to ensure full utilization of land.	Efficient use of agriculture land, Increase in yields and overall agricultural output.
Banking sector reminded to start working on their recapitalization plans ahead of the deadline for the new reserve requirements.	Paragraph 3.8 Page 11	The Banking sector met the new capital requirements by 31 March 2007.	Adequate capital guarantee and provision of a safe and sound banking sector.
Enhancement of financial sector stability by managing assets and liabilities in line with sound corporate governance and prudential norms.	Paragraph 3.21 Page 13	Most banks have restructured their management teams in line with good corporate governance practices and are no longer engaging in non banking activities.	Build public and business confidence in the Banking sector. Encourage financial sector stability.
Reduce money supply to below 50% December 2005.	Paragraph 4.17 Page 17	Money supply growth continued to increase to 520% by December 2005.	To curtail monetary expansion and reduce inflation in the economy. Reduce inflation.
Reduce inflation to 280-300% by December 2005.	Paragraph 4.22, Page 19	Inflation reached 585.8% in December 2005.	Ensure price stability, Increase productivity through reduced operating costs

POLICY ADVICE GIVEN	REFERENCE	IMPLEMENTATION PROGRESS	INTENDED IMPACT
Interest rates to be set and managed to achieve the desired dis-inflation path and the RBZ to maintain short money market positions.	Paragraph 5.2, Page 25	Overnight rates adjusted in line with inflation developments from 405% in October 2005 for secured lending to 540% as at December 2005. Accommodation rates were further adjusted to 700% for unsecured and 600% for secured in April 2007.	Reduction in speculative borrowing and curtail inflationary pressures in the economy.
Companies urged to reorient their financing systems through minimising reliance on borrowings given the high cost of credit.	Paragraph 5.13 Page 27	Companies continue to rely on short term credit to meet their working capital requirements.	Reduces cost of production for companies with possible spill over effects on prices.
Reduce statutory reserves to enhance operating conditions in the banking sector.	Paragraph 5.17 Page 27	Statutory reserves reduced to 45% for demand deposits and 30% for time deposits respectively for commercial and merchant banks. Statutory reserves were, however reviewed upwards in February and March 2006 to curtail credit expansion and curb growth in money supply.	Reduces cost of funds for banks Improve liquidity position of banks
Exchange Rate Management: introduction of the Tradable Foreign Currency Balances System (TFCBS)	Paragraph 6.3 Page 28	The TFCBS commenced on 24 October 2005 and allowed the exchange rate to adjust in line with market developments. The	Ensure adjustment of the exchange rate exchange in line with market developments

POLICY ADVICE GIVEN	REFERENCE	IMPLEMENTATION PROGRESS	INTENDED IMPACT
		TFCBS was discontinued in November 2006.	Enhance exporter viability. Attract foreign exchange inflows.
Maintenance of an efficient and robust national payments system	Paragraph 8.1 Page 40	Continuous utilization of ZETSS with utilization levels maintained at an average of 80% .	Reduce credit risk Ensure a smooth, timely and efficient settlement system To speed up economic transactions.
Put in place adequate logistical arrangements to ensure effective distribution of cash to the public.	Paragraph 9.1 Page 41	Introduction of various cash distribution centres around the country. Continuous review of the maximum cash withdrawal limits for both individuals and corporates.	To ensure availability of cash for transactions.
Hasten the pace of macroeconomic convergence	Paragraph 10.1 Page 42	Disparities between agriculture lending rates and market rates. Subsidies exist in the fuel and grain sector. Multiple exchange rates exist in the economy for gold, tobacco and the rest of the economy. Inflation remains high compared to other countries.	To integrate trade and free movement of capital to be in line with economic fundamentals obtaining within the SADC region.

POLICY ADVICE GIVEN	REFERENCE	IMPLEMENTATION PROGRESS	INTENDED IMPACT
		Quasi Fiscal activities ring fenced and transferred to FISCORP for outstanding debt collection.	
The country should gear the productive systems towards import-substitution.	Paragraph 11.3 Page 44	The Reserve Bank and the Ministry of Industry and International Trade is working with companies to facilitate import substitution in areas where raw materials are locally available.	Development of the local industries. Save foreign exchange through reduction in imported inputs. Boosts the country's capacity to generate foreign currency.
Agriculture production enhancement	Paragraph 12.2 Page 48	The Reserve Bank provided inputs to farmers through ASPEF for working capital, inputs, dam construction and irrigation rehabilitation. Reserve Bank availed farming equipment in the first phase of the farm mechanization programme.	Improved agricultural output. Reduction in food imports and releases pressure on foreign currency.
Law and Order -Implement the 99 year lease program - Stop Land invasions	Paragraph 12.25 Page 51	99 year leases introduced in November 2006. Government pledged to introduce statutes that criminalize disruptive practices in the agricultural sector. The work is in progress.	To ensure productivity in the and full utilization of agricultural land. To promote investment in the agricultural sector.

POLICY ADVICE GIVEN	REFERENCE	IMPLEMENTATION PROGRESS	INTENDED IMPACT
		Land invasions are however still being reported in some areas.	
Investment attraction	Paragraph 13.1 Page 53	Potential investors invited to participate in joint venture investments in the key sectors of the economy. A number of investment promotion missions undertaken to various countries including Russia, Korea and China.	Enhances development of the industry. Boosts economic growth. Increase foreign currency inflows into the country. Boosts employment.
Property Rights Authorities urged to put in place laws that protect property rights.	Paragraph 13.16 Page 53	Government put in place laws that protect property rights notably in the agriculture sector.	To promote investment in the Zimbabwean economy. To guarantee security of tenure.
Bilateral Investment Promotion and Protection Agreements (BIPPAs)	Paragraph 13.17 Page 54	The Government is currently engaging bilateral partners.	Improve Investor confidence.
Radical transformation of Parastatals and Local Authorities to improve management and operational efficiency.	Paragraph 14.1 Pg 54	The RBZ through PLARP assisted number of parastatals and local authorities to improve their operational efficiency.	To improve efficiency in service delivery. Reduce pressure on the fiscus
Mining legislation Government urged to re-align mining legislation	Paragraph 15.3 Page 55	Central Bank prepared an input paper on the mining legislation review currently underway.	To ensure that the country's mineral resources are fully utilized.

POLICY ADVICE GIVEN	REFERENCE	IMPLEMENTATION PROGRESS	INTENDED IMPACT
		Government is working on a mining and fiscal regime to unlock the opportunities in the mining sector.	Expected to unlock the mining sectors growth and export potential. Enhance mineral output and employment.
Corruption	Paragraph 16.1 Page 55	Anti-Corruption Commission put in place by Government to investigate cases of corruption The establishment of the Ministry of Anti-Corruption and Anti Monopolies to combat corruption.	Reduces the cost of doing business. Enhances productivity and employment. Curb leakages of resources especially precious minerals.
Fiscal rectitude Line Ministries urged to exercise restraint in their expenditure programmes.	Paragraph 17.3 Page 56	Some Ministries have adopted a cash management system (PFMS) to control expenditures. However other line Ministries have continued to incur expenditure overruns.	Reduce budget deficits to reduce money supply and inflation. To strengthen macroeconomic stabilization programme
Wages and salaries adjustments. Stakeholders urged to give productivity prominence in their salary and wage negotiations.	Paragraph 18.1 Page 56	Wage demands initially linked to inflation developments as opposed to productivity. Salaries and Wages freeze announced in August - operational till December 2007 in line with the Social Contract.	To reduce inflation.

POLICY ADVICE GIVEN	REFERENCE	IMPLEMENTATION PROGRESS	INTENDED IMPACT
<p>International relations-clearing of international obligations to allow Zimbabwe to play its part in the regional and international arena.</p>	<p>Paragraph 20.2Page 57</p>	<p>Repayments of IMF outstanding debt. US\$20 million paid in December 2005.</p> <p>Zimbabwe cleared its outstanding debt on the General Resources Account.</p>	<p>To enhance credit worthiness and access to international finance.</p> <p>To attract investment.</p>

SECOND QUARTER MPS JULY 2005

POLICY ADVICE GIVEN	REFERENCE	IMPLEMENTATION PROGRESS	INTENDED IMPACT
The 99-year Lease Program	Paragraph 12.5, Page 23	i. The Government issued the 99 year leases to farmers in 2006.	i. To provide farmers with security of tenure; ii. To obtain necessary financing from the financial sector when they are used as collateral security; iii. To encourage farmers to invest on the land for a longer time.
Government to sign new Bilateral Investment Promotion and Protection Agreements (BIPPAs) Government to reaffirm commitment to respecting sanctity of existing BIPAs	Paragraph 12.7, page 23 Supplement 1 Page 10	i. The progress on the BIPAs has been slow, however, discussions are still underway.	i. The successful implementation of BIPAs attracts both regional and international capital inflows as property rights are honoured;
Engaging the International Community (payment of arrears)	Paragraph 13.2, page 24	i. Zimbabwe cleared its outstanding arrears to the IMF's General Resources Account on 15 February 2006. ii. Token payments made to World Bank and AfDB in 2004 and 2005. iii. Efforts underway to settle the country's dues to the IMF-PRGF Account and to other creditors.	i. To enable the country to retain its membership in the Fund, ii. To restore voting and other related rights; iii. To enable the country to access to other general resources of the Fund.

POLICY ADVICE GIVEN	REFERENCE	IMPLEMENTATION PROGRESS	INTENDED IMPACT
			<ul style="list-style-type: none"> iv. To increase confidence and creditworthiness; v. To attract investment.
<p>Government to construct Low-Cost Housing Structures and Factory, Shells and Market Stalls</p>	<p>Paragraph 14.2, page 26</p>	<ul style="list-style-type: none"> i. A number of low cost houses were built under Operation Garikai, thereby relieving accommodation pressures in some urban areas. ii. Factory shell for SMEs were also put up under the operation in order to formalise the SMEs activities thereby contributing to the economic development 	<ul style="list-style-type: none"> i. Provision of housing to the majority of the population; ii. To ease the accommodation challenges that people are facing. iii. To clear the housing backlog; iv. Provision of decent houses ensures increased productivity by increasing the standards of living. v. To integrate the informal sector into the mainstream economy so as to enable SMEs to contribute to economy's attainment of high production, high employment, foreign exchange generation and low and stable inflation.

POLICY ADVICE GIVEN	REFERENCE	IMPLEMENTATION PROGRESS	INTENDED IMPACT
<p>Government to expedite the development of alternative sources of fuel.</p>	<p>Paragraph 14.12 page 26</p>	<ul style="list-style-type: none"> i. Some pilot projects are underway. ii. More land has been made available for the growing of jatropha in Mutoko and the Government intends to allocate at least one farm in each of the country's 10 provinces. iii. A Zimbabwean delegation conducted a study visit of a Bio-diesel plant in Korea in May 2006. iv. More investments are still needed to quantify coal-bed methane gas reserves. 	<ul style="list-style-type: none"> i. To reduce pressure on foreign exchange required for importing energy, thus leading to savings of foreign exchange that can be channeled to funding of other critical imports. ii. To increase production and employment.
<p>The RBZ urged Parastatals and Local Authorities to operate under strict, sound corporate governance systems and use proper accounting practices.</p>	<p>Paragraph 11.3, Page 22</p>	<ul style="list-style-type: none"> i. Most parastatals and local Authorities have complied with sound corporate governance systems. 	<ul style="list-style-type: none"> i. To eradicate inefficiencies in the operations of the local authorities and parastatals; ii. To improve productivity and employment in the sector. iii. To reduce the cost of doing business with these entities as corruption tendencies are curtailed;

POLICY ADVICE GIVEN	REFERENCE	IMPLEMENTATION PROGRESS	INTENDED IMPACT
			iv. To boost business confidence that is important for attracting investment from other partners both local and foreign.
Tighten licensing renewal framework for Asset Management Companies (AMC)	Paragraph 4.9, page 5	i. Examinations were conducted by the Reserve bank of Zimbabwe as part of the renewal process of AMC licenses.	i. To instill discipline, thereby contributing to stable and sound financial sector.
Tighten licensing renewal framework for Micro Finance Institutions and Money Lenders and Compulsory wind down of illegal activities	Paragraph 4.9, page 5	i. The RBZ has already implemented the framework and continues to monitor the micro finance institutions.	i. To introduce discipline in the money lending business.
Tighten internal control and audit systems.	Paragraph 4.14, Page 6	i. RBZ has purchased the software ACL (Audit Command Language) and has trained thirteen (13) examiners on forensic audit.	i. To enhance the effectiveness of on-site supervision of banks so as to minimize risk to the financial system.
All banking institutions to upgrade their corporate governance and risk management practices in line with provided guidelines	Paragraph 4.12, page 6	i. All banks upgraded their corporate governance and risk management practices in line with the Risk Management Guidelines by 30 September 2005.	i. To enhance risk-based supervision for the purpose of minimizing risks that destabilize the financial sector if not properly managed.

FIRST QUARTER MPS MAY 2005

POLICY ADVICE GIVEN	REFERENCE	IMPLEMENTATION PROGRESS	INTENDED IMPACT
Implement tighter license renewal framework for Asset Management companies	Paragraph 3.13, page 11	A tighter licence renewal framework was put in place in 2005. A total of 17 Asset management companies re-registered and the sector is now operating under strict supervision.	<ul style="list-style-type: none"> To enhance safety and soundness of the financial system.
Adoption of sound corporate governance system and practices in the financial sector	Paragraph 3.25, page 13	Most institutions have adopted sound corporate government practices and have realigned their policies with international best practices.	<ul style="list-style-type: none"> To enhance the soundness of the financial sector.
Urge relevant authorities to coordinate and formalise the formation of an Independent National Incomes and Price Commission.	Paragraph 4.41, page 19	<p>Incomes and Pricing Commission constituted in January 2007.</p> <p>Incomes and Price Stabilisation Protocol of the Social Contract signed on 1 June 2007.</p>	<ul style="list-style-type: none"> To stabilize prices and incomes taking production costs and productivity into account.
Urge the renewal of Government, Labor and Business spirit of cooperation, towards the establishment of a social contract.	Paragraph 4.42, page 20	<p>Government, Business and Labour signed the Social Contract on the 1st of June 2007. The protocols signed are:</p> <ul style="list-style-type: none"> Mobilisation, Pricing and Management of Foreign Currency Incomes and Pricing Stabilisation Restoration of Production Viability 	<ul style="list-style-type: none"> To achieve economic stabilization by stimulating supply and reducing inflation to low and stable levels.

POLICY ADVICE GIVEN	REFERENCE	IMPLEMENTATION PROGRESS	INTENDED IMPACT
<p>Money supply aggregates should grow at consistent levels with real economic activity</p>	<p>Paragraph 5.4, page 21</p>	<p>RBZ pursuing monetary targeting framework to arrest inflationary pressures.</p> <p>Mopping up of excess liquidity program has been put in place to siphon excess liquidity in the market and curtail rapid money supply growth.</p> <p>Quasi-fiscal operations have been ring-fenced and hived off to a separate entity (FISCORP Pvt Limited)</p> <p>Money supply growth rate still not consistent with set targets due to high demand for currency and speculative borrowing.</p>	<ul style="list-style-type: none"> • To curtail Money Supply growth and control inflation
<p>Tighter structures and monitoring frameworks to be put in place to guard against abuse of concessional funding.</p>	<p>Paragraph 8, page 28</p>	<p>The RBZ put in place Tighter monitoring framework under ASPEF now FISCORP (Pvt) Limited</p>	<ul style="list-style-type: none"> • To curtail non-productive activities • To guard against abuse of concessional funding.
<p>A strong response framework to be put in place to counter corruption and indiscipline.</p>	<p>Paragraph 16.14, page 53</p>	<p>Anti Corruption Commission, and the Ministry of Anti-Corruption and Monopolies were formed in 2005.</p>	<ul style="list-style-type: none"> • To counter economic destabilization and reduce the costs of doing business. • To combat corruption.

POLICY ADVICE GIVEN	REFERENCE	IMPLEMENTATION PROGRESS	INTENDED IMPACT
			<ul style="list-style-type: none"> • To enhance business confidence.
<p>Urge Government to ensure that minimum thresholds of the country's arable land is put under food crops</p>	<p>Paragraph 22.1, page 59</p>	<p>Government efforts are underway to ensure that the country achieves food self sufficiency.</p> <p>Operation 'Maguta' instituted to provide resources for the provision of inputs.</p> <p>Government still to establish minimum thresholds.</p>	<ul style="list-style-type: none"> • To ensure food security. • To reduce food inflation. • To save foreign currency.
<p>Urge Government to introduce a Land Tax.</p>	<p>Paragraph 25.15, page 67</p>	<p>The introduction of the Land tax is still under consideration.</p>	<ul style="list-style-type: none"> • Ensure efficient utilization of land. • To enhance growth and development on farming Lands.
<p>Call upon Employer representative bodies and labor representative bodies to negotiate wages and salary reviews in a manner that balances sustainable productivity and the right of workers for human standards of living.</p>	<p>Paragraph 27.1, page 67</p>	<p>Prior to the signing of the Social Contract wages and prices were indexed to inflationary developments.</p> <p>Under the Social Contract prices and wages were partially frozen and incomes will be determined through productivity taking into account worker standards of living</p>	<ul style="list-style-type: none"> • Ensure decent worker standards of living and stabilize incomes. • To reward workers incomes commensurate with productivity changes.

FOURTH QUARTER MPS 2004

POLICY ADVICE GIVEN	REFERENCE	IMPLEMENTATION PROGRESS	INTENDED IMPACT
Government and private sector urged to ensure balanced and forward looking wage and salary reviews	Paragraph 4.10 (e), Page 16	<ul style="list-style-type: none"> i. Incomes and Prices Commission has been set up to monitor wage and salary movements. ii. Wage and salary have been frozen for 6 months up to December 2007. 	<ul style="list-style-type: none"> i. To reduce inflationary pressures emanating from wage and salary hikes.
Government implored to adopt transparent pricing models for fuel	Paragraph 4.10 (f), Page 16	<ul style="list-style-type: none"> i. Public transporters and farmers still receiving fuel allocations at subsidized prices 	<ul style="list-style-type: none"> i. Improved fuel supply and stabilized fuel prices.
Government urged to exercise fiscal restraint.	Paragraph 5.5, Page 19	<ul style="list-style-type: none"> i. Government still does not have the capacity to raise adequate revenue levels. ii. Line Ministries still incur expenditure over runs 	<ul style="list-style-type: none"> i. To curb inflationary pressures.
Government called upon to map up transparent investor friendly national empowerment policies	Paragraph 10.31, Page 41	<ul style="list-style-type: none"> i. Consultations to come up with a comprehensive economic empowerment policy framework started in 2004. ii. Empowerment Bill is tabled for discussion in Parliament. 	<ul style="list-style-type: none"> i. To attract investment and boost economic activities in the economy to create employment.

POLICY ADVICE GIVEN	REFERENCE	IMPLEMENTATION PROGRESS	INTENDED IMPACT
Transformation of ARDA to ensure effective use of land under ARDA and that equipment is readily available to farmers	Paragraph 14.30 Page 49	i. RBZ financed ARDA under PLARP to enhance its operational efficiency.	i. To enhance agriculture productivity.
AREX urged to ensure new farmers receive	Paragraph 14.30 (C) Page 49	i. The farmer to AREX official ratio still very high	i. To enhance agriculture productivity.
Stopping abuse of farming sector fuel facility by charging ruling market related fuel prices, effective 1/02/2005	Paragraph 14.42 Page 50	i. Farmers still accessing fuel at subsidized prices.	i. To eliminate rent seeking behavior at the expense of farming.
Pre-planting agriculture crop prices	Paragraph 14.44 (a) Page 49	i. Government still not announcing the marketing price for grain before the planting season.	i. To make planning easier, and ensure that reinvestments in agriculture are made timely
Implementation of 99 year lease framework	Paragraph 14.44 (e) Page 49	i. Being issued but at a slow pace.	i. To provide property rights and enhance security of farmers ii. To enable farmers to borrow from banks iii. To attract investment into the farming sector.
Command Agriculture-proposal to bind farmers who benefited from the land reform to produce a certain minimum targeted output of specific crops.	Paragraph 14.56, Page 52	i. Government has not yet introduced thresholds of arable land to be put under production of specific crops.	i. To ensure food security.

POLICY ADVICE GIVEN	REFERENCE	IMPLEMENTATION PROGRESS	INTENDED IMPACT
Ensuring full take up of allocated land-especially the A2 areas	Paragraph 14.59 (a) Page 49	i. Take up rate still low for A2 farmers	i. To enhance agricultural productivity.
Government urged to ensure full accounting and utilization of farming equipment on farms	Paragraph 14.59(b) Page 49	i. Ministry of Agricultural Mechanization was established	i. To enhance agricultural productivity
Reorientation of Parastatals and Local Authorities	Paragraph 15.1 Page 54	i. RBZ funded Parastatals and Local Authorities. ii. Efficiency and service delivery by some public enterprises and local authorities still poor.	i. To enhance efficiency and output (supply side) in order to curb inflation.
Value Addition	Paragraph 20.2, Page 54	i. Government set aside Z\$100 billion for this purpose, but country still largely relies on primary exports.	i. To enhance export earnings through beneficiation of local products.
Protection of Wildlife Conservancies through designating them as "Strategic Investment Sector Status"	Paragraph 21.3 Page 63	i. ZTA has put in place Tourism Development Zones with designated areas covering Gonarezhou, Chiredzi and surrounding areas	i. To increase Foreign Direct Investment.
Establishment of Energy, Housing and Infrastructure Development Bank	Paragraph 22.2 Page 64	i. Launched in August 2005 Infrastructure Development Bank of Zimbabwe	i. To facilitate national infrastructure development.

POLICY ADVICE GIVEN	REFERENCE	IMPLEMENTATION PROGRESS	INTENDED IMPACT
Legislators implored to put in place punitive statutes to fight corruption	Paragraph 24.5 Page 64	i. Establishment of Ministry of Anti-Corruption and Anti-Monopolies. Corruption though still rife adversely affecting economic activity	i. To reduce corruption which increases the cost of doing business impacting negatively on economic growth
Social Contract- call for the signing of social contract	Paragraph 27.1 Page 67	The Social Contract was signed on 1 June 2007 as well as three protocols on: i. Incomes and pricing stabilization protocol. ii. Restoration of production viability. iii. Mobilization, pricing and management of foreign currency.	i. Economic growth characterized by low and stable inflation.
Bilateral Investment Promotion and Protection Agreements (BIPPAs) Government to respect BIPPAs.	Paragraph 14.18 Page 48	i. Some BIPPAs were violated and there is slow progress in reversing these violations.	i. To promote investor confidence and enhance security of investors

THIRD QUARTER MPS OCTOBER 2004

POLICY ADVICE GIVEN	REFERENCE	IMPLEMENTATION PROGRESS	INTENDED IMPACT
Bank Charges RBZ called upon banks to charge reasonable service fees.	Paragraph 4.21, page 38	i. The banks have reviewed services charges to levels consistent with the costs of providing banking services.	i. To encourage the public to maintain savings with banks.
Troubled Bank Resolution Framework	Paragraph 3.30 (e), Page 17	i. Implemented in October 2004. ii. Formation of ZABG.	i. To instill confidence in the banking sector. ii. To ensure the existence of a safe and sound banking system.
Registration of non-banking financial institutions	Paragraph 3.64 3.70, page 26 - 27	i. 17 AMCs issued with perpetual licenses.	i. To improve financial sector regulation and supervision.
Public utilities urged to implement pricing systems reflective of market fundamentals	Paragraph 5.7, page 42	i. Some public enterprises and local authorities are charging sub economic prices. ii. Price distortions exist for commodities like fuel, electricity and grain.	i. To increase the viability through charging prices that take into account production costs. ii. Elimination of subsidies will reduce burden on the fiscus. iii. To increase service delivery.

POLICY ADVICE GIVEN	REFERENCE	IMPLEMENTATION PROGRESS	INTENDED IMPACT
<p>Fiscal Discipline</p> <p>(a) containment of expenditure levels to budgeted thresholds, thus avoiding supplementary budgets;</p> <p>(b) avoiding awards of unplanned benevolent or gratuity payments that are unrelated to current production activities or real economic growth; and</p> <p>(c) Complementarity between fiscal and monetary policy initiatives</p>	<p>Paragraph 5.13, page 44</p> <p>Paragraph 5.13, page 44</p> <p>Paragraph 5.13, page 44</p>	<p>i. Recurrent expenditures still absorbing larger proportion of budgetary allocations.</p> <p>ii. Line Ministries still incurring budget overruns.</p> <p>iii. Supplementary budgets still being done. Expenditure pressures are mainly on the recurrent side to meet wage demands and operational costs.</p> <p>iv. No gratuity payments awarded since 2003.</p> <p>v. Government still has recourse to RBZ overdraft.</p>	<p>i. To reduce budget deficit and curtail money supply growth and inflation</p> <p>ii. To strengthen macroeconomic stabilization programme.</p> <p>iii. To ensure that the fiscal policies complement monetary policy efforts in the fight against inflation by reducing monetary expansion.</p>
<p>Revision of CPI Basket</p>	<p>Paragraph 5.28, page 47</p>	<p>i. Basket revised in June 2005 and base year changed to 2001.</p> <p>ii. CSO to carry out an Income and expenditure survey in 2007 to rebase CPI basket to 2007</p>	<p>i. To ensure that the weighting of the consumer basket is reflective of households' expenditure and consumption patterns.</p>

POLICY ADVICE GIVEN	REFERENCE	IMPLEMENTATION PROGRESS	INTENDED IMPACT
Utilization of ZETSS	Paragraph 7.7, page 53	i. Continued use of ZETSS with utilization levels maintained at an average of 80%.	i. To reduce default risk. ii. To ensure smooth, timely and efficient settlement of transactions.
Mantainance of dual Interest rate policy by RBZ	Paragraph 6.3, page 48	i. Concessional rates for productive borrowing are still in place at 50%, while market interest rates are charged for speculative and non-productive borrowings.	i. To encourage productive sector borrowing while discouraging speculative borrowing.
Extension of Bearer Cheques lifespan	Paragraph 7.19, page 55	i. New Bearer cheques were introduced in August 2006 replacing the family of old bearer cheques during the currency reform. ii. The new bearer cheques had an initial expiry date of December 2006 which was later extended to June 2008	i. To enable Authorities to meet high demand for currency.
Homelink Housing Development Scheme	Paragraph 12.12, page 81	i. Ongoing, demand is low due to the perceived exchange rate overvaluation. ii. Foreign currency inflows from Zimbabweans living	i. To enhance foreign exchange inflows from non resident Zimbabweans and other holders of free funds.

POLICY ADVICE GIVEN	REFERENCE	IMPLEMENTATION PROGRESS	INTENDED IMPACT
		in the Diaspora have been minimal.	
Establishment of common ground on sustainable pricing regimes in Real Estate	Paragraph 13.41, page 93	i. Pricing in the real estate still largely driven by inflation and parallel market developments.	i. To stabilize the pricing system in the Real Estate sector.
Alternative Energy Sources.	Paragraph 13.79, page 101	i. Projects underway in Jatropha plantation. ii. Investors being sought for uranium and methane extraction.	i. To reduce pressure on foreign currency requirements. ii. To boost the country's energy sector. iii. As a way of saving foreign exchange.
Resuscitation of the National Productivity Centre	Paragraph 13.86, page 103	i. National Productivity Centre still not operational	i. To stimulate productivity enhancement through scientific research.
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. To attract greater investor participation in the economy. ii. To create positive investor perception about the economy.
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. The programme was completed with some 99 year leases issued in 2006.	i. To increase agriculture output ii. To empower participation of indigenous people. iii. To reduce overcrowding in some rural areas

SECOND QUARTER MPS JULY 2004

POLICY ADVICE GIVEN	REFERENCE	IMPLEMENTATION PROGRESS	INTENDED IMPACT
Encouragement of mergers and acquisitions in the financial sector.	Paragraph 2.19, Page 11	Merger of some financial institutions are witnessed in the financial sector	<ul style="list-style-type: none"> • Enhance soundness of the Financial sector • Strengthen the financial position of financial institutions
Labour, Business and the public sector urged to exercise restraint in setting prices, wages and services charges.	Paragraph 2.76, Page 25	Government, Business and Labour signed the Social Contract on 1 June 2007.under the pricing and income Stabilization Protocol; social partners are exercising restraint in setting prices and wages.	<ul style="list-style-type: none"> • Stabilize the economy through inflation reduction
Fiscal discipline- Line Ministries urged to operate within budgeted programmes	Paragraph 3.25, Page 38	<p>Some line ministries are implementing cash Management and expenditure management has been enhanced</p> <p>Some ministries continue to spend beyond their allocated budgets hence incur expenditure overruns.</p>	<ul style="list-style-type: none"> • Contain government expenditures to targeted levels • Reduce pressure on government resources
Conservancies- Government urged to address concerns hampering the wildlife sector from effectively contributing to foreign currency generation.	Paragraph 5.25 Page 51	Efforts underway to address constraints in conservancies	<ul style="list-style-type: none"> • Harness maximum foreign currency from the wildlife sector

POLICY ADVICE GIVEN	REFERENCE	IMPLEMENTATION PROGRESS	INTENDED IMPACT
Introduction of toll gates along the country's main highways through Build Operate and transfer (BOT) schemes	Paragraphs 5.32 Page 53	Toll gates construction is underway on Harare Bulawayo road Work is still outstanding on other major roads	<ul style="list-style-type: none"> • Collect foreign currency from foreign trucks for upgrading and refurbishing the roads
Zimbabwe Revenue Authority (ZIMRA) and Civil Aviation Authority of Zimbabwe (CAAZ) urged to improve service delivery at the country's points of entry.	Paragraph 5.36 Page 54	Zimbabwe and Zambia have signed a agreement to establish a one stop border post at Nyamapanda to facilitate fast clearance of traffic across the border ZIMRA and CAAZ working tirelessly to improve service delivery reduce delays at border posts	<ul style="list-style-type: none"> • Timeous clearance of traffic at the border post
Paradigm shift at household, firm, Government and municipal level in terms of transforming Operation systems. to optimize usage of resources e.g. reduction in burst pipes and equipment breakdowns.	Paragraph 5.43, Page 55	Efficient utilization of resources and improved service delivery still to be Realized, at every level. Municipalities still losing water through burst pipes	<ul style="list-style-type: none"> • Easy pressure on foreign currency demand arising from careless spending and reckless care for infrastructure in situ.
Put in place a performance based contract system for the top management in parastatals	Paragraph 6.65, Page 70	Progress is slow	<ul style="list-style-type: none"> • Contain unnecessary drain of fiscal resources by careless management in parastatals

POLICY ADVICE GIVEN	REFERENCE	IMPLEMENTATION PROGRESS	INTENDED IMPACT
Zimbabweans in the Diaspora encouraged to form consortiums for equity shareholdings in Corporates.	Paragraph 6.70 Page 71	Efforts underway to encourage investment by Diasporans in Corporates, but progress is slow	<ul style="list-style-type: none"> • Attract investment from Zimbabweans in the Diaspora.
Corporate sector reminded to work towards re-orienting their operational and financial positions for a uniform interest rate structure	Paragraph 7.10 Page 75	Dual interest rate framework still in place. There is still wide divergence between concessional and market rates	<ul style="list-style-type: none"> • Convergence of interest rates reduces opportunities for arbitrage and promote a positive business culture
Banking sector implored to align their interest regimes to inflation linked monetary policy framework i.e. 10-20% above inflation	Paragraph 7.22 Page 78	Banks' lending rates are adjusted in line with Inflation developments. Deposit rates, however, remain low and negative in real terms.	<ul style="list-style-type: none"> • Contain the cost of borrowing
Government urged to ensure that existing dams are put to productive use (income generating projects)	Paragraph 8.15 Page 86	Progress is slow due to financial constraints.	<ul style="list-style-type: none"> • Increase Agricultural productivity and generate foreign currency.
Banking sector encouraged to renew their confidence and trust in the agricultural sector, taking advantage of the 99 year lease arrangement.	Paragraph 8.36 Page 89	Government started issuing 99 year lease agreements but the Process is slow	<ul style="list-style-type: none"> • Adequate funding of the agriculture sector from the traditional sources
Put in place long-term frameworks that allow for pooled procurement of inputs, discharge of tillage programs and marketing arrangements	Paragraph 8.42 Page 90	Progress on initiatives for pooled procurement of inputs, discharge of tillage programs and marketing arrangements slow.	<ul style="list-style-type: none"> • low cost to producers through economies of scale

POLICY ADVICE GIVEN	REFERENCE	IMPLEMENTATION PROGRESS	INTENDED IMPACT
Increase focus on technological advancement and mechanisation	Paragraph 9.18 Page 97	The Reserve Bank of Zimbabwe has purchased and distributed farm implement under Phase one of the farm mechanization programme	<ul style="list-style-type: none"> • Mechanization of agriculture to boost agricultural production
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	RBZ started a financial inclusion program which is progressing at a slow pace.	<ul style="list-style-type: none"> • Extension of banking services into the rural areas
Ministry of Industry and International trade to consider the possibility of setting ceilings on unprocessed exports as a way of promoting beneficiation.	Paragraph 9.24 Page 99	No measures put in place as yet.	<ul style="list-style-type: none"> • Encourage value addition which increase foreign currency earnings
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	Rentals and prices of properties are no longer quoted in foreign currency, but the pricing mechanism is benchmarked to parallel market rates	<ul style="list-style-type: none"> • Reduces inflationary activities in the economy.
Airline industry encouraged to charge for their tickets in local currency to promote air travel	Paragraph 9.47 Page 104	Airlines are still charging in foreign currency except Air Zimbabwe which charges in local currency.	<ul style="list-style-type: none"> • Increase by local travelers

POLICY ADVICE GIVEN	REFERENCE	IMPLEMENTATION PROGRESS	INTENDED IMPACT
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	Parastatals audited and/ or unaudited accounts lagging behind and in some cases not being published.	<ul style="list-style-type: none"> • Ensure implementation of turnaround plans
Zimbabwe to enhance the repayment of arrears to the international creditors	Paragraphs 11.2 Page 108	Zimbabwe has cleared its IMF arrears on the General Resources Account and made partial payments to AfDB and the World Bank.	<ul style="list-style-type: none"> • Normalization of the Country's relations with the international community and improve the country's credit worthiness
RBZ to undertake study visits to other countries to learn how they succeeded.	Paragraph 13.3 page 43	Visits have been made to South Korea, Russia, Turkey China, Brazil and Uganda	<ul style="list-style-type: none"> • Draw lessons from the experiences of other countries.

FIRST QUARTER MPS 2004

POLICY ADVICE GIVEN	REFERENCE	IMPLEMENTATION PROGRESS	INTENDED IMPACT
Re-orientation of the financial sector	Paragraph 3.3 page 16	<ul style="list-style-type: none"> i. A total of nine banking institutions were placed under curatorship. ii. Three banks remain under curatorship and were amalgamated into ZABG while five fully implemented market solutions and resumed operations 	<ul style="list-style-type: none"> i. To foster stability in the financial sector. ii. Eliminate non core activities and enhance financial intermediation
Consolidated supervision of the financial sector.	Paragraph 5.1, page 18	<ul style="list-style-type: none"> i. Reserve Bank commenced supervising banking groups. The groups report financial information on a consolidated basis through quarterly prudential returns. Legislation that will facilitate licensing of bank holding companies is under development. 	<ul style="list-style-type: none"> i. To enhance the RBZ's consolidation of banking institutions' risk profiles, and strengthened the supervision of these institutions.
Regulatory framework for Asset Management Companies (AMCs) and Microfinance institutions	Paragraph 14.1, Page 24	<ul style="list-style-type: none"> i. 31 AMCs were licensed in 2004; 13 licenses cancelled in 2005 due to engagement in non-core activities and insolvency; and 1 license cancelled in 2006 ii. 17 operating Asset management 	<ul style="list-style-type: none"> i. To eliminate illegal and speculative activities. ii. To ensure stability of the financial sector. iii. To License AMCs and microfinance institutions now engaging in core

POLICY ADVICE GIVEN	REFERENCE	IMPLEMENTATION PROGRESS	INTENDED IMPACT
		<p>Companies (AMCs) were issued with perpetual licenses in 2005. Regulatory framework is in place to facilitate ongoing monitoring.</p> <p>iii.Applications for new licenses are being considered.</p>	<p>business activities.</p>
<p>Intolerance for insolvency of banks</p>	<p>Paragraph 10.6, Page 22</p>	<p>i. Some insolvent banking institutions were put under curatorship but some have since resumed normal business after rehabilitation whereas others have been closed</p> <p>ii. Three (3) institutions (Trust Bank, Royal Bank & Barbican Bank) were amalgamated into the Zimbabwe Allied Banking Group.</p> <p>iii.Some institutions were liquidated e.g. Rapid Discount House</p>	<p>i. To strengthen the stability of the financial sector.</p> <p>ii. To protect depositors' funds.</p> <p>iii.To restore confidence in the banking sector.</p>
<p>International ratings</p>	<p>Paragraph 5.4-5.5 Page 9</p>	<p>i. International credit rating has been implemented. An internationally accredited credit rating agency Global Credit Rating (GCR)</p>	<p>i. To improve market discipline</p> <p>ii. To provide a standard for the RBZ supervisory role.</p>

POLICY ADVICE GIVEN	REFERENCE	IMPLEMENTATION PROGRESS	INTENDED IMPACT
		has been engaged for the rating of local banks	iii. To enhance confidence in the banking sector.
Consolidation of the Mining and Fiscal regime to complement incentives in the mining sector.	Paragraph 20.5, Page 34	i. Underway	i. To increase participation in the mining sector. ii. To increase production and foreign currency generation.
Support to farmers through working capital equipment and infrastructure financing under Productive Sector Facility (PSF)	Paragraph 18.3 (iii), Page 30	i. Z\$3.1 trillion disbursed under PSF between January 2004 and 30 June 2005. ii. Of the amount disbursed, Z\$20 billion was for purchase and repairs of farming equipment including tractors. iii. Discontinued on 30 June 2005. iv. Support for agriculture was continued under ASPEF.	i. To enhance production in the agricultural sector.

POLICY ADVICE GIVEN	REFERENCE	IMPLEMENTATION PROGRESS	INTENDED IMPACT
<p>Pre-financing and contract growing of tobacco under the following conditions:</p> <ul style="list-style-type: none"> • Contractors should show commitment by employing their own funds when supporting farmers • A contractor can only buy tobacco to the extent of the financial support they have given to the growers • Contractors should twin with established merchants who have access to offshore lines of credit. 	<p>Paragraph 18.3 (vi) Page 31</p>	<p>i. Inputs were disbursed for the to farmers although some got the inputs late.</p> <p>ii. The program is on going</p> <p>iii. Program continues to face challenges in terms of late disbursements</p>	<p>i. To increase tobacco productivity</p> <p>ii. To enhance foreign currency generation.</p>
<p>Targeted winter wheat, barley and tobacco program</p>	<p>Paragraph 18.5, Page 31</p>	<p>i. Inputs were disbursed for the 2004/2005 planting season. However some farmers got the inputs late.</p> <p>ii. The program is on going.</p> <p>iii. Program continues to face challenges in terms of late disbursements</p>	<p>i. To boost production of targeted crops.</p> <p>ii. Enhanced food security.</p>

POLICY ADVICE GIVEN	REFERENCE	IMPLEMENTATION PROGRESS	INTENDED IMPACT
Support cotton, tea, coffee, sorghum, sunflower, soya beans, paprika, horticulture and livestock production.	Paragraph 18.8, Page 32	<ul style="list-style-type: none"> i. On going. ii. The producer price of cotton was reviewed to cushion farmers against ionflation. 	<ul style="list-style-type: none"> i. To enhance agricultural production ii. To enhance capacity to generate foreign currency.
Bolstering capacity of the Grain Marketing Board (GMB) to ensure timely interface with farmers	Paragraph 18.6 Page 32	<ul style="list-style-type: none"> i. The GMB opened more depots closer to farmers. ii. There are provincial GMB officials who interact with farmers iii. Substantial progress has been made in ensuring that payments to farmers meet the desired pre-planting cash-flow. 	<ul style="list-style-type: none"> i. To ensure timely distribution of inputs, grain delivery and timely payment of farmers.
Ministry of Transport and Communications to put in place a rescue package for the National Railways of Zimbabwe (NRZ).	Paragraph 24.9, Page 39	<ul style="list-style-type: none"> i. NRZ accessed funds under the PARP facility for recapitalisation of the parastatal 	<ul style="list-style-type: none"> i. To enhance operational efficiency and service delivery by NRZ.
RBZ and Ministry of Mines and Mining Development to provide special licences to designated agents who will buy gold in areas where these operations are concentrated	Paragraph 37.10, Page 68	<ul style="list-style-type: none"> i. Licenses were issued in gold production areas across the country. 	<ul style="list-style-type: none"> i. To improve proximity of gold purchasers to miners. ii. To curb parallel market activities in gold

POLICY ADVICE GIVEN	REFERENCE	IMPLEMENTATION PROGRESS	INTENDED IMPACT
			iii. To increase gold deliveries to through the formal market.
Ministry of Mines and Mining Development to put in place operational guidelines that stipulate maximum periods over which mining claims cannot remain unutilised	Paragraph 38.5, Page 69	<ul style="list-style-type: none"> i. The Zimbabwe Mining Development Corporation (ZMDC) took over some of the unutilised claims ii. While some claims are now being utilised, others remain unutilised due to financial constraints on the ZMDC 	<ul style="list-style-type: none"> i. To ensure increased exploitation of the country's mineral resources. ii. To increase foreign currency generation.
Close co-operation and complementarity between monetary and fiscal authorities.	Paragraph 40.7, Page 75	<ul style="list-style-type: none"> i. Technical committees set up to improve complementarity of fiscal and monetary policies. ii. However, not much has been achieved in this direction. 	i. To ensure policy consistency.
Discouragement of unbudgeted access to the RBZ overdraft window beyond statutory limits	Paragraph 41.2, Page 75	i. Government borrowing on its RBZ account always within statutory limit.	<ul style="list-style-type: none"> i. To curb money supply growth and inflation. ii. To ensure fiscal discipline and credibility of monetary policy.

POLICY ADVICE GIVEN	REFERENCE	IMPLEMENTATION PROGRESS	INTENDED IMPACT
Interest rate policy	Paragraph 43.1, Page 79	<ul style="list-style-type: none"> i. Dual interest rate framework still in place ii. Not much has been achieved in terms of inducing supply response and dampening inflationary pressure. 	<ul style="list-style-type: none"> i. Discourages speculative borrowing to fend off inflationary pressures in the economy.
Accommodation policy	Paragraph 44.4 Page 80	<ul style="list-style-type: none"> i. Accommodation rates reviewed in line with inflation developments. 	<ul style="list-style-type: none"> i. Discourages speculative borrowing to fend off inflationary pressures in the economy.
RBZ and relevant Government Authorities to take stern measures against unscrupulous increases in rentals by Real Estate Agents and property owners, which are unrelated to changes in economic fundamentals	Page 91	<ul style="list-style-type: none"> i. The Incomes and Price Stabilization Commission has been set up to monitor price and wage movements including rentals. ii. There is a freeze on the rentals for the next 6 months up to December 2007. 	<ul style="list-style-type: none"> i. To contain inflationary pressures arising from rental increases.

POLICY ADVICE GIVEN	REFERENCE	IMPLEMENTATION PROGRESS	INTENDED IMPACT
<p>Rationalization of external trade tariffs in a manner that enhances producer viability and promotes greater flows of trade among trading partners</p>	<p>Paragraph 50.2 Page 89</p>	<p>i. Rationalization being done within the context of regional integration in both SADC and COMESA. COMESA Member States have agreed on a Common External Tariff (CET) in preparation for the Customs Union scheduled for 2008.</p> <p>ii. SADC Countries are currently engaged in a tariff phase down exercise to create a free trade zone in the region.</p>	<p>i. To enable local companies access regional markets.</p> <p>ii. To reduces the cost of cross-border trade by simplifying port of entry formalities.</p>

MPS DECEMBER 2003

POLICY ADVICE GIVEN	REFERENCE	IMPLEMENTATION PROGRESS	INTENDED IMPACT
Reduction of Government expenditure by line ministries through improved cash management and enforcement of discipline	Paragraph 14.1, page 27	i. Some Government Ministries have implemented the Public Financial Management System (PFMS) while other Ministries continue to spend beyond their budgetary allocations.	i. To reduce money supply growth and inflation.
Restriction of supplementary budgets to national emergencies and disasters	Paragraph 14.3, page 27	i. Supplementary budgets incurred in 2005 and 2006.	i. To curtail money supply growth and reduce inflation
Convert domestic debt into foreign debt through the issuance of foreign currency denominated bonds where the foreign currency is sold to RBZ and the local currency used to clear domestic debt	Paragraph 15.5 & 15.6, Page 33 & 34	i. The Reserve Bank of Zimbabwe floated the foreign currency denominated bond in 2005, however, with a very low take-up due to the high country risk profile.	i. To mobilize the much needed foreign currency; ii. To restructure the domestic debt.
Tightening of liquidity support to financial institutions Banks to adhere to the ZETSS time-table	Paragraph 6.1 (e), page 8 Paragraph 6.3 (c), page 11	i. Temporary liquidity assistance and Troubled Bank Fund abolished ii. Some banks which failed to adhere to set guidelines were suspended from the Clearing House and were re-admitted after remedial measures were initiated.	i. To curtail money supply growth and inflation. ii. To reduce non-payment risk. iii. Restore order and market confidence in the banking system.

POLICY ADVICE GIVEN	REFERENCE	IMPLEMENTATION PROGRESS	INTENDED IMPACT
The RBZ to pursue a dual interest rate policy	Paragraph 7.1, page13	i. Dual interest rate policy was put in place with in December 2003 with concessional rates for productive borrowing and Market related rates and market related rates for other purposes.	i. To encourage borrowing for productive purposes; ii. To reduce borrowing for speculative purposes.
Upward adjustment in the statutory reserve requirements	Paragraph 7.9 (e), page16	i. Statutory reserve requirements were gradually adjusted upwards for commercial and merchant banks to 60% on call and demand deposits and 45% on savings and time deposits. The rates were revised downwards on 19th to June 2006 to 50% on demand deposits and 40% on call savings and time deposits.	i. To curtail money supply growth and inflation.
The Tourism Sector to benefit from the targeted concessional finance.	Paragraph 9.3, page 19	i. Beginning first quarter of 2004 Tourism Sector accessed funding from the PSF up to the time when the facility was discontinued.	i. To promote investments in the tourism sector so as to allow the establishment of world class infrastructure that attracts international tourists.

POLICY ADVICE GIVEN	REFERENCE	IMPLEMENTATION PROGRESS	INTENDED IMPACT
RBZ to register and regulate the operations of all Asset Management Companies and financial institutions in Zimbabwe	Paragraph 11.4 (a), page 23	i. The RBZ registered all Asset Management companies in 2004.	i. Encourage asset management companies to invest in the productive sector and create new wealth.
RBZ to transparently and timeously release statistics and economic literature	Paragraph 14.10, page 29	i. Publications are released and posted on the Bank website on a weekly, monthly and annual basis.	i. To provide information to stakeholders, for research, planning and decision making.
Introduction of the controlled foreign currency Auction System	Paragraph 16.2 (f), page 36	<p>i. The system was introduced on 17th January 2005 and then replaced by the Tradable Foreign Currency Balances System (TFCBS) in October 2005, which was in turn replaced by the volume based exchange rate system in January 2006.</p> <p>ii. Foreign exchange inflows improved in 2004 to US\$1.7 billion compared to inflows of US\$301 million in 2003.</p>	<p>i. To enhance foreign exchange mobilization through the banking system..</p> <p>ii. Improve capacity utilization and enhance exporter viability.</p> <p>iii. To improve allocation of foreign exchange to exporters and importers through a transparent auction system.</p>

POLICY ADVICE GIVEN	REFERENCE	IMPLEMENTATION PROGRESS	INTENDED IMPACT
<p>Creation of the Energy and Infrastructure Development Bank (ZEIDB)</p>	<p>Paragraph 23.6, page 51</p>	<p>i. The Infrastructure Development Bank of Zimbabwe was launched on 31st August 2005.</p>	<p>i. To support development projects in the energy, transport, water (dams) and housing sectors.</p> <p>ii. To provide medium term loans to companies for capital projects;</p> <p>iii. To enhance the economy's productive capacity, employment and foreign exchange generative capacity.</p>