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TRADE POLICY REVIEW

ZIMBABWE

MINUTES OF THE MEETING

Addendum

Chairperson: H.E. Mr. Harald Aspelund (Iceland)

This document contains the advance written questions and additional questions by WTO Members, and replies provided by Zimbabwe.[1]

Organe d'examen des politiques commerciales
30 septembre et 2 octobre 2020

EXAMEN DES POLITIQUES COMMERCIALES

ZIMBABWE

COMPTE RENDU DE LA REUNION

Addendum

Président: S.E. M. Harald Aspelund (Islande)

Le présent document contient les questions écrites communiquées à l'avance par les Membres de l'OMC, leurs questions additionnelles, et les réponses fournies par Zimbabwe.[1]

Órgano de Examen de las Políticas Comerciales
30 de septiembre y 2 de octubre de 2020

EXAMEN DE LAS POLÍTICAS COMERCIALES

ZIMBABWE

ACTA DE LA REUNIÓN

Addendum

Presidente: Excmo. Sr. Harald Aspelund (Islandia)

En el presente documento figuran las preguntas presentadas anticipadamente por escrito y las preguntas adicionales de los Miembros de la OMC, así como las respuestas facilitadas por Zimbabwe.[1]

[1] In English only./En anglais seulement./En inglés solamente.

Contents

CANADA

PART I: QUESTIONS REGARDING THE SECRETARIAT REPORT

2. TRADE AND INVESTMENT REGIMES: Trade Agreements and Arrangements - Regional and preferential agreements; COMESA

Paragraph 2.26, page 32:

It is noted that Zimbabwe participates in several COMESA institutions, including the Federation of Women in Business.

Question 1
What activities occur under the Federation of Women in Business?

Answer
Zimbabwe is in the process of reconstituting its National FEMCOM Chapter. As stated in the FEMCOM Charter mandates the Zimbabwean FEMCOM Chapter will be:

- A forum for the exchange of ideas and experience among Women Entrepreneurs;
- An instrument through which the appropriate portion of COMESA Women in Development Programmes shall be implemented;
- A forum for network among women entrepreneurs and encourage women from various business backgrounds to participate in programme activities of the federation.
- A forum to help women set up or expand their existing enterprises.
- A forum to promote sub-regional, regional and international networking among women and enterprises owned by women to facilitate access to resources and increased support.
- An instrument for achieving women's full integration into trade and development activities.

Question 2
Does Zimbabwe have support programs and/or policies to encourage women-owned SMEs to grow domestically and/or export internationally? If so, please provide this information.

Answer
The Ministry conducts on going capacity building workshops for women in the SME sector. Training provided by the Ministry includes multi stakeholder workshops which brings women business owners (cross border trade) in contact with their service providers e.g. ZIMRA, SAZ and Ministry of Industry and Trade to capacitate SMEs on

The Zimbabwe Women's Microfinance Bank has provided value chain financing to women in the agricultural sector amounting to $4 344 668 in 2019.

Paragraph 2.30, page 32:
It is noted that Zimbabwe was in the process of ratifying the Tripartite Free Trade Area (TFTA) Agreement as of November 2019.

Question 3:
How is Zimbabwe's ratification process proceeding?

Answer
Zimbabwe's Tripartite Free Trade Area (TFTA) Agreement ratification process is proceeding well. The Public Agreements Advisory Committee (PAAC) approved the ratification of the TFTA Agreement on 1 July 2019. The Agreement was then approved by the Cabinet Committee on Legislation (CCL) on 2 December 2019. On 10 December 2019, Cabinet approved ratification of the TFTA Agreement.

(refer to this link: https://www.bilaterals.org/?cabinet-approves-ratification-of). The Agreement is now undergoing the parliamentary approval processes.

Question 4:
How does Zimbabwe see its TFTA obligations interacting with implementation of its commitments under the African Continental Free Trade Area Agreement (AfCFTA)?

Answer: The TFTA has been used as a building block towards the establishment of the African Continental Free Trade Area (AfCFTA), which the country has already signed and ratified. The TFTA Agreement aims to address challenges of multiple membership, where countries were implementing different commitments in different Regional Economic Communities (RECs). Zimbabwe is a member of both COMESA and SADC. Given that the agreement was built on the *acquis principle (building on existing commitments),* and that the Agreement is also built on the principle of variable geometry; Zimbabwe's sees complementarities to the TFTA and AfCFTA Agreements allowing for ease of implementation.

Further, the TFTA Agreement also seeks to improve the competitiveness of Tripartite Member States at enterprise, industrial and regional levels this should allow TFTA member states to fully derive benefits from trade opportunities that will arise within the AfCFTA.

Furthermore, the AfCFTA and TFTA Agreements are different sets of agreements with different obligations (including different implementation periods), meaning that the private sector can either choose to use one of them in trading, if the agreement is favourable to them. Rules of origin might be similar but not identical, which give the private sector the choice to benefit from one of the agreements. This is also happening under SADC and COMESA.

Page 34 (Para 2.40)

Foreign investment has been subdued since 2011 (Section 1.3.2), on account of the difficult socio-political context and the numerous and frequently changing investment restrictions, as well as the numerous amendments to investment provisions. However, these restrictions have been lifted, as encouraging foreign investment is now a declared government priority. The Constitution guarantees, in principle, legal protection for all investors, irrespective of country of origin, including the right to private property, and, generally, prohibits expropriation without compensation.

Question 5
What were the investment restrictions?

Answer
The major investment restriction was the implementation of the Indigenisation and Economic Empowerment Act, which forced foreign-owned businesses to cede at least 51% shares of their local operations to black Zimbabweans. In 2018, this requirement was removed, except for diamonds and platinum, which are strategically important to the country. The requirement on diamond and platinum was removed in March 2019 through the amendment of the Finance Act of 2017.

Question 6
In what year were the restrictions lifted?
Answer
The major investment restriction was the implementation of the Indigenisation and Economic Empowerment Act, which forced foreign-owned businesses to cede at least 51% shares of their local operations to black Zimbabweans. In 2018, this requirement was removed, except for diamonds and platinum, which are strategically important to the country. In March 2019 the remaining indigenisation restrictions on diamond and platinum were all removed.

Page 72 (Para 3.127)

After decades of reliance on SOEs in key agricultural, industrial and services sectors, and given their longstanding poor performance, in 1999, the Government adopted procedures for the privatization and restructuring of SOEs. The State Enterprises Restructuring Agency was established to provide advice to the technical committees. Two decades later, the implementation of these restructuring and privatization strategies has yet to fully occur, and most of the earmarked companies remain in the State's portfolio.

Question 7
Given that Zimbabwe has not yet implemented the procedures adopted for the privatization and restructuring of SOEs, and that the latest report from Zimbabwe's Office of the Auditor General shows worsening SOE losses, what are Zimbabwe's plans on these issues?

Answer
In 2018, the second Republic of Zimbabwe approved a State Enterprises Reform Framework which identified 43 State Enterprises and Parastatals for reforms. The identified state owned enterprises (SOEs) identified for reforms were categorised specific reform strategies which are privatisation, merging, unbundling, departmentalisation and performance reviews.

The shares of SOEs identified for privatisation will be offered to foreign and/or domestic investors, in which, the ultimate investor will be selected through a competitive bidding process. Competitive bidding process grants equal opportunities to both domestic and foreign investors to invest in SOEs.

Technical Committees which comprise of Government departments chaired by responsible line ministries leads the implementation of privatisation of SOEs. The Technical Committees are advised by Independent Transactional Advisors selected through competitive bidding procedures in line with the Public Procurement Legislation. The engagement of Transactional Advisors shows Government's commitment in professionalising the privatisation process.

The privatisation will increase private sector investment/participation in all sectors in which SOEs are present. The SOEs identified for privatisation are in the following sectors:

Telecommunications & Postal Services Sector

- Tel-One (Private) Limited
- Net-One(Private) Limited
- ZIMPOST (Private) Limited

Financial Services Sector

- Agribank (Private) Limited
- People's Own Savings Bank(POSB)
- Infrastructure Development Bank Of Zimbabwe (IDBZ)

Transport sector

- Zimbabwe Passengers Company (Private) Limited (ZUPCO)

Mining sector

- Subsidiaries of Zimbabwe Mining Development Corporation

Manufacturing sector

- Subsidiaries of Industrial Development Corporation of Zimbabwe (IDCZ)

Forestry and Timber Sector

- Allied Timbers (Private) Limited

Energy and Fuel Sector

- Petrotrade (Private) Limited

Question 8
Will Zimbabwe's Vision 2030 include objectives regarding SOEs, such as implementing better reporting procedures or ensuring accountability?

Answer
Vision 2030 objectives on State Owned Enterprises is as follows;

- Restructuring of individual State Owned Enterprises will be pursued with some parameters set out for each entity that is through:

- Liquidation, full privatization, transformation from player to regulator, restructuring and establishing strategic partnerships, merging and demerging; and departmentalization into existing Ministries.

The Issues of ensuring better reporting and ensuring accountability are at the core of that will be done within these entities.

3. TRADE POLICIES AND PRACTICES BY MEASURE

Section 3.3.6 – GOVERNMENT PROCUREMENT

Para 3.128, Page 73

Zimbabwe is neither a party nor an observer to the WTO Plurilateral Agreement on Government Procurement. Considering a WTO national training workshop on accession to the Agreement, particularly in the light of the recent reforms described below, could constitute an opportunity for the authorities to consider obtaining observer status in the WTO Agreement on Government Procurement. This, in turn, would increase transparency in government procurement processes, including those funded through foreign aid, reduce opportunities for corruption, and lay the foundations for genuine competition among suppliers, national or foreign.

Question 9
Would Zimbabwe consider obtaining observer status in the WTO Agreement on Government Procurement, and eventually applying for accession?

Answer
Zimbabwe is not yet ready because it's a Plurilateral Agreement. All procurement activities undertaken in a transparency manner be it that they are undertaken locally or internationally. It is important to point out that transparency is maintained in all procurement processes undertaken in the country.

Para 3.132, Page 74

The new procurement law established the Special Procurement Oversight Committee (SPOC) to review procurement contracts that the Government deems sensitive or especially valuable. Above a certain threshold, the SPOC reviews contracts before award, and may oblige the procurement process to be recommenced. For other purchases, procuring entities procure on their own, within thresholds (Table 3.18). Procuring entities are grouped in three classes, A, B, and C. The class a procuring entity belongs to is determined on a case-by-case basis by the PRAZ, based on published guidelines. There were 293 procuring entities in 2018, at central and subcentral level (including SEPs).

Question 10
Why, and under what circumstances, would the SPOC require a procurement process to be recommenced?

Answer
In line with Section 54 [10C (ii)] of the Public Procurement and Disposal of Public Assets Act, the SPOC may require a procurement processes to be recommenced if the process is defective and not meeting the objectives of the PPDPA Act and the Finance Management Act [Chapter 22:19], that is; if the procurement process

a. Is not effected in a manner that is transparent, fair, honest, cost-effective and competitive;

b. Does not promote competition among bidders;

c. Does not provide for the fair and equitable treatment of all bidders, leading to procurement contracts that represent good value for money;

d. Does not promote the integrity of, and fairness and public confidence in, procurement processes;

e. Does not secure the implementation of any environmental, social, economic and other policy that is authorised or required by any law to be taken into account by a procuring entity in procurement proceedings.

Question 11
Could Zimbabwe explain the differences between the three classes (A, B, and C) that procuring entities are grouped into and their corresponding thresholds?

Answer

- Procuring entities are group in terms of the size of their procurement budgets and risk profile. The classes are as follows:

  i. Class A, entities with an annual procurement budget equivalent to US$2 million and low risk profile or entities with lower procurement budget and low risk profile,

  ii. Class B, entities with an annual procurement budget equivalent to between US$500,000 and US$2 million with low risk profile, or entities with a budget under Class A but with a high risk profile, or entities with a budget under Class C with lower risk profile.

  iii. Class C, entities with procurement budget below US$500,000 or entities with procurement budgets under Class A and B with high risk profile.

- There are different thresholds for review by SPOC for procurement of construction works, goods and services. Class A entities have a higher threshold for procurement that they can conclude before prior review by SPOC.

- The Classes also guide the procuring entities in establishing the structure of the procurement management unit in terms of Section 17 of the PPDPA Act.

- The risk profiles referred to in the Public Procurement and Disposal of Assets Regulations shall be determined in accordance with guidelines issued by the Authority from time to time

Para 3.138, Page 75

A domestic price preference envisages a margin of 15% for the procurement of goods, and 7.5% for the procurement of contractors' services. Within these prescribed limits, preference may be given to bidders that are domestic suppliers or manufacturers, and an extra preference, within the prescribed limits, may be given to women or entities controlled predominantly by women, or to Zimbabwean universities or polytechnics.

Question 12
Is the domestic price preference applicable to all procurements, regardless of contract value?

Answer
The domestic price preference is optional and may be applicable to any procurements in line with Section 8 (5) of the Public Procurement and Disposal of Public Assets Act General Regulations on condition that it has expressly been provided in the bidding document.

Question 13
Is the domestic price preference applied automatically to all procurements, or does the procuring entity choose to apply the it on a case-by-case basis?

Answer
In line with Section 29 of the Act, a Procuring Entity may choose to apply a preference on a case by case basis. However, in line with Section 29 [c (i)(ii)] the preference shall be

- stated clearly in the bidding documents; and

- applied strictly in accordance with such procedures and criteria as may be prescribed or as maybe stated in circulars issued by the Authority

Section 3.3. 7 – INTELLECTUAL PROPERTY RIGHTS (IPRs)

Para 3.144, Page 76

The Secretariat Report notes the launch of the Zimbabwe Intellectual Property Policy and Implementation Strategy (2018-22). The strategy aims to rely on IPRs for economic growth and development, in science, technology, innovation; for rural development; and the growth of SMEs.

Question 14
Can Zimbabwe provide additional information on some of the achievements to date of the Zimbabwe Intellectual Property Policy and Implementation Strategy?

Answer
Higher and tertiary institutions of learning are now in the process of establishing institutional Intellectual Property policy

- Higher and tertiary institutions of learning are in the process of establishing Technology and Innovation support centers (TISC)
- More filings from local applicants
- Plans to establish IP clubs in schools are underway.

Page 76-77 (Table 3.20) Application for patents, trademarks, industrial designs and patent granted, 2012-18:
The Secretariat Report provides a chart outlining patent applications, industrial design applications, trademark applications and the total number of patents granted.

Question 15
Can Zimbabwe provide additional information on the amount of trademarks and industrial designs granted during the review period?

Answer

	Year	2011	2012	2013	2014	2015	2016	2017	2018	2019
Trade-marks	**Residents**	210	353	249	211	224	350	305	319	**508**
	Non residents	1279	1309	1311	1489	1121	852	822	1093	623
	Banjul Protocol	185 109 res	232 67 res	234 69 res	294 105 res	158 61 res	242 68 res	240 89 res	316 172 res	267
	Madrid	-	-	-	-	397	781	1156	1305 1 res	1044
Total		**1674**	**1894**	**1794**	**1994**	**1900**	**2225**	**2523**	**3033**	**2442**
Patents	**Residents**	4	4	2	5	8	4	7	18	60
	Non residents	10	4	8	8	12	3	2	2	5
	Harare Protocol	48	103	208	309 2 res	541 5 res	415 7 res	489 9 res	518 7 res	513
	PCT	7	15	11	8	4	4	9	2	4
Total		**69**	**126**	**229**	**330**	**565**	**426**	**507**	**540**	**582**
Industrial designs	**Residents**	0	2	2	2	4	3	4	3	5
	Non residents	4	2	2	2	2	2	4	4	-
	Harare Protocol	-	-	6	16	74 2 res	48 8 res	36 2 res	64 7 res	44
Total		**4**	**4**	**10**	**20**	**80**	**53**	**44**	**71**	**49**

PART II: QUESTIONS REGARDING THE GOVERNMENT REPORT

3. VISION 2030 AGENDA

Section 3.1 PROGRESS IN THE IMPLEMENTATION OF THE TSP

Para 3.5, page 5

The report notes that the government intends to have zero tolerance on expenditures outside the budget and states that the government has asserted fiscal discipline. At the same time the most recent Article IV reports point to continuing concerns over quasi-fiscal activities and the contingent liability in the form of compensation owed to some Zimbabwean famers.

Question 16
What additional steps are being contemplated to respond to the concerns over continued quasi-fiscal activities?

Answer

1. Under the 2019 and 2020 National Budgets, Government prioritised Fiscal Consolidation in order to arrest inflation and stabilise the economy. A commitment was therefore made to avoid expenditures outside the Budget, assert fiscal discipline and contain expenditures.
2. This policy stance, to some extend, brought positive results in terms of budget management and the IMF in their Staff Report for the 2019 Article IV Consultation of 12 February 2020 acknowledged that:

   "the fiscal stance has been tightened significantly under the current administration to contain monetary financing of the deficit and help stabilize the economy. The government has contained spending well below the supplementary budget allocations, with lower than budgeted infrastructure spending and transfers to provinces, as well as containment of the wage bill. Although quasi-fiscal operations by the RBZ continued during 2019, the cash deficit of the central government, is estimated to have declined to 3.5 percent of GDP, compared to 4 percent targeted in the budget and 7.5 percent in 2018. " (para 8).
3. Further, the Fund Staff Report also stresses that *"Many of the reforms contained in the TSP are in line with past Fund policy advice: strengthening fiscal management, improving the financial stability framework, developing a transparent and better-functioning FX market, and supporting governance reform. As summarized in Annex I and discussed below, the authorities have achieved a significant fiscal adjustment". (para 5)*
4. This witnesses Government's commitment to various reforms articulated in the TSP.
5. However, in the course of the TSP implementation, some challenges exerted pressure on the economy necessitating some unforeseen expenditures. These were in particular, on account of climatic and other macro-economic shocks in form of costly drought, Cyclone IDAI, which had devastating effect on food security, power generation and other negative results on the rest of the other sectors.
6. hese shocks necessitated unanticipated spending for food security and electricity imports, among others. Shocks on the Foreign Exchange Market, which in turn fed into high inflation worsened the situation and it is important to note the contribution of the <u>absence of external balance of payments support</u> in this whole equation.
7. However, notwithstanding the impact of these shocks, Government remain focussed on TSP reforms agenda and already Government through the Reserve Bank is instituting measures to establish sanity in the financial and foreign exchange markets, whose rent-seeking activities have been contributing to exchange instability and hence inflation and the rise in unexpected spending.
8. Further, a formal market based system of foreign exchange trading is being established, supported by an electronic foreign exchange trading system.
9. In addition, a new policy on targeting subsidies that are budgeted is being implemented and that has seen subsidies on electricity, fuel, gold being rationalised and removed. These subsidies have been the main sources for quasi activities. Meanwhile Treasury

remain resolute on avoiding monetising the budget deficit through the Central bank funding.

10. A combination of continued fiscal consolidation stance and ongoing monetary and foreign exchange reforms should see evaporation of quasi-fiscal activities.

Question 17
What is the status of discussions with farmers to reach an agreed or negotiated resolution on compensation owed?

Answer
Fruitful discussions are ongoing on the matter.

Para 3.14, page 7

The report states that the safety of investments in Zimbabwe is guaranteed, and notes that there is recourse to the judiciary should there be need to resolve disputes.

Question 18
How should investors who have followed the route suggested by the report achieve an effective resolution when court decisions have repeatedly not been enforced by the police?

Answer
An investor can appeal using International investment bodies to which Zimbabwe is a member. Zimbabwe is a member of Multilateral Investment Guarantee Agency (MIGA), the Africa Trade Insurance Agency (ATI), the International Centre for Settlement of Investment Disputes (ICSID), the Overseas Private Investment Corporation (OPIC), the New York Convention on the Enforcement of Arbitral Awards and the United Nations Convention on International Trade Law (UNCITRAL), amongst others.

Section 3.2 ECONOMIC OUTLOOK

Para 3.21, page 8

The report acknowledges that arrears owed by Zimbabwe remain a challenge, which has a negative impact on its ability to foster development and to address the country's significant economic and social challenges. It then cites the successful completion of the SMP with the IMF and the completion of reforms set out in the TSP as the solution.

Questions 19
How will Zimbabwe adjust to the determination by the IMF that the current situation does not support a continuation of the SMP?

Answer

1. The SMP for Zimbabwe was approved by IMF management in May 2019. The first SMP Review indicated that "Performance against quantitative program targets was satisfactory through end-June."
2. Further, performance against the SMP's structural benchmarks were also satisfactory throughout the programme. [The SMP is due to expire at end-March 2020.]
3. However, under the Second SMP Review, the programme confronted challenges related to the shocks mentioned above, resulting in some targets particularly on the monetary side being missed.

Questions 20
How will Zimbabwe accelerate the genuine implementation of promised reforms that it argues are needed both for its own objectives and for successful' re-engagement' when there has been far less progress on its reform agenda than is needed?

Answer
With the ongoing implementation of the TSP, challenges on missed targets, mostly related to quasi activities and foreign exchange reforms are receiving attention as indicated above. More so, the ongoing Covid-19 Mitigatory strategies are mindful of this reality and necessity.

Further, the reengagement process continues and Treasury keeps engaging and communicating with various creditors/jurisdictions for an amicable arrears solution. To that end, Government has approached the Paris Club creditors and IFIs for a resolution on the back of Covid-19 pandemic. Technical and other developmental cooperation with a number of creditor countries and the multilateral financial institutions including the IMF continues and is appreciated.

5. MONETARY AND EXCHANGE RATE POLICIES

Para 5.3, page 9

The report describes the foreign currency surrender regime noting that exporters must use retained export earnings within 30 days or unused balances are sold on the interbank market. Reports from the business sector suggest that in practice the interbank market does not operate in the open and transparent manner needed for predictable and accurate currency valuation.

Questions 21
What measures are being implemented to ensure the currency market operates in an efficient way which does not create a disincentive for investment and commercial activity?

Answer
To ensure the currency market operates in a transparent manner, the Reserve Bank of Zimbabwe is putting in place an electronic forex trading platform based on the Reuters system. This platform will allow foreign exchange to be traded freely amongst the banks and permit a true market exchange rate to be determined. The Bureaux de Changes will also participate on this platform through their Authorised Dealers. The trading rules of the Bureaux de Change are being liberalised so that they can conduct all wider range of transactions. The RBZ will continue to be a significant player in the market, providing liquidity to stabilise the exchange rate, where necessary.

Para 5.6, page 9

The report highlights that the Reserve Bank guaranteed the payment of "legacy debts" at the 1:1 exchange rate between RTGS dollar and US dollar.

Questions 22
How is legacy debt being identified and repayment prioritised?

Answer
All the affected parties are required to submit their applications through their banks. The banks will then submit the applications for the legacy debt to be paid at par to the exchange control Division. There is a Committee comprising of the exchange control Division and the Ministry of Finance to ensure transparency. The Committee would then make recommendations to the Governor for approval.

Questions 23
How can companies owed legacy debts which have not yet arrived at a resolution of their situations appeal the slow forward movement?

Answer
All the fresh applications were processed, and the outcomes communicated to the respective companies. The Bank is now looking at the appeals from companies whose applications have been rejected.

Questions 24
Are there procedures in place to address grievances?

Answer
In the event that the application is rejected, the applicant is free to make an appeal to the Committee. This is done in line with the Exchange Control Appeals procedure under the Statutory Instrument (SI) 109 of 1996.[2] The Governor and the Permanent Secretary can consider the

[2] https://www.rbz.co.zw/documents/acts/SIs/exchange-control-regulations,-1996-(statutory-instrument-109-of-1996).pdf.

application. If the applicant is not satisfied, the issue can further be escalated to the Minister of Finance since the Ministry of Finance is the ultimate exchange control authority.[1]

6. SECTORAL PERFORMANCE

Section - 6.1 AGRICULTURE

Para 6.3, page 11

The report promises the resolution of the bankability of 99 years leases as a means of removing government liability.

Question 25
How will this issue be resolved considering that this has been a commitment of Zimbabwe governments dating back at least 6 years but which has clearly been met with opposition?

Answer
1. Government of Zimbabwe has through the Ministry of Lands, Agriculture, Water and Rural Resettlement made effort to make the 99 Year lease bankable to enable farmers to borrow against this tenure document – Indeed several meetings have been held during the past six years with the Bankers Association of Zimbabwe (BAZ) and considerable progress made in **reviewing and amending the** lease. It is on record that during meetings attended by the World Bank mission the President of the Bankers Association admitted that some Sections of the lease which the banks were not happy with had been amended and considerable progress had been made. The World Bank in their mission report commended favorably to the changes which had been made particularly in protecting the tenders where the borrower defaults in repayment.

The Bankers Association at some point reported in the press that with the changes to the lease the banks were prepared to loan farmers on the basis of the lease. Of late the Bankers Association have been requested again to submit aspects of the lease the Association would like reviewed and amended for another round of discussions to finalize this issue

Section - 6.2 MINING

Para 6.11, page 12

The report notes that the Zimbabwe will explore the possibility of joining the Extractive Industry Transparency Initiative (EITI) in 2020.

Questions 26
Could Zimbabwe provide a timeline for its discussions with the EITI Secretariat and for its decision-point for signing on to the initiative?

Questions 27
Could Zimbabwe confirm that it intends to adhere to the EITI in light of several statements from leading officials calling into question the government's interest following the visit of Helen Clark in October 2019?

Answer:
1. The EITI Chair came to Zimbabwe for a familiarization visit in October 2019. Stakeholder Consultations are to be done in 2020.
2. The intentions of Zimbabwe joining EITI are there as highlighted in the 2019 and 2020 Budget Statements by the Minister of Finance and Economic Development.

11. INSTITUTIONAL AND STRUCTURAL REFORMS

Section - 11.3 STATE ENTERPRISES AND PARASTATALS REFORM

Para 11.6, page 18

The report indicates that actions are under way to make SOEs fully accountable and economically viable and that they may be fully or partially privatized.

Question 28
Can Zimbabwe provide an update on the process of privatization and provide assurances provide that this will be fair and transparent, and open to international bidders?

Answer

Transparency Procedures
Independent transactional Advisors identified through competitive bidding as provided in the Public Procurement Legislation would advise the implementation of privatisation transactions. The Adverts for procuring Transaction Advisors were open to both domestic and international consulting firms in line with principle of transparency.

The Investors are being identified through the competitive bidding process to ensure transparency and equal opportunities to all potential investors.

In 2019, we enacted the State Public Entities Corporate Governance Act which is intended to strengthen the management and governance of State-Owned Enterprises so that they contribute to economic growth and development. State-owned enterprises in the past contributed over 40% to GDP and this has gone down to less than 10%.

Question 29
Is the enactment of the State Public Entities Corporate Governance Act in response to the lack of implementation of the restructuring and privatization strategies that were adopted in 1999?

Answer
The Public Entities Corporate Governance Act was promulgated June 2018 to bring about good corporate governance in the entities and their performance had gone down and this had nothing to do with the 1999 strategies as these are two different issues

Part XII. Trade Policies and Practices: Export–Led Production and Industrialisation

<u>Paragraph 10, page 19:</u>

It is noted that the Government of Zimbabwe recognizes the need to continuously improve the environment for private sector in particular SMEs development.

Questions 30
As part of efforts to improve the environment for private sector in Zimbabwe, particularly SMEs, are the effects (intended or unintended) of policy measures on SMEs a consideration in any mandated review process for new or revised legislation or regulations? Is this process implemented when that new or revised legislation or regulation is not directly related to assisting SMEs?

Answer
The effect of regulations or legislation on SMEs are considered when carrying out policy revisions. For example, countrywide consultations were carried out to obtain the views of the SMEs for the MSME Policy Review process which is currently being finalised.
SMEs are invited as stakeholders at various policy review processes conducted by various institutions given their importance in the economic development of the country.

Question 31
Are there any targeted policies and programmes to help SMEs domestically and/or export internationally? If so, provide this information.

Answer
SMEs are assisted to access local and international market by the Ministry by way of mobilization and facilitation of their participation at regional and international exhibitions. The Ministry also offers other business development support services to SMEs such:

- Business management and technical skills training, business linkages, quality assurance and standards training in order to improve market competitiveness of the SMEs products.

- The government signs MOUs with regional countries to promote SME development at bilateral level.

- At Regional level there are programmes under COMESA such as the COMESA Simplified Trade Regime, a programme aimed at facilitating small scale cross border trade through the use of simplified customs documents to enable them to enjoy duty free importation of goods originating within the region.

Question 32
How are SMEs defined for the purpose of statistical and policy analysis in Zimbabwe?

Answer
In Zimbabwe, MSMEs are defined according to the Small and Medium Enterprises Act Chapter 24:12, Third Schedule Section 2. SMEs are defined based on four variables which number of permanent workers, annual turnover, gross value of assets excluding immovable property and legal status. The general definitions are outlined below but the values differ.

Definition of SMEs

	NUMBER OF PERMANENT WORKERS	ANNUAL TURNOVER	VALUE OF ASSETS EXCLUDING FIXED ASSETS;
Micro	Up to 5	Up to 30 000	Up to 10 000
Small	6-30 (except for those in mining, construction, energy and transport with up to 40)	500 000 (except those in mining -1500000, construction-1 000 000)	250 000 (except for mining-1 000 000, manufacturing-500 000, construction and energy-1 000 000)
Medium	31-75	1 000 000 (except those in mining -3000 000 and construction-2 000 00)	500 000 (except for those in mining and construction- 2 000 000, Manufacturing and energy -1 000 000)

ZIMRA sme CATEGORISATION [BASED ON POINTS]
Zimbabwe Revenue Authority (ZIMRA) defines SMEs in terms of a point system based on employment levels, turnover according to Section 2 of the Finance Act as read with the fourth schedule of the Small and Medium Enterprises Act Chapter.

SME Categorization

BASE	RANGE	POINTS	FACTOR
Employment Levels	Up to 5 employees	1	A
	6-40 employees	2	
	41-75 employees	3	
	76 –above	4	
Annual Turnover	Up to USD 50000	1	B
	USD 50001-USD 500000	2	
	USD 500001-USD 1000000	3	
	USD 1000000-above	4	
Gross Value of Assets	Up to USD 50000	1	C
	USD 50000- USD 1000000	2	
	USD 100001- USD 2000000	3	
	USD 2000000-above	4	

Score Notes

a) Ten points or more disqualifies the enterprise concerned.

b) Eight or nine points qualifies the enterprise as a medium enterprise.

c) Five, six or seven qualifies the enterprise as small.

d) Three or four points qualifies the enterprise as micro enterprise.

Question 33
Please provide any readily available statistics on the role of SMEs in Zimbabwe economy and participation in international trade, specifically: (i) total number of SMEs in Zimbabwe; (ii) percentage of businesses that are SMEs; (iii) employment profile of SMEs, e.g. percentage of total employment generated by SMEs; (iv) export and imports by SMEs, e.g. percentage of all exports and imports for SMEs, total number of SMEs that are exporting and importing.

Answer
According to the MSME Fin scope Survey (2012) the total number of SMEs in Zimbabwe was 2.8 million MSME owners owning 3.5 million businesses, employing a total of 2.9 million people (all ages, excluding the business owners themselves). The sector contributed significantly to employment with a total of 5.7 million people working in the sector. Since then there is no comprehensive study which has been conducted in this regard.

Question 34
Does Zimbabwe collect statistics on SME ownership by diverse groups (e.g., women, youth, etc.)? If so, please provide this information.

Answer
To capture disaggregated data on SMEs in the country, The Ministry is in the process of developing a database with entry points at all the districts to capture information on SMEs which will help in the production of disaggregated data on SMEs.

Question 35
Does Zimbabwe include provisions in its Regional Trade Agreements in support of SMEs in cross-border trade, e.g. cooperation, investment? If so, please provide an overview of these provisions.

Answer
Government of Zimbabwe has facilitated the implementation of the COMESA Simplified Trade Regime (STR) to promote small scale cross border trading activities with Zambia and Malawi. The Simplified Trade Regime (STR) is aimed at simplifying the trade process of clearing goods by informal-cross-border traders through the use of a simplified customs document.

Efforts are currently underway to develop an STR for intra-SADC trade.

FOLLOW-UP QUESTIONS FROM CANADA

QUESTIONS REGARDING THE SECRETARIAT REPORT

Section 3.144

1. In the Intellectual Property Rights section 3.144, the report states that the "Strategy seeks to rely on IPRs for economic growth and development, in science, technology, innovation; for rural development; and the growth and competitiveness of SMEs, among others."

Question1: Can Zimbabwe provide additional statistics and or results on how this strategy has impacted the competitiveness and growth of SMEs?

Section 3.72

2. In Export finance, insurance, and guarantees' section 3.72, the report states that "The Export Credit Guarantee Corporation of Zimbabwe, a wholly owned subsidiary of the RBZ and a registered short-term insurer, is an export credit agency whose mandate is to help in the promotion and facilitation of Zimbabwe's domestic and international trade through the provision of export and domestic credit insurance products. It also provides guarantees to financial companies so that they lend to micro, small and medium-sized companies.

Questions:

2. Has there been strong engagement from micro, small, and medium-sized businesses with the Export Credit Guarantee Corporation of Zimbabwe?

3. Does Zimbabwe collect sex disaggregated data on the applications received and those companies that receive support?

- Do women have a good success rate in obtaining financing?
- Do women tend to receive primarily micro credit and men larger loans/equity? How does this affect their participation in trade?

Response

MSME CREDIT GUARANTEE SCHEME
There has been a strong engagement with MSMEs through Lending Institutions, and as a result they have been able to access credit using ECGC's credit guarantee as collateral security. This engagement has seen 12 Banks and 15 Microfinance Institutions disbursing credit to MSMEs under the MSME Credit Guarantee Scheme. Women also have been able to access finance from Lending Institutions at the back of the guarantee scheme. Below is a table with statistics of MSMEs who have benefitted from the Credit Guarantee scheme since 2018.

	2018	2019	2020
Number	50	183	65
Value	USD 4,501,328.19	ZW$17,229,722.92	ZW$7,292,210.35
Women: Value	USD 50,000.00	ZW$1,439,240.00	ZW$649,888.00
Women: Number	3	41	13

Question 11 of the United States on Page 76 of RD/TPR/1174

Canada thanks Zimbabwe for their response to Question 11 of the United States on page 76 of document RD/TPR/1174* and for clarifying the circumstances under which it uses insurance and freight cost estimates in applying the additions to the price actually paid or payable referred to in Article 8.2 of the Customs Valuation Agreement (CVA). Nevertheless, pursuant to this response, Canada believes that the answer to the question of how this is consistent with Article 8.3 of the CVA remains outstanding.

Where insurance and freight costs were incurred by the importer, but insufficient 'proof' exists to calculate these costs (e.g. the importer failed or refused to provide sufficient documentation), has Zimbabwe considered the rejection of the transaction value method (TVM) in accordance with the Note to Article 8, Paragraph 3 of the CVA and proceeding to a subsequent method of customs valuation pursuant to Articles 2 through 7 of the CVA?

Likewise, in circumstances where the importer provides his own transport and does not charge for the service, there is nevertheless a cost associated with transporting the goods which the importer should be accounting for in their books and records. In order to consistently abide by Article 8.3 of the CVA has Zimbabwe sought to determine the actual insurance and freight costs incurred by the importer through a request and analysis of the importer's books and records?

Response

In instances where the importer fails or refuses to provide sufficient documentary evidence to allow for the use of "Transaction Value" as prescribed by the Agreement on Customs Valuation, Article 1, the primary basis for customs valuation "transactional value", cannot be used and the proceeding valuation methods as prescribed in Articles 2 to 7 are utilized. The same is done in instances where the importer utilizes his own transport and no charge for transport or insurance is raised.

In some instances where it is deemed necessary post clearance verifications are done on an importers books and records to verify the correctness of customs declarations tendered by importers.

Follow Up Questions by Canada

Canada thanks Zimbabwe for their response and confirmation that the transaction value method is rejected, and a subsequent valuation method of appraisal is used when the importer fails or refuses to provide sufficient documentary evidence.

If such is the case, Canada would like Zimbabwe to further clarify under what circumstances and using what method of customs valuation in Articles 1 through 7 of the Customs Valuation Agreement (CVA), are estimates (i.e. based on average costs of past transactions) for insurance and freight costs used.

Furthermore, as explained and asked in our previous question, in circumstances where the importer provides his own transport and does not charge for the service, there is nevertheless a cost associated with transporting the goods which the importer should be accounting for and can be discerned by Customs in their books and records. Consequently, in the case of the latter situation described in Zimbabwe's response (i.e. own transport of the importer) Canada would like to understand on what basis the transaction value method is rejected?

Response

For instances where importers fail to submit documentary evidence to allow for the use of transaction valuation in terms of Article 1, the alternative valuation methods are utilized in terms of Article 2 through to Article 7. The use of estimates as stated, is done in terms of Article 7, where reasonable means are utilized to computation the costs of insurance and freight, in instances where Articles 1 through to Article 6 cannot be utilized.

In instances where own transport is utilized if the importer provides evidence of the costs of insurance and freight, and such costs are not influenced by any consideration, such values are accepted. However, tests are done to ascertain that such declared costs are consistent with identical or similar consignments from the same country of origin destined to Zimbabwe.

CHINA

PART I: QUESTIONS REGARDING THE SECRETARIAT REPORT

Page 8 (Para. 8) and Page 1 (Para. 1.2.1)

"Tobacco is the number one agricultural commodity for Zimbabwe (21% of total exports in 2018)".
Question 1
Tobacco is a pillar industry, the payments or pre-production inputs paid to tobacco farmers are conducive to the sustainable development of local pillar industries and the improvement of agricultural infrastructures. In the meantime, control measures have continued to increase such as those in tobacco and cotton merchants' offshore loans for input schemes and tobacco and cotton offshore loans for the purchase of crops as specified in 1.2.1 (Monetary and exchange rate policies).
What are the considerations for adopting foreign exchange control measures related to tobacco planting and tobacco leaf exports? Will there be any changes in the future?

Answer
The current tobacco marketing procedures are as follows[3]:

a. Tobacco growers who have contracted loans in foreign currency shall be payable and deducted from proceeds of sale of tobacco and thereafter 50% of the sale proceeds shall be paid in foreign currency and the other 50% will be converted at the applicable interbank rate on the day of the sale and paid in local currency.

b. The 50% foreign currency portion shall be paid directly into the grower's FCA while the 50% local currency portion will be deposited directly into the grower's local currency account or e-wallets on the day of sale.

c. Tobacco growers who opt to have 100% of their tobacco sale proceeds being paid into their RTGS$ bank accounts, shall also be accommodated without the need to open the Nostro FCA bank accounts.

d. Tobacco growers who do not have FCAs are encouraged to open one with any local banks of their choice.

e. In order to assist growers in accessing cash for incidentals at the point of sale and to settle immediate essential requirements such as transport expenses, growers shall be entitled to withdraw cash equivalent to RTGS$1.50 per kg of tobacco sold, up to a maximum of RTGS$2000. For instance, a grower is entitled to withdraw cash amounting to RTGS$300 after selling 200kgs of green leaf tobacco. The maximum cash withdrawals may be reviewed as the selling season progresses.

f. Tobacco growers who have not yet opened Nostro FCA bank accounts, are kindly advised to do so by approaching Banks which hold their individual RTGS$ bank accounts and present their National Identity Card and grower's number.

g. to facilitate adequate preparations and importation of inputs for the next season, the foreign currency entitlements for growers shall be treated as free funds and may be retained in their FCAs for an indefinite period. For avoidance of doubt, holders of such free funds are permitted to conduct inter-FCA transfers or effect foreign payments without any restrictions and the FCA balances will not be subject to any liquidation requirements.

Page 60 (Para. 3.49)

Zimbabwe maintains import prohibitions mainly on health and moral grounds, and to comply with international conventions to which it is a party.
Question 2
Whether the TCM is included in the import prohibition? If so, what are these medicines?

[3] https://www.rbz.co.zw/documents/press/TOBBACCO-Press-Statement.pdf.

Answer

a. The importation of Traditional Chinese Medicines is not prohibited in Zimbabwe. Instead the Medicines Control Authority of Zimbabwe ("the Authority") regulates Traditional Chinese Medicines which are in pharmaceutical form for (e.g. Capsules, tablets and pills) or which make medicinal claims (e.g. tea bags and drinks).

b. The Authority regulates the importation of a Traditional Chinese Medicine which:

i. is in pharmaceutical form; or

ii. makes medicinal claims; and

iii. has been approved by the Authority in terms of the Medicines and Allied Substances Control (Complementary Medicines) Regulations SI 97 of 2015 *(hereinafter referred to as "the Regulations").*

c. If a person wishes to import a Traditional Chinese medicine which is in pharmaceutical form or makes medicinal claims but which has not been approved by the Authority he/she has to make an application for authorization to the Authority in terms of Section 75 of the Medicines and Allied Substances Control Act *(Chapter 15:03).*

d. Traditional Chinese Medicines which are not in pharmaceutical form nor make medicinal claims are not regulated by the Authority. Examples of those would be dried leaves, dried roots and dried flowers.

Page 65 (Para. 3.70)

"In recent years, the RBZ provided several concessional loan facilities, some related to exports: Export Finance Facility (USD 200 million) …"

Question 3

In what currency does the RBZ provide the loan? If the loan is provided in the US dollar, will the borrowers need to repay the loan with the same kind of currency?

Answer

The various facilities that the RBZ implemented before 2018 were converted at par into local currency, implying that all payments will be in local Zimbabwean dollars.

Currently, the Bank is implementing a Medium-term Bank Accommodation (MBA) window to support banks with productive sector funding requirements. The Facility is in domestic currency of up to ZWD 1.5 billion.

Question 4

As Zimbabwe is short of foreign exchange, if the policy on compulsory exchange settlement is implemented in the future, how will exporters' foreign exchange earnings be protected? Does the RBZ have a unified arrangement?

Answer

The current arrangement is that all exporters have to comply with the existing surrender requirements as indicated in the report. The surrender requirements are a short-term measure to preserve foreign currency for critical import needs such as fuel and electricity among other things. However, when the economy is fully recovered, the surrender requirements will be reviewed accordingly.

Page 67 (Para. 3.80)

To date (2019), the SAZ has published 2,352 Zimbabwean standards, about 57% of which are based on international, regional, or foreign national standards from other countries. The Zimbabwe National Standardization Strategy is in place for the three-year cycle of 2018-20, which has identified 133 new standardization projects, mainly in food and agriculture.

Question 5
What is the current implementation effect of the Zimbabwe National Standardization Strategy mentioned in this paragraph?

Answer
Some of the national standards from the Zimbabwe National Standardization Strategy (ZNSS) standards projects portfolio are now being published. Of the 133 planned projects aimed at supporting Zimbabwe's socio-economic development a total 18 national standards have been finalised. Following the repeal of Statutory Instrument (SI) 64 OF 2016 on Control of Goods on the Open General Import License many standards that were planned in the ZNSS to support of SI 64 became irrelevant. Some projects' progress was hindered due to stakeholder apathy. Progress made so far is at 13.5 % against target, it is worth noting that the strategy needs major review in light of policy changes. SAZ is planning to review the ZNSS 2018 – 2020 and establish ZNSS 2021 – 2023 that will factor in any national policies changes to ensure more alignment of the standards development work programme with real market needs.

Question 6
Which specific international and regional standards are mentioned above? Please provide some examples. Which countries do the "foreign national standards" mainly come from?

Answer
International: International Organization for Standardization (ISO), International Electrotechnical Commission (IEC)
Regional: SADC, COMESA, ARSO
Foreign: mainly South Africa

Page 67-68 (Para. 3.81)

Decisions on the adoption of standards as technical regulations are made by the ministry in charge of regulating the relevant sector. A statutory instrument making the standard mandatory must be enacted by that ministry and published in the government Gazette. Zimbabwe's technical regulations cover a range of products, including Portland cement, cement bricks, glass blocks, damp proofing materials, mastic asphalt for roofing, bitumen roofing felts, fibre cement felts, fire extinguishers, fire doors, zinc coatings on steel, clay roofing tiles, steel pipes, copper tubes, and water taps. The energy sector is also covered by technical regulations. To date, about 3% of the standards have been adopted as technical regulations in Zimbabwe.

Question 7
3% of the standards have been adopted as technical regulations in Zimbabwe. Does Zimbabwe publish the list of standards adopted as technical regulations? If so, where can the stakeholders get relevant information?
Answer
The list is obtainable from the SAZ Information Centre or on www.saz.org.zw

Page 74 (Para. 3.117-3.118)

The Competition and Tariff Commission is a statutory body, established with the primary objective of enforcing the Competition Act. It resulted from a merger in 2001 of two bodies, the former Industry and Trade Competition Commission and the former Tariff Commission. The Commission therefore also has the mandate of implementing the country's tariff policy (Section 3.1.8).
Since its inception, the Commission has handled cases in several sectors, including, inter alia, energy, construction, agriculture, financial services, beverages, health, and telecommunications. Most of the restrictive business practices handled by the Commission were remedied through the issuance of cease-and-desist orders. Penalties were levied for breaches of the merger notifications provisions, and the highest penalty was USD 2.5 million. The Commission undertook studies in the fertilizer sector, and in the petroleum, beef and cement industries.

Question 8
In addition to cease-and-desist orders issued to handle restrictive business practices, does the Competition and Tariff Commission have any other legal responsibilities? How have these responsibilities been implemented?

Answer
The Competition and Tariff Commission can also refer cases to the National Prosecuting Authority ("NPA") for the fining and or imprisonment of persons who engage in restrictive practices that are defined as Unfair Business practices in terms of section 42 of the Act. These unfair business practices include collusive arrangements between competitors, exclusive dealing and resale price maintenance. The review of the Act seeks also to address the problems experienced by the Commission in referral of this legal responsibility to the NPA. The proposed amendment will therefore empower the Commission to penalise offenders for engaging in restrictive practices.

Question 9
Please elaborate on the coordination procedures for merger assessment and approval by relevant regulatory authorities in Zimbabwe and the coordination procedures for the review of mergers by the Competition and Tariff Commission.

Answer
The Commission undertakes stakeholder consultations for any merger under review. Regulatory authorities are key stakeholders in the examination of mergers thus the Commission requests for input and views of regulators, which are then analysed and considered by the Commission. The Commission signed Memorandum of Understandings ("MOUs") with some of the sector regulators, which made collaboration in merger regulation effective. The Commission's approval does not override any other regulatory approvals that the merging parties have to comply with. The Commission therefore advises parties to comply with any other statutory or regulatory approvals i.e. Exchange control approvals from the Reserve Bank of Zimbabwe.

Page 78 (Para. 3.139)

Zimbabwe is a member of the World Intellectual Property Organization (WIPO) and its administered conventions and protocols; its legal framework is presented in Table 3.19. Zimbabwe is also a member of the African Regional Intellectual Property Organization (ARIPO), which maintains a centralized system for the filing and substantive examination of industrial design, trademark and patent applications. Zimbabwe has yet to officially adhere to the Protocol amending the TRIPS Agreement, to provide additional flexibilities to grant special compulsory licenses for the export of medicines.

Question 10
Is there any plan to accede to the Protocol Amending the TRIPS Agreement in the near future?
Page 80 (Para. 3.146)

Answer
Zimbabwe is in the process of ratifying the Protocol Amending the TRIPS Agreement. The desire is there for the country to ratify before the end of the current Parliament session that expires before the next election in 2023.

Question 11
What are the specific aspects covered by the awareness programs aiming at improving trademark protection?

Answer
Inclusion of SMEs and private sector in awareness programs e.g. during the world IP day they were asked to join in the celebration marketing their products using their registered trademarks.

PART II: QUESTIONS REGARDING THE GOVERNMENT REPORT

Page 13 (Para. 7.1)

Government is reviewing the current regulatory insurance framework with a view of consolidating all insurance, medical aid schemes, legal aid societies and pension funds including the National Social Security Authority under a single regulator – Insurance and Pensions Commission (IPEC).

Question 12
Whether the TCM is adopted in the medical aid schemes?

Answer
IPEC will only regulate medical aid schemes operations with regards to insurance. If medical aid collects premiums, then they will fall under insurance hence the need for regulation. However, if the TCM is established at the lower end of the medical value chain ie offering medical consultancy, prescribing and selling medicines, it falls under the Medicines Control Authority of Zimbabwe and the Ministry of Health and Child Care.
Currently only conventional medicinal practices are covered under medical aid schemes, hence the TCM, at the present moment, is not adopted by such medical aid schemes.

Page 17 (Para. 9.2)

Zimbabwe is currently developing the National Quality Policy which will promote the development and sustenance of quality infrastructure in the country. Zimbabwe is also finalizing the Compulsory Specifications Bill that seeks to outlaw importation and distribution of sub-standard products. This will also make adherence to currently voluntary standards that are pertinent to human health and the environment, compulsory

Question 13
When will the National Quality Policy of Zimbabwe and the ongoing legislation of the Compulsory Specifications to be published?

Answer
The draft National Quality Policy of Zimbabwe is projected to be finalized by next year and the legislation for the Compulsory Specifications will be published once it has successfully undergone the parliamentary process.

Page 20 (Para. 12.14-16)

12.14. Zimbabwe recognizes the importance of effective implementation of competition law in achieving inclusive economic growth. Therefore, the country engaged in legislative reform which gave birth to the revision of the Competition Act. The amendments seek to ensure effective deterrence of antitrust violations hence the Act will provide for appropriate sanctions for procedural and substantive competition violations. The Commission, for infringements including cartelization and abuse of dominance, will henceforth levy punitive administrative penalties based on turnovers of offenders.
12.15. In its quest to create an enabling environment for fair competition, the Commission also developed a Competition Assessment Toolkit in order to have a mechanism to review the harmonization of Policies Laws, Government and Business Actions in relation to their effect on competition and subsequently on industrialization. This Competition Assessment Toolkit provides a sieving mechanism to ensure that there is sufficient coherence with competition rules and principles thereby building a competition culture in the country.
12.16. The Commission has started engaging on advocacy campaigns with policy makers to ensure harmonization of laws as well as elimination of laws or regulations, which have an effect of promoting anti-competitive behaviours.

Question 14
Please brief on the specific amendments to the legal responsibilities of cartelization and the abuse of dominance during the revision of the Competition Act.

Answer
The Competition Act amendments will provide for comprehensive definition of dominance that encompass all types of dominance i.e. unitary and collective and a non-exhaustive list of abusive conducts. To create legal certainty as to the definition of dominance, the amendments introduce market share thresholds for consideration of dominance. With respect to cartelisation, the Competition amendments will clearly provide for comprehensive definition of agreements to be per se prohibited in Zimbabwe and commensurate deterrent sanctions. The Commission will also have powers to penalise offenders for engaging in cartels. Note should be taken that the amendments are yet to go through the various approval processes.

Question 15
Please brief on the details of competition assessment institutions in Zimbabwe and how the assessments are conducted.

Answer
Various institutions including the Competition Authority, Sector Regulators, Research Institutions, Government and the Private Sector can use the Competition Assessment Toolkit. Competition assessment provides a check whether a Policy, Law, Government and Business Action is adding value to business growth and development. It is a diagnostic tool that poses sets of questions that are grouped by theme. The questions begin with the selection of sectors for assessment. Steps that analyse the State of competition in each selected sector follow this: identifying the markets and competitors, examining the market structure, looking for barriers to entry, looking for anti-competitive conduct, considering vested interested interests and the principal beneficiaries, and identifying Government policies or institutions that limit competition. The Competition and Tariff Commission reviews recommendations from the assessments and issue directions for implementation to the relevant actor or advocates with the relevant Government authority for redress of the identified competition concern.

Question 16
Please brief on the ways and effectiveness of the competition advocacy campaigns launched by the Competition and Tariff Commission and policy makers.

Answer
The Competition and Tariff Commission uses its competition expertise to persuade Government entities to adopt policies that enhance or at least do not impede competition in markets. Advocacy activities employed by the Commission take various forms including *inter-alia* reports, studies, formal and informal discussions. The Commission successfully advocated for review of policies and legislation and an example is the review of the statutory instrument that provided for minimum charges in the market for security services. To ensure effectiveness of an advocacy activity, the Commission clearly shows the policy maker the effects of the alleged policy or law not only on competition but also on other economic variables i.e. growth.

PART III: OTHER QUESTIONS

Question 17
Does Zimbabwe have any restrictions on market access for foreign investment in civil aviation transport services such as public transport aviation, general aviation, air traffic control, aircraft maintenance, aviation ground services, passenger and freight forwarding, aviation fuel, and computer reservation systems? Please brief on the legal basis for industry administration and market access administration on foreign investment in the above sectors.

Answer

Service		Restriction(s)
I.	Public transport aviation	No They used to be a 51% local shareholding structure requirement for air operators to be issued with Air services Permit to provide scheduled and charter services but this has changed with the amendment of the Indigenisation policy. Therefore as long as an Airline is registered in Zimbabwe and comply with investment policies in the country, it can be allowed to operate scheduled passenger services. Foreign Airlines can operate in Zimbabwe under the Bilateral Air Service Agreements. Zimbabwe adopted the Yamousukro Decision – Open Skies Policy which calls for liberalisation of air transport market in Africa and is a member of Single African Air Transport Market in Africa (SAATM) under the auspice of African Union. Fifth Freedom Traffic Rights are granted to foreign airlines on case by case basis for non SAATM Member States.
II.	General Aviation	No restrictions on for foreign investors, however we are always guided by the national policy on investment.
III.	Air Traffic Control	For security reasons the services are provided by a state enterprise, 100% owned by government (CAAZ).
IV.	Aircraft Maintenance	No restrictions as long as there is compliance to the national investment laws.

Service		Restriction(s)
V.	Aviation Ground Services	No restrictions on foreign investment However, the government currently has restricted the number of players to only two players due to the size of the country's aviation industry (NHS and AGS). However, foreign investors can partner with any of the two companies.
VI.	Passenger and Freight Forwarding information	Services are provided by a state enterprise, 100% owned by government (CAAZ).
VII.	Aviation Fuel	No restrictions. Like any other fuel company, they are regulated by the Ministry of Energy. The Authority only provides concession to operate at the airport.
VIII.	Computer Reservation Systems	No restrictions. The currently the only two service providers, Amadeus CRS and Galileo CRS are outsourced (foreign owned) and regulated by IATA

Question 18
What is Zimbabwe's perspective concerning the rising trade protectionism globally?

Answer
Zimbabwe believes in the Multilateral Trading System and urges all fellow WTO members to adhere to the rules developed through the system.
Question 19
What are Zimbabwe's main positions and propositions in the WTO reform?

Answer
Zimbabwe identifies the following issues that it wants addressed if the WTO is to be strengthened in a balanced manner.

1. <u>Preserving Core Principles of the Multilateral Trading System</u>

Recent actions by some WTO Members indicate a weakening of commitment to the multilateral trading system. Preserving and strengthening the WTO must include:

First, laws and regulations of WTO members which mandate unilateral action on trade issues that are inconsistent with WTO rules would need to be amended. This will ensure that WTO Members are not perpetually under threat of unilateral action on trade issues by some members.

Second, the following rules in the Marrakesh Agreement are fundamental and must be respected:

a. Articles II and III on the multilateral functions of the WTO

b. Article IX on the continuation of the practice of decision-making by consensus

c. Article X – when there are amendments (additions or changes) to WTO rules, there must be consensus, followed by ratification by Members. New rules enter into force only when the ratification numbers required have been attained.

Third, multilateral avenues, based on consensus, remain the most effective means to achieve inclusive development-oriented outcomes. In the post-MC 11 phase, many Members have evinced interest in pursuing outcomes in some areas through joint plurilateral initiatives (JPIs). Provisions governing plurilateral agreements in the Marrakesh Agreement must be adhered to. If they are to be multilateral agreements, the outcomes of these initiatives, by way of new rules, can only be introduced into the WTO when there is consensus; and Art X of the Marrakesh Agreement on amendments must govern any changes or additions to the WTO Agreement. The JPIs must not change the fundamental multilateral architecture of WTO.

Fourth, there is a need to build on the work done so far in negotiations, in accordance with existing mandates as elaborated in Section 4.

2. Resolving the Dispute Settlement Issues

A functioning, independent and effective dispute settlement system is indispensable for preserving the rights and obligations of all WTO Members and for ensuring that the rules are enforced in a fair and even-handed manner. Without such a system there would be no incentive to negotiate new rules or to undertake reforms. Therefore, resolution of the Appellate Body (AB) impasse needs to precede other reforms.

As per Articles 17.1 and 17.2 of the DSU, all WTO Members have a collective duty to ensure the maintenance of a standing Appellate Body comprising of seven members. It would be disingenuous to use the pretext of the Appellate Body's alleged digression from the clear mandate of the DSU to justify wilful non-compliance with the same by the Membership

Attempts at addressing the crisis in the Dispute Settlement Mechanism must preserve its essential features namely an independent, two-tier dispute settlement system, automaticity in the launch of proceedings and decision-making by the Dispute Settlement Body (DSB) by negative consensus, where provided. Developing Members' concerns about affordability and equitable access to the use of the DSB are also very important.

3. Safeguarding Development Concerns

Special and Differential Treatment (S&D) is a treaty-embedded and non-negotiable right for all developing Members. The available data indicates that the gap in the standards of living between developing and developed countries has not narrowed to any significant extent since the establishment of WTO.[4] This necessitates the preservation and strengthening of the S&D provisions in both current and future WTO agreements, with priority to outstanding LDC issues.

The multilateral trading system must give policy space for developing Members to fulfil their development goals including industrialisation. Developing Members continue to confront many formidable challenges, which underscores the continued relevance of S&DT provisions in their favour. The long-awaited outstanding 'development' issues from the Doha Round continue to be paramount and include:

- Implementation Issues[5] – aimed at rebalancing the imbalanced rules from the Uruguay Round such as in the areas of agriculture, TRIMS (Trade Related Investment Measures), TRIPS (Trade Related Intellectual Property Rights), Subsidies Agreement[6] etc.

- Special and Differential Treatment (S&D) – strengthening and making effective and operational the S&D provisions in WTO Agreements, in accordance with para 44 of the Doha Declaration.

- Cotton – the imbalances in Agriculture Domestic Support due to AMS beyond de-minimis show up clearly in the area of cotton, where cotton prices have been depressed because of the exports of subsidised cotton by some. This has impacted negatively on rural livelihoods and employment across many developing countries including the C4 Members.

- Public Stockholding (PSH)– a permanent solution must be agreed upon and adopted. The General Council Decision of 27 November 2014 (WT/L/939) says that 'If a permanent solution for the issue of PSH is not agreed and adopted by the 11th Ministerial Conference, the mechanism… shall continue to be in place until a permanent solution is agreed and adopted'.

- Special Safeguard Mechanism – Ministers in Nairobi (MC10, 2015) mandated Members 'To pursue negotiations on an SSM for developing country Members in dedicated sessions of the Committee on Agriculture in Special Session'.

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[4] See WT/GC/W/765/Rev.2.

[5] Developing countries' requests are contained in the Implementation issues agenda or Para 12 of the Doha Declaration, WT/MIN(01)/DEC/1.

[6] See Para 5.8 of the developing country submission WT/GC/W/765/Rev.2.

- Agriculture Domestic Supports – to rectify the imbalances in the existing rules due to some //Members having Aggregate Measures of Support (AMS) entitlements whilst others do not. Subsidies by OECD countries amounting to the billions continue to have serious implications on food insecurity and rural poverty in developing countries.[7]

1.12. In addition to the issues mentioned above, work should also continue on the following issues emphasizing the development components and in accordance with existing mandates:

- Fisheries Subsidies – in accordance with the Doha, Hong Kong and MC11 Ministerial Declarations. All of these emphasize the importance of S&D in the outcome of these negotiations because of the 'importance of this sector to development priorities, poverty reduction, and livelihood and food security concerns.[8] SDG 14.6 also reinforces S&D.

- Discussions under the 1998 E-Commerce Work Programme in the relevant WTO bodies.[9]

Another issue that must be addressed in any reform process relates to alleged theft of traditional knowledge that is held, preserved and developed by traditional communities/indigenous people. The rules of the multilateral trading system must also support developing countries in building their technological capacities, and their access to affordable medicines and medical technologies.

The SDGs articulate important development challenges still confronting developing countries, including overcoming poverty and hunger. WTO rules must be supportive, rather than a constraint to these efforts.

4. <u>Transparency and notifications</u>

Developing countries face challenges in complying with all their notification obligations due to human resource and institutional capacity constraints. Any non-compliance is not willful. Treaty obligations must be performed in good faith. Yet despite the best of intentions, the ability to fulfill all notification obligations inevitably depends on capacities that are commensurate with a Member's level of development and resources available. In light of these difficulties, we do not agree to additional transparency obligations. Any work in this area must be in the provision of capacity building to developing countries. Developed Members should also lead by example in submitting comprehensive, timely and accurate notifications.

Some Members have found innovative ways to undermine their WTO commitments, or not implement the spirit of those commitments. If the discussion on Transparency goes beyond addressing capacity issues, the first step must tackle the undermining of WTO commitments through:

- Regular notification of entry-related measures affecting Mode 4 commitments of Members

- Article 66.2 of the TRIPS Agreement. Developed countries have a legal obligation in the area of technology transfer towards LDCs. More transparency would be supportive of LDCs' efforts to build a viable technological base

- Disclosure of origin of traditional knowledge and genetic resources in patent applications

- notifications on measures such as imposing import tariffs on the grounds of national security exceptions.

Transparency must also permeate the entire functioning of the WTO including:

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[7] See Graph 5 of WT/GC/W/765/Rev.2 for a comparison of agriculture subsidies between some developed and developing Members.
[8] WT/MIN(05)/DEC 2005 'Hong Kong Ministerial Declaration', Annex D para 9.
[9] WT/L/274 1998 'Work Programme on Electronic Commerce' adopted by the General Council on 25 September 1998.

- making important the resource constraints of small delegations and thus rationalizing meetings at the WTO so that there are no overlaps;

- Ministerial Conferences (MCs) and the processes preceding them in Geneva. The basic principles and procedures for this Member-driven organization need to be agreed upon. For instance, all meetings in the MC, which is the body for decision-making, should be open to all Members without restricting the decision-making process to smaller Green Rooms.

FOLLOW-UP QUESTIONS FROM CHINA

PART I: QUESTIONS REGARDING THE SECRETARIAT REPORT

Page 91(Para. 4.54)

Zimbabwe's mining fees and charges were last revised in 2016 and, since June 2019, are payable in the local currency. Fees include an environment fee of 2% of gross revenues. New projects require an environmental impact assessment (EIA). EIA fees range from 0.8% to 1.2% of the project cost, depending on the environmental impact, with the costs including only components that affect the environment. Fees are capped at USD 2 million.

Question 1
Please elaborate on the content of the EIA of mining projects

Answer
Apart from executive summary and introduction, the major components of the Environmental Impact Assessment include;

- Project location description,
- Detailed project description,
- Baseline environmental setting,
- Legal framework to be complied with by the project,
- Impact identification and analysis,
- Impact mitigation measures (applying the impact management hierarchy)
- Environmental management plan (including monitoring and implementing agents for each identified impact),
- Rehabilitation plan
- Decommissioning plan
- Appendices (siting of works plan, process flow diagrams, proof of mine registration, project costs breakdown, other permits from other monitoring Agencies),
- Stakeholder consultations.

Question 2
Please specify the regulations and standards related to ecological environment protection that foreign investors need to follow when investing in mining projects in Zimbabwe

Answer:

- Environmental Management Act Chapter 20:27
- S I 7 of 2007 – EIA and Ecosystems Protection Regulations
- S I 6 of 2007 – Effluent and Solid Waste Disposal
- S I 92 of 2014 – Control of Alluvial Mining
- S I 258 of 2018 – Control of Alluvial Mining (Amendment)
- S I 268 of 2018 – Control of Hazardous Substances
- S I 72 of 2018 – Atmospheric Pollution Control

- SI 10 of 2010- Hazardous Waste Regulations

Question3
Please elaborate on how to establish a quantitative linkage between the criteria of the EIA fees and the EIA

Answer
The EIA review fees are determined at 1.2% of the project cost. Project cost defined as investment costs of the project. The cost of EIA fees therefore is depended on the scale of the project. Mining projects are classified in Category D as high impact projects which need regular monitoring on a more frequent basis than other less impact projects. The EIA fees will therefore be used for costs associated with EIA reviews from desk studies, field visits, sample collection and analysis, engagement of external experts for specialist studies. The EIA fees also cover cost associated with project monitoring during the whole life cycle of the project. All projects issued with EIA certificates are subjected to biannual audits during the whole life cycle of the project. Mining is associated with residual impacts that continue to be realised even after decommissioning hence the need for monitoring. During monitoring, sample collection and analysis is also done to determine the quality of waste emanating from the mining operations and the cost of monitoring is borne by the Agency.

PART II: QUESTIONS REGARDING THE GOVERNMENT REPORT

Page 10 (Para. 6.1)

6.1. Agriculture remains a major driver of growth, and is projected to expand by 5% in 2020, on the back of increased public/private sector investment in the sector. Government is also embracing Climate Smart Agriculture (CSA) which harmonises agriculture development with environment protection and reduction in vulnerabilities to climate change. In line with this thrust, emphasis will be on better planning, shared financing burden between government and private players, productivity which also relies on irrigation and marketing systems which guarantee farmer viability. Irrigation development is receiving top priority in order to guarantee food security in the country. Government will, therefore, target enough irrigable hectarage for support to guarantee grain production of around 1.8 million tonnes, enough for human and livestock consumption. For this purpose, capable farmers with irrigation facilities will be identified with a view of contracting and supporting them to produce required grains specifically for food security.

Question 4
Please elaborate on the implementation of Climate Smart Agriculture (CSA) in Zimbabwe. For instance, what measures have been adopted to balance the relationship between agricultural development and environmental protection against climate change? What kind of performance evaluation system has been put in place?

Page 16 (Para. 8.1)

Response
Against a backdrop of securing national food security and projections that all production systems are expected to be somewhat negatively affected by climate change, the adoption of Climate-Smart Agriculture (CSA) as an agricultural adaptation and mitigation strategy is increasingly becoming important.
Broader CSA practices in the country incorporate research, development, advocacy and training involving germplasm selection (i.e. breeding, introduction and seed multiplication of drought tolerant crops and animals), diversification of crop and animal production, and promotion of organic farming. Water harvesting and efficient irrigation (particularly drip) are key adaptation practices for a variety of crops, especially for winter crops, fruits and vegetables which can also have an impact on incomes and nutrition. Soil management based practices such as precise fertilizer application, microdosing, manure application, agroforestry, crop rotations and intercropping, along with soil conservation structures (e.g. check dams) are practiced within the broader watershed management framework and are critical in enhancing and maintaining soil health.
Off-farm services for climate-smart agriculture include weather index-based crop and livestock insurance as well as climate information services for smallholder farmers. For example, the Ecofarmer program provides micro-insurance to smallholders to insure inputs and crops against drought or excessive rainfall, while also providing market and weather information to participating farmers who pay for the services using their prepaid mobile phone sim-cards.

In terms of adoption drivers and incentives; access to information (including a well-trained extension system), finance for smallholder investments in CSA equipment, availability of output markets (for example for intercropped legumes) and availability of inputs (including labor saving technologies) on the local market would play an important role in encouraging sustained adoption of the CSA technologies and practices indicated above.

• Conservation agriculture is the most widely promoted CSA practice (over 100,000 farmers practicing on over 125,000 hectares). The government along with various stakeholders have worked together to promote this farming practice primarily among smallholder communal farmers, mostly in the drier agro-ecological region IV and V. A key driver for adoption of CA was the provision of training and free (or subsidized) inputs. For example, programmes like the European Union and DFID funded Protracted Relief Programme (PRP) targeted almost 130,000 farmers for CA training and support. Sustained adoption of CA is however limited by the availability of labor-saving technologies for planting and weeding, although labor saving machinery such as oxdrawn rippers and two wheel tractor based direct seeders have been tested. Additionally, due to limited grazing land in many communal areas, crop residues (required for mulching under CA) are prioritized for animal feed.

Other CSA activities that have potential for scaling up and out include seed multiplication of drought tolerant crops, small scale irrigation, and agroforestry. Efforts are needed to reduce the frequency of veldt fires through improved savanna and grassland management. Soil based CSA practices such as precise fertilizer application, manure application, agroforestry, crop rotations and intercropping, along with soil conservation structures are also important.

•For livestock production, the main climate-smart practices include fodder management and conservation, water harvesting and manure management including biogas production. Rearing of small livestock (such as goats) is also increasingly common as an adaptation strategy. However, animal health management, improved breeds and improved feed have the most potential to enhance resilience in the sector.

Agroforestry for both crop and livestock enterprises in the smallholder farming sector has been promoted across the country. Various national research stations are propagating seedlings for agroforestry particularly from the African acacia species (Acacia Albida).

In the livestock sector provision of good quality feed, to reduce methane emissions, compared to dry and nonnutritious veld feed, while water harvesting and manure management including biogas production are important CSA practices. A challenge for some manure based technologies and practices include difficulty in manure collection and limited amounts of manure. Rearing of small ruminants (goats, sheep), particularly in regions IV and V, is also promoted as they are more robust to adverse weather and emit less emissions compared to cattle. Use of improved breeds and improved livestock health management can also contribute to resilience and improved efficiency in the sector.

The Agriculture Recovery Plan is adopting the CSA approach to spearheading agricultural development whilst protecting the environment. Evaluation of progress will be done in 2021 to establish the baseline. In response, the Government of Zimbabwe, with the assistance of the World Bank, developed the Climate Smart Agriculture Investment Plan (CSAIP) and Climate Smart Agriculture Manual which is being implemented by Agricultural Colleges around the country. The CSAIP identifies and prioritizes packages of CSA investments and policy actions that will support improvement across three key CSA pillars, namely the achievement of a more productive, resilient, and low-emissions agricultural sector.

The CSAIP develops five high priority recommended investment packages, which collectively encompass the key Zimbabwean agricultural subsectors and would advance CSA goals identified by stakeholders:

Package A: Enhanced Agricultural Knowledge and Innovation System. This package would build the capacity of the research and extension system, as well as invest in innovation platforms. Building extension systems will include investments in information communication technology systems supporting the dissemination and adoption of climate resilient production practices. The package would focus on small-holder farmers in Agro-ecological Regions III-V, with an emphasis on Regions IV and V, where 75% of these farmers are located.

Package B: Sustainable Livelihoods through Diversified Livestock Systems. This set of investments would help secure the livelihoods of small-holder farmers in southern Zimbabwe through increased livestock productivity and promotion of diversified production systems. Investments would be in improved feeding systems, climate resilient breeding programs that target indigenous and small cattle breeds, and commercialization of existing livestock production systems. Programs would target disease and pest screening, improved animal husbandry and health, and encourage farmers to switch from cattle to more heat resilient livestock like goats and sheep.

Package C. Water Harvesting for Resilient Crop and Livestock Production. This package would promote water harvesting to enhance resilient crop and livestock production. It will secure water for livestock and support sustainable soil and water conservation through in situ water harvesting, Conservation Agriculture and small-scale infrastructure. Investments would focus on small-holder farmers in Agro-ecological Regions III-V, areas characterized by low and erratic rainfall. Benefits of this program would include improved water availability resulting in increased crop and livestock productivity and food and nutrition security, as well as catchment protection.
Package D. Women- and Youth-Focused Value Chain Development. This package would increase productivity and resilience of women- and youth-run smallholder farms in peri-urban and urban crop and livestock value chains. Investments would focus on organic vegetable and poultry production, and potentially goats, promoting sustainable financial inclusion mechanisms that provide affordable access to financing for inputs, and women- and youth-oriented production and marketing networks including women- and youth-sensitive extension services. These would generate increased production and productivity of poultry and high value vegetables, reduced emissions through higher quality feed, and higher income security for these vulnerable populations.

CSA Strategies adopted include the following:

i. **Promotion of production of drought tolerant crops**

Drought and heat tolerant crop varieties represent a relatively inexpensive CSA option for farmers, with estimated yield increases of 3-12% across all crops evaluated.

ii. **Irrigation development**

Irrigation alone increases yields by 50-140%, assuming the high initial capital cost required can be raised and the necessary water harvesting infrastructure is in place.

iii. **Conservation Agriculture (CA)**

iv. **Improve fodder (50% velvet beans)**

v. **Switch to goats**

vi. **Water Harvesting for Resilient Crop and Livestock Production**

Invest in soil and water conservation techniques as part of integrated catchment management that incorporates water, land and environment sectors.

• Invest in in situ water harvesting (e.g. enhanced soil water retention) that improves and complements Conservation Agriculture practices. These practices include mulching, limited or zero till agriculture, crop rotations, agroforestry approaches, or other practices that enhance water retention in the soil.

• Invest in small scale water infrastructure for supplementary irrigation, livestock watering and domestic water.

• Invest in building the capacity of extension workers and farmers in sustainable water harvesting.

Invest in innovation platforms based on strong public, private and civil society service partnerships to facilitate farmers adopting climate resilient crop production practices incorporating: 1) drought and heat tolerant varieties; 2) crop substitution and or diversification (e.g. replacing maize with small grains such as sorghum); and 3) efficient agronomic practices (e.g. sowing dates, plant populations, crop protection, fertilizer management).

vii. **Crop diversification**

viii. **Agro'-forestry**

ix. **Women- and Youth-focused Value Chain Development**

8.1. Zimbabwe has abundant investment opportunities in state enterprises and parastatals, including in key enabler entities providing infrastructure and utility services, ranging from power, transport, ICT, mining, agriculture and financial services.

Question 5
Please specify the laws and regulations related to environment protection that foreign investors need to follow when investing in infrastructure projects in Zimbabwe.

Infrastructure projects are prescribed activities in terms of the law and therefore need an EIA to be conducted before they are implemented. Projects include highways, airport facilities, new railway routes and branch lines, new towns or townships and industrial sites for medium and heavy industry. The EIA report should contain the following information;

- Project location description,
- Detailed project description,
- Baseline environmental setting,

- Legal framework to be complied with by the project,
- Impact identification and analysis,
- Impact mitigation measures (applying the impact management hierarchy)
- Environmental management plan (including monitoring and implementing agents for each identified impact),
- Rehabilitation plan
- Decommissioning plan
- Appendices (process flow diagrams, project costs breakdown, other permits from other monitoring Agencies),
- Stakeholder consultations.

The cost of the EIA fees range from 0.8% to 1.2% depending on the severity and complexity of anticipated impacts from the particular infrastructure development. The EIA fees will therefore be used for costs associated with EIA reviews and monitoring throughout the project's lifespan
The following regulations govern environmental protection in infrastructure projects;

- Environmental Management Act Chapter 20:27
- S I 7 of 2007 – EIA and Ecosystems Protection Regulations
- S I 6 of 2007 – Effluent and Solid Waste Disposal
- S I 268 of 2018 – Control of Hazardous Substances
- S I 72 of 2018 – Atmospheric Pollution Control
- SI 10 of 2010- Hazardous Waste Regulations

NB The regulations are available on the website www.ema.co.zw

Page 16 (Para. 9.2)

Zimbabwe is currently developing the National Quality Policy which will promote the development and sustenance of quality infrastructure in the country. Zimbabwe is also finalising the Compulsory Specifications Bill that seeks to outlaw importation and distribution of sub-standard products. This will also make adherence to currently voluntary standards that are pertinent to human health and the environment, compulsory.

Question 6
Please specify the aforementioned "voluntary standards" in this paragraph.

Page 18 (Para. 11.3)

As trade facilitation initiatives, measures which have been implemented include risk management, pre-clearance facility, use of scanners, post-importation audits and verifications, introduction of dog detector unit, e-payment platforms, automation of customs processes (including e-Temporary Import Permits for motor vehicles), Authorised Economic Operator program, and electronic licensing of clearing agents/brokers. A One Stop Border Post at Chirundu with Zambia, which was officially opened on the 5th December 2005 by the Heads of State of the two countries.

Response
The voluntary standards referred to are international standards that have been developed by consensus through a multi-stakeholder process. This standards are based on global expert opinion, are responsive to market needs and take into account issues related to the WTO TBT and SPS Agreements. The voluntary standards to be utilized are pertinent to safety, human health and the environment and may include Codex Alimentarius, OIML guidelines, OIE standards, etc.

Question 7
Please elaborate on the effectiveness of the mentioned trade facilitation measures.

Page 19 (Para. 12.7)

Response
The trade facilitation intervention that have been implemented have gone a long way in reducing the turnaround time of clearance at ports of entry. An example is goods at Chirundu One Stop Border Post which reduced from 2-3 days to a few hours the reduction in clearance times of commercial due to the bilateral harmonized approach to clearances. There was also a substantial reduction in the clearance time for private traffic since they were only required to stop once to fulfil clearance obligations for both countries. It has been estimated that the savings from reduced border delays could be as high as US$600,000.00 per day

In line with the emergence of regional and global value chains Government has identified and prioritised the following sectors; tourism, horticulture, leather and leather products, food and beverages, textiles and clothing, wood and furniture, arts and crafts, as well as mineral beneficiation and trade in services.

Question 8
Please elaborate on the trade facilitation measures adopted in the prioritised sectors.

Response
There are no specific facilitation measures that have been put in place for these prioritized sectors. However, fiscal incentives and duty concessions have been put in place to initiate growth in these sectors

Page 19 (Para. 12.8)

As part of the export-led industrialization and trade policy, Special Economic Zones are intended to address slow growth in FDI, disinvestment, decline in export growth and export earnings, and job losses. Government has already identified areas for SEZ development and incentives are being offered to attract local and foreign investment into the SEZs. Public Private Partnerships (PPPs) will be adopted to support the development of necessary infrastructure in the zones.

Question 9

Please elaborate on the advantages of the export-led industrialisation and trade policy adopted in the Special Economic Zones.

Answer
The GOZ adopted the Special Economic Zone measures through SEZ Act Chapter 14:34 which was later replaced by the ZIDA Act Chapter 14:37. The advantages of having SEZs are to;

a. Promote export led industrial growth

b. Foreign exchange generation

c. Create employment

d. Promote value addition and beneficiation

e. Attraction of Foreign Direct Investment

f. Promote technology transfer and innovation

g. Promote skills transfer

h. Exploitation of Natural Resources

The SEZ concept is one of the many tools being used by Government to support and promote development of exporting industries through granting of fiscal incentives. The fiscal incentives include the following:

- Zero Corporate Income Tax for the first 5years of operation with a corporate tax rate of 15% applying thereafter.
- Duty free importation of Capital equipment
- Inputs which include raw materials and intermediate products imported for use by companies set up in the SEZs be imported duty free. The duty exemption will, however, not apply where such raw materials are produced locally.
- Exemption from Non-residents tax on Dividends
- An exemption from Non-residents tax on Royalties.
- Specialised expatriate staff will be taxed at a flat rate of 15%.
- Exemption from Non-residents tax on Fees on services that are not locally available.
- Special Initial allowance on capital equipment to be allowed at the rate of 50% of cost from year one and 25% in the subsequent two years.

Page 23(Para. 13.6)

The Government of Zimbabwe has been reviewing the existing Bilateral Trade Agreements with a view to assess their relevance and to accommodate developments at the national, regional and multilateral trading systems. Some of the agreements have proved to be deficient in respect of areas such as rules of origin and other trade support mechanisms to facilitate trade and foster economic co-operation.

Question 10
Is there any corresponding improvement plan for the inefficient provisions in the existing bilateral trade agreements? If yes, please specify the details.

Zimbabwe entered into Bilateral Trade Agreements encompassing both Preferential Trade Agreements (PTAs) and Most Favoured Nation (MFN) with over forty countries across the globe. It has been noted that there has been insignificant trade between Zimbabwe and most of the partner countries on the basis of MFN Trade agreements. In light of this, Zimbabwe will be undertaking a review of all the bilateral trade agreements to assess whether they are still viable.

EUROPEAN UNION

GOVERNMENT'S REPORT

2. Economic environment:

Page 4, Table 2.1 Key economic indicators, 2015 – 2019

The table shows that Capital investment as a % of tax revenue rose from 30% in 2017 to 51.1% in 2018 before declining to 39.9% in 2019. This suggests significant investments in capital projects.

Question 1
Can Zimbabwe shed light on some of the key capital projects that they have been undertaken and in which sectors?

Answer
In the context of Zimbabwe, the Capital Budget includes funding for hard infrastructure projects such as roads, dams, water and sanitation health and education, among others. Additionally, the Capital Budget includes funding for non-infrastructure items covering procurement of grain, including its handling and storage, agriculture input schemes, capitalisation of public entities, procurement of vehicles and furniture.

In this regard, between 2017 and 2019 total capital investments which are higher that actual development expenditures as percentage of revenues are as indicated in the table below.

Year	2017	2018	2019
Total Revenue	3,700	5,491	21,000
Total Capital Expenditure	520	2,675	8,468
Of which agriculture related expenditure	214.5	1,068	3,640
Actual Development Expenditure	199	496	2,550
% of Total Capital Expenditure to Revenue	14%	49%	40%
% of Actual Development Expenditure to Revenue	5%	19%	30%

As shown in the table above, total capital investments and actual development expenditures as percentage of revenues increased between 2017 and 2018, but trend changed in 2019 which saw a marked increase in actual development expenditure and a decrease in overall capital investments as percentage of revenues. On note is the huge expenditures on agriculture related items mainly on grain procurement as crop input support schemes as these years were occasioned by drought. Government therefore, had to channel resources towards grain importation and capacitation of farmers to increase production.

The beneficiaries of these development expenditures over the last 3 years in terms of sectors include transport, water and sanitation, agriculture, housing, ICT, education and health. In the transport sector, most projects under implementation include road and bridge construction with whilst the water and sanitation sector project include dam and water supplies and rehabilitation and upgrading of water and sewer infrastructure for rural and urban settlements.

With regards to agriculture, priority has been mainly of construction and rehabilitation of irrigation schemes. Projects under housing sector include mainly construction and rehabilitation of institutional buildings.
In the health and education sectors, focus has been on construction of and rehabilitation of schools, tertiary education projects including halls of residence and learning facilities as well as provincial, central and district hospital including rural health centres.

ICT project have been mainly targeted at automation of Government departments.

Page 5, paragraph 2.4

The report states that the "country's reserve adequacy, in the form of months of imports is low …". It goes further to say that, "Government is in the process putting in place measures to build-up reserves …"

Question 2
Can Zimbabwe shed light on what these measures are?

Answer
In order to build reserves, the Government is putting in place measures to boost foreign currency earnings through and including export promotion, promoting value addition and diversification as well as import compression measures to reduce the demand for foreign currency. Once the foreign currency generation capacity improves the country will be able to start building reserves.

3. Vision 2030 agenda:

Page 6, paragraph 3.9 Current Account Improvement

The report says, "Following the introduction of the local currency, the country's Current Account has improved from minus USD 1.4 billion in 2018, to minus USD 323 million in 2019."

Question 3
Is it not the case that the improvement in the current account is driven more by the inability of industries to import essential inputs needed by industry due to the shortage of foreign currency coupled with the import restriction measures which were adopted by the authorities?

Answer
The estimated improvement in the current account realised in 2019 was on account of:

i. A significant drop in merchandise imports of 32.1% in 2019, while merchandise exports registered a marginal decline of 0.3%, culminated in a trade surplus of USD 174.4 million. The significant contraction in merchandise imports was largely due to lack of foreign currency and import compression measures implemented by the Government; and

ii. A strong positive secondary income balance, which closed the year at USD 1,390.7 million mainly on account of Diaspora remittances, which stood at to USD 921.7 million.

iii. Notwithstanding the impact of foreign currency shortages, the narrowing of trade deficit is to a greater extent a reflection of the improved competitiveness that came with the introduction of local currency, and partly the effect of import compression measures undertaken by Government.

8. Investment environment and policy:

Page 16, section 8, paragraphs 8.1, 8.2 and 8.7:

The report by the Government refers to the abundant investment opportunities in state enterprises and parastatals and the little development impact on the economy from the pursuit of natural resource-seeking investments. Then, the report mentions Zimbabwe's National Investment Policy that seeks to increase private sector investment to upwards of 25% of GDP by 2030 by restoring and sustaining investor confidence though guarantees over investment protection, policy consistency and transparency throughout the entire investment management cycle.

Question 4

a. Could Zimbabwe inform the EU of whether its intention is to offer shares of these state owned enterprises (SOE) to private funds, or proceed to the privatisation of some SOEs? If yes, could Zimbabwe explain its plan with regard to the sectors concerned in particular given its objective to increase private sector investment to upwards of 25% of GDP by 2030?

Answer
In 2018, the second Republic of Zimbabwe approved a **State Enterprises Reform Framework** which identified 43 State Enterprises and Parastatals for reforms. The identified state owned enterprises (SOEs) identified for reforms were categorised specific reform strategies which are privatisation, merging, unbundling, departmentalisation and performance reviews.

The shares of SOEs identified for privatisation will be offered to foreign and/or domestic investors, in which, the ultimate investor will be selected through a competitive bidding process. Competitive bidding process grants equal opportunities to both domestic and foreign investors to invest in SOEs.

Technical Committees which comprise of Government departments chaired by responsible line ministries leads the implementation of privatisation of SOEs. The Technical Committees are advised by Independent Transactional Advisors selected through competitive bidding procedures in line with the Public Procurement Legislation. The engagement of Transactional Advisors shows Government's commitment in professionalising the privatisation process.

The privatisation will increase private sector investment/participation in all sectors in which SOEs are present. The SOEs identified for privatisation are in the following sectors:

Telecommunications & Postal Services Sector

- Tel-One (Private) Limited
- Net-One(Private) Limited
- ZIMPOST (Private) Limited

Financial Services Sector

- Agribank (Private) Limited
- People's Own Savings Bank(POSB)
- Infrastructure Development Bank Of Zimbabwe (IDBZ)

Transport sector

- Zimbabwe Passengers Company (Private) Limited (ZUPCO)

Mining sector

- Subsidiaries of Zimbabwe Mining Development Corporation

Manufacturing sector

- Subsidiaries of Industrial Development Corporation of Zimbabwe (IDCZ)

Forestry and Timber Sector

- Allied Timbers (Private) Limited

Energy and Fuel Sector

- Petrotrade (Private) Limited

b. Could Zimbabwe mention concrete measures, in respect of e.g. investor's confidence, policy consistency and transparency, taken by to date as well as in the future by providing a comprehensive timeframe?

Measures Specific to Privatisation (Transparency)

Independent transactional Advisors identified through competitive bidding as provided in the Public Procurement Legislation would advise the implementation of privatisation transactions. The Adverts for procuring Transaction Advisors were open to both domestic and international consulting firms in line with principle of transparency.

The Investors are being identified through the competitive bidding process to ensure transparency and equal opportunities to all potential investors.

Investment guarantees are provided for in Part III of the Zimbabwe Investment and Development Agency Act. Investors are guaranteed of the following:

Freedom of Investment

Investors can invest freely in any of the economic sectors of Zimbabwe in the same form and under the same conditions as defined for local individuals under the same applicable laws and regulations.

Non discrimination between domestic and foreign investment and among foreign investors

Investors shall be accorded treatment that is no less favourable than that it accords, in like circumstances to domestic investors. The same treatment shall be accorded to foreign investors regardless of their origin.

Employment of senior expatriate staff

An investor may appoint any individual as a senior manager regardless of their nationality in respect to the investment made on Zimbabwe.

Fair and equitable treatment

Guarantee against expropriation

The Government shall not expropriate or cause to be nationalized any investment and neither shall it compel an investor to cede an investment to another person. This can only be done if its for public purpose in an non-discriminatory manner and on payment of prompt, adequate and effective compensation. The compensations will be equivalent to the fair market value of the expropriated investment immediately before the expropriation took place.

Transparency

The Government is obligated to made publicly available in a timely manner all laws, regulations, procedures and administrative rulings that have an impact on investment.

Transfer of Funds

Investors are guaranteed the transfer of funds in a freely convertible currency into and outside Zimbabwe. The funds include capital, contractual obligations, profits and dividends and earning and other remuneration among others. Delay and or prevention of the transfer of funds may be allowed only in cases of bankruptcy, criminal offences or when they are investigations by the law enforcement agencies.

The Zimbabwe Investment and Development Agency Act will bring confidence to investors as it streamlines the processes of investing in the country. The creation of a One Stop Investment Services Centre will cut the bureaucracy, inhibit corruption and deter the rent seeking conduct of government authorities. The Act further provides guarantees and security of investments and gives the Government the obligation to be transparent in all its handling and processing of investment.
The Government shall publicly disseminate all and any laws, regulations, statutory instruments that govern investment in a timely manner. The Agency shall have an online presence and all the procedures and processes to be taken by the investor from inception to implementation of the investment will be outlined as well as the prescribed fees.
The Agency will have an Advisory board that will comprise seasoned, qualified and internationally experienced individuals in investment, private equity and Government projects.

Measures Specific to SOE Sector (Confidence by separation of Ownership Function from Policy & Regulatory Functions)

The decision for the review of ownership model from decentralised ownership to centralised ownership as informed by a study by a Consultant would level the playing field between SOEs and private entities. The centralised ownership model allows government to separate its ownership function from Regulatory and Policy Function. Line ministries will be left with Regulatory and Policy function and a professional entity will be granted the ownership function of Government. That would remove potential conflict of interests by line ministries between their policy & regulatory function and their ownership function in line with international developments.

11. Institutional and structural reforms:

Page 18, section 11.3, paragraph 11.6

The report by the Government informs of the efforts to reform SOEs and the reform framework for 43 state enterprises and parastatals.

Question 5

Could Zimbabwe mention the 43 state enterprises and parastatals and provide details about the undertaken reforms or reforms to be undertaken in the future and at which timeframe?

Answer
State Enterprises Reform Framework approved SOE reform measures which includes the following:

Review of the SOEs Ownership Model

Government approved the study that would inform the review of the SOE Ownership Model from a decentralised to possibly a centralised ownership model. The centralised ownership model involves housing of all commercial enterprises under a Professional Body and allows line ministries to concentrate on their policy functions and regulatory functions. The Ownership of Government will be done under a single entity.

A consultant to review the ownership model was engaged and is being funded through Africa Development Bank facility. The Consultant engaged is a South African firm called Rebel Group. The results of the ownership study will presented to Government for consideration and adoption by May 2020.

Specific SOEs Reform Strategies

The State Enterprises Reform Framework also identified SOEs under following specific reform a strategies:

- SOEs identified for privatisation.
- SOEs identified for Unbundling.
- SOEs identified for mergers.
- SOEs identified for departmentalisation.
- SOEs identified for Performance Reviews.

The 43 SOEs were identified in the following Specific Reform Strategies:

Privatisation

1. Agribank
2. Infrastructure Development Bank of Zimbabwe (IDBZ)
3. POSB
4. Tel-One
5. Net-One
6. Petrotrade

7. Allied Timbers

8. ZIMPOST

9. ZUPCO

10. ZMDC subsidiaries

11. IDC subsidiaries

The partial privatisation transactions are at various stages of implementation and the expected completion time being December 2020.

12. ZISCO Steel

- Government reconsidering Disposal of Government shareholding to suitable investor.

Reconstruction

13. Air Zimbabwe

- The company is under reconstruction arrangement as provided by the Reconstruction of State-Indebted Insolvent Companies Act [Chapter 24:27] and Grant Thornton is the Administrator.

Public Private Partnership (PPP)

14. Cold Storage Company (CSC)

- PPP arrangement with Boustead Beef Company concluded

15. National Railways of Zimbabwe (NRZ)

- PPP partner yet to be identified by December 2020

16. Road Motor Services (RMS)

- The reform of RMS aligned to the restructuring of NRZ.

Unbundling

17. Grain Marketing Board

- The commercial business unit of the Grain Marketing Board had already been separated into a standalone company named Silo Food Industries Ltd.

18. Civil Aviation Authority of Zimbabwe (CAAZ)

- The Civil Aviation Legislation was amended to allow separation of regulatory functions from operation functions. Implementation of the amended legislation is currently underway.

Merging

19. Powertel

- To be merged with Zarnet and Africom.

20. Zarnet

- To be merged with Powertel and Africom.

21. Africom

- To be merged with Zarnet and Powertel.

22. ZESA Group

- Consolidation of 4 ZESA subsidiaries companies into a single entity. Implementation in progress and expected to be completed by December 2020.

23. Postal & Telecommunication Regulatory Authority of Zimbabwe (POTRAZ)

- Consultations in progress on merging the entity with Broadcasting Authority of Zimbabwe.

24. Broadcasting Authority of Zimbabwe (BAZ)

- Consultations in progress on merging the entity with POTRAZ.

25. Special Economic Zones Authority

- Merged with Zimbabwe Investment Authority and Joint Venture Unit in forming Zimbabwe Investment Development Agency (ZIDA).

26. Zimbabwe Investment Authority

- Merged with Special Economic Zones Authority and Joint Venture Unit in forming Zimbabwe Investment Development Agency (ZIDA).

27. Women's bank

- Decision to merge the bank with Small & Medium Enterprises Development Corporation (SMEDCO) and Empower bank was reversed. The bank to remain as standalone entity.

28. Empower Bank

- Decision to merge the bank with Small & Medium Enterprises Development Corporation (SMEDCO) and Women's bank was reversed. The bank to remain as standalone entity.

29. Zimtrade

- A decision to merge the entity in forming ZIDA was reversed and the entity remained a standalone entity.

30. Zimbabwe Tourism Authority

- A decision to merge the entity in forming ZIDA was reversed and the entity remained a standalone entity.

Performance Reviews

31. Zimbabwe Parks and Wildlife Management Authority (Zimparks)

- Performance Review was completed and board implementing the recommendations.

32. Forestry Commission

- Performance Review was completed and board implementing the recommendations.

33. Small and Medium Enterprises Development Corporation

- Performance Review was completed and the recommendations awaiting adoption by Government.

34. Environmental Management Agency

- Performance Review was completed and board implementing the recommendations.

35. Scientific And Industrial Research And Development Centre (SIRDC)

- Performance Review had been completed and the recommendations awaiting adoption by Government.

36. The Zimbabwe National Roads Administration (ZINARA)

- Performance Review is yet to be re-done following failure by previous consultant to effectively perform the review and the procurement process for the new Consultant is currently underway.

Departmentalisation

- Successfully departmentalised under Ministry of Industry and Commerce.

37. National Liquor Licencing Authority

- Successfully departmentalised under Ministry of Local Government and Public Works.

38. National Library and Documentation Services

- Successfully departmentalised under Ministry of Primary and Secondary Education.

39. The Boxing and Wrestling Boards

- The policy decision to departmentalise the entity is yet to be reconsidered.

40. National Competitiveness Commission

- The decision to departmentalise the Commission under the Line ministry was reverse and the entity remained a standalone entity.

41. Board of Censors

- The decision to departmentalise the Board under the Line ministry was reverse and the entity remained a standalone entity.

42. Lotteries and Gaming Board

- The decision to departmentalise the Board under the Line ministry was reverse and the entity remained a standalone entity.

Further, the Governments refers to the State Public Entities Corporate Governance Act intended to strengthen the management and governance of SOEs.

Question 6
Could Zimbabwe provide details of the content of this Act as well as explanations of how it intends to achieve the objective set?

Answer
The Zimbabwe Government promulgated the Public Entities Corporate Governance (PECG) Act following the realisation that State Owned Enterprises (SOEs) were not following good corporate governance practices and this had led to the decline in their contribution to GDP from over 40% in the 1990s to currently, less than 10%.

The purpose of the Act is to ensure that SOEs implement good corporate governance practices in order for them to comply and meet the objectives of their different mandates and benefit the ordinary citizens.

The Act created a Corporate Governance Unit in the Office of the President and Cabinet which plays an oversight role over the SOEs and the line Ministries with regards to the implementation of good corporate governance.

Some of the tenets of good corporate governance that are highlighted in the Act include submission of the following documents to the Corporate Governance Unit:

- Selection of Board Members from the CGU database of potential Board members
- Details of the appointed Board members
- Ensuring that there is 50% representation on the Boards
- Declaration of Assets forms on appointment and anniversary of appointment
- Board Charter
- Code of Ethics
- Appointment of Chief Executive Officer (CEO) by the Board
- Process of selection of CEO to be representative of all regions in the country
- Performance Contract between CEO and Board
- CEO to serve two five year terms
- Board to serve two four year terms
- Holding of Board Meetings to be at least once a quarter
- Financials to be audited by the Auditor General or their appointee
- Holding of an Annual General Meeting to update stakeholders on performance
- Submission of the SOE Strategic Plan
- Submission of Performance Contract between Minister and Board of Directors
- Performance Review of Board and CEO annually
- Board Minutes/Resolutions

These are some of the requirements of the Act which aim to bring about good corporate governance. The CGU thus plays oversight on the SOEs to ensure that they comply with the Act and there are penalties for non-compliance.

12. Trade policies and practices

Page 21, paragraph 12.26 Standards and Quality.

The Report provides that Government policy seeks to implement internationally accepted quality standards and accreditation programs to develop local standards based on internationally accepted standards. This will be done by developing a national policy on standards and quality assurance which would ensure adherence to the World Trade Organisation Sanitary and Phytosanitary (SPS) and Technical Barriers to Trade (TBT) agreements, among other international standards agreements. Government will put in place legislation which will make it mandatory for companies to comply with specified national and international standards on both imports and exports.

Question 7
What is Zimbabwe doing to address the fragmentation in the technical regulation regime which is characterised by overlapping mandates and unclear division of labour among many ministries and agencies in the SQAM sector?

Answer
Zimbabwe is currently developing a National Quality Policy to outline the structures mandates and this will be aligned with international best practice. The Ministry of Industry & Commerce Quality Assurance Department is spearheading and coordinating this process.

13. Multilateral trade and regional agreements

Page 22, paragraph 13.3

The report by the Government states that the country has established a national trade facilitation committee (NTFC) in line with the TFA.

Question 8
Could Zimbabwe explain the functions of this committee in relation to the TFA and its progress in terms of the TFA implementation? In the same respect, could further Zimbabwe explain how this committee coordinates or intends to coordinate aid among donors?

Answer:
The responsibilities of the National Trade Facilitation Committee are as follows;

- Facilitate domestic coordination and implementation of the Trade Facilitation Agreement;
- Mobilize resources for the operations of the Committee;
- Monitor and Review the implementation of Trade Facilitation provisions in the country
- Interfacing with Development partners and the WTO on technical assistance activities;
- Prepare delegations to attend Trade Facilitation meetings organized by World Trade Organization and other organizations as well as other relevant meetings;
- To initiate, analyze and coordinate research on Trade Facilitation issues;
- To strengthen policy coherence between national development priorities and international obligations, and between trade facilitation reform initiatives and technical assistance projects;
- To undertake sensitization of Committee work in the country.

The Committee constituted the Donor Coordination Sub Committee that will coordinate engagement with development partners and government towards the financing of the Trade Facilitation initiatives. A notification of the donor coordinator will be made to the World Trade Organization in due course.

To ensure effective aid coordination, there is an ongoing exercise on donor mapping which will look into the development partners and the activities that they are implementing in the country in order to avoid duplication. The exercise will also result in the development of a National Aid for Trade Strategy.

The county is in the process of monitoring its implementation of its category B commitments so as to ensure we move towards the full implementation of the measure and the committee is also engaging development partners towards technical and financial assistance for the category C commitments. It is important to note that the country is also benefitting from funding that is coming through the Regional Economic Communities that it is a party to.

CATEGORY B COMMITMENTS	
Article	Description
Article 1.1	Publication
Article 1.4	Notification
Article 2.1	Opportunity to Comment and Information before entry into Force
Article 2.2	Consultation
Article 3	Advance Ruling
Article 4	Procedures for Review or Appeal
Article 5.1	Notifications for enhanced controls or inspections
Article 5.2	Detention
Article 6.3	Penalty Disciplines
Article 7.1	Pre- Arrival processing
Article 7.7	Trade Facilitation Measures for Authorised Economic Operators
Article 10.2	Acceptance of Copies

CATEGORY C COMMITMENTS	
Article 1.2	Information Available through internet
Article 1.3	Inquiry Points
Article 5.3	Test Procedures
Article 7.4	Risk Management
Article 7.5	Post Clearance Audit
Article 7.6	Publication and Release of Average Time Release
Article 8.2	Regional Coordination (Border Agency Coordination)

Page 23, section 13.3, paragraph 13.6

The report of the Government states with reference to the existing bilateral trade agreements that "some of the agreements have proved to be deficient in respect of areas such as rules of origin and other trade support mechanisms to facilitate trade and foster economic co-operation".

Question 8
Could Zimbabwe explain which are these agreements and provide more details as to the problematic areas for which these agreements have proved to de deficient?

Answer
Zimbabwe entered into Bilateral Trade Agreements encompassing both Preferential Trade Agreements (PTAs) and Most Favoured Nation (MFN) with over forty countries across the globe. It has been noted that there has been insignificant trade between Zimbabwe and most of the partner

countries on the basis of MFN Trade agreements. In light of this, Zimbabwe will be undertaking a review of all the bilateral trade agreements to assess whether they are still viable.

Page 24, section 13.6, paragraph 13.20

The report of the Government informs that Zimbabwe is in the process of ratifying the TFTA Agreement.

Question 9
Could Zimbabwe inform of the state of play and the timeframe for this ratification? Could also Zimbabwe inform of the need for the Parliament to approve this agreement?

Answer
Zimbabwe's Tripartite Free Trade Area (TFTA) Agreement ratification process is proceeding well. The Public Agreements Advisory Committee (PAAC) approved the ratification of the TFTA Agreement on 1 July 2019. The Agreement was then approved by the Cabinet Committee on Legislation (CCL) on 2 December 2019. On 10 December 2019, Cabinet approved ratification of the TFTA Agreement. The Agreement is now undergoing the parliamentary approval processes.

Page 25, section 13.7, paragraph 13.24

The report of the Government informs that Zimbabwe's positions in the AfCFTA are based on positions and provisions in the RECs that the country is part to.

Question 10
Could Zimbabwe explain these positions in detail?

Answer
The FTAs that Zimbabwe is Party to (COMESA, SADC, Tripartite Free Trade Area) have been used as building blocks towards the establishment of the African Continental Free Trade Area (AfCFTA). Given that the AfCFTA will build on the *acquis principle (existing commitments),* the AfCFTA texts and provisions in the following areas are similar to those in the RECs:

- Rules of origin;
- SPS;
- TBT;
- Trade Facilitation;
- Non-Tariff Barriers;
- Transit;
- Trade Remedies;
- Customs Cooperation and Mutual Administrative Assistance

Zimbabwe supported the adoption of four priority services for trade in services liberalisation during the first round of the AfCFTA negotiations on trade in services liberalisation. The four sectors, namely; financial, tourism, communication and transport services are also part of the SADC and COMESA priority services.

In terms of the Tariff Offer, the country will base its tariff liberalisation schedules on the SADC and COMESA tariff liberalisation commitments.

WT/TPR/S/398 – WTO Secretariat's Report

Summary:

Page 7, paragraph 7

The secretariat report notes that the importance of trade in the Zimbabwe economy has fallen as evidenced by the decline in the ratio of trade in goods and services to GDP from 89.5% in 2011 to 50% in 2017. This is attributed in part to trade restrictions that the government of Zimbabwe (GoZ) imposed during the review period.

Question 11
What actions is the GoZ taking to reverse this trend?

Answer
Under the National Trade Policy and National Export (2019-2023); the following are the broad and specific strategies will be implemented in order to boost the countries level of trade.

Developing and Nurturing Export Culture – encouraging firms to re-orient their business models towards competitive production of high quality and valued-added goods and services for export.

Sector Prioritisation, Value-Chain and Cluster Development – Supporting the identified priority sectors with potential competitive advantage in the export market - tourism, horticulture, leather and leather products, food and beverages, textiles and clothing, wood and furniture, arts and crafts, as well as mineral beneficiation and trade in services.

Special Economic Zones - Establishment of Special Economic Zones to attract export-oriented investments.

SMEs Development – Building the trade capacity of SMEs including access to finance and technology and export marketing training programmes.

Export product and market diversification – identification of opportunities to diversify the export basket of products that Zimbabwe can export and the export markets that can be accessed competitively.

Trade Incentives - Provision of trade finance, export credit insurance and incentives to trade/export

Trade Promotion Activities – Provision of Trade and Market Access Information, participating in Trade Fairs and Exhibitions, and promoting the Brand Zimbabwe in terms of Tourism, Trade and Investment.

Zimbabwe Export Promotion Council - Establishing a Zimbabwe Export Promotion Council to consult and provide evidence-based advice on export development, promotion and facilitation strategies. Sector-specific councils will be established where necessary.

Trade in Services – Promoting trade in services in the following priority sectors - tourism, financial services, business and professional services, and education services, medical services, construction and engineering, ICT, transport, energy.

Tariff Policy – Enhance implementation of tariff and non-tariff measures aimed at enabling the importation of raw materials and capital goods to stimulate production and export of value-added goods, in line with the country's regional and multilateral commitments.

Standards and Quality - regulating imported products so that they are in compliance with national, regional and international standards. Encouraging the manufacture and export of products that meet standards in export markets.

Trade Remedies – This will be strategically instituted to counter unfair trade practices in accordance with provisions of regional and multilateral trade agreements.

Trade Negotiations – Engaging in trade negotiations at bilateral, regional and international trade levels and commodity arrangements to enhance and safeguard market access for Zimbabwean products.

Trade Facilitation – This will be implemented to reduce the time and cost of importing, exporting and transit as well as improving Zimbabwe's world ranking on trading across borders. Continuous review of legislation affecting the ease of doing export business will also be undertaken.

Aid for Trade – Engaging Development Cooperating Partners to support trade facilitation initiatives and programmes in Zimbabwe.

Transport – developing land links (road and railway transport) and air links for the transport sector to play its pivotal role in facilitating trade through the movement of goods and people and turn the country into a gateway to markets in the Southern African region.
Electronic Commerce – Promoting the adoption of e-commerce by business which involves the production, distribution, marketing, sale or delivery of goods (both physical and digital products) and services by electronic means to enable the country to reach out to export markets in advanced countries.

Events and Meetings Industry – Promoting the Events and Meetings Industry by hosting major regional and international meetings and conferences, exhibitions and attracting tourist traffic into Zimbabwe.

Intellectual Property Rights (IPRs) – Protection of IPRs covering, Copyrights, Trademarks, Geographical Indications, Industrial Designs, Patents and Layout Designs of Integrated Circuits. This is aimed at encouraging creative work and technological innovation, ensuring fair competition, as well as facilitating the transfer of technology.

Competition Policy – promotion of fair competition and address unfair business practices.

Gender Mainstreaming - Extending preferential access to finance, trade support, and trade information for women and youths.

Trade and Environment – Balancing the often conflicting interests between trade and environmental protection, consisting of both the impact of environmental policies on trade, as well as the impact of trade policies on the environment.

The Government of Zimbabwe signed and ratified the African Continental Free Trade Area (AfCFTA), with a view to tap in from the benefits of the increased market. Furthermore, the country is participating in the negotiations for the Tripartite Free Trade Area (TFTA). The country is also consolidating the Bilateral Trade Agreements and Free Trade Areas, which the country is signatory to. Deepening of the Economic Partnership Agreement (EPA) with the EU is ongoing. Liberalisation of the foreign exchange market has been undertaken, in order to make foreign currency readily available on a willing buyer willing seller basis, thereby promoting international transactions. Trade Facilitation in line with WTO Trade Facilitation Agreement is being implemented. Ease and Cost of Doing Business reforms are also being undertaken with a view to reduce the time and cost of trading across borders, thereby increasing trade.

3.3.7 Intellectual property rights (IPRs)

Page 77, paragraph 3.139

The report provides an overview of Zimbabwe's IPR legal framework and illustrates its present membership of WIPO treaties.

Question 12
Is Zimbabwe intending to join further WIPO-administered treaties in the medium-term?

Answer
Yes, the country intends to join some WIPO administered treaties. The WIPO administered treaties that the country intends to join are Geneva Agreement and Vienna treaties.

Page 79, paragraph 3.146

The report points out that applications for trademark registration were high during the period under review and that this development was due to awareness raising programmes in all provinces according to the authorities.

Question 13
Is Zimbabwe planning to organise such awareness raising campaigns also for other categories of intellectual property rights with a view to fostering economic growth and development in line with its National Intellectual Property Policy and Implementation Strategy (2018-22)?

Answer
Yes, more awareness programs are being planned going into the future.

<u>4.1.4 Domestic support:</u>

Page 81, Paragraph 4.21

The report in point 4.21 set out that the latest DS:1 notifications covers the year 1999 and 2000. The EU appreciates the relatively recent Zimbabwe ES:1 notifications.

Question 14
The EU is well aware that the agricultural policy in Zimbabwe has changed significantly over the years, and will therefore ask whether Zimbabwe will be able to produce the DS:1 notification for some of the more recent years, i.e. 2017 to 2019.

Answer
Zimbabwe intends to start preparing the domestic support notifications for the period 2017- 2019 and will endeavour to finish the process before the end of this year (2020).

<u>4.2. Mining and energy:</u>

Page 86, paragraph 4.46

The report provides that Zimbabwe is endowed with a wealth of (more than 40) mineral and metal resources along the Great Dyke area and in the greenstone belts, also known as gold belts. Gold, platinum and associated minerals, diamonds, nickel, coal, and chromite are the main minerals that are currently extracted, (Table 4.5). The country has the world's second largest reserves of chrome and platinum group metals (PGMs), and the fifth largest of lithium. The total value of mineral production from over 800 registered mines was estimated at about USD 3.2 billion in 2018.

Question 15
What are key challenges of the government of Zimbabwe to trigger sustainable investment in raw materials extraction and main investment bottle necks , in particular for graphite, platinum, lithium and cobalt?

Answer
The country is endowed with so much mineral wealth and Zimbabwe has among the most well documented mineral occurrences in the region. For the country to realize its full mineral potential, systematic greenfield and brownfield exploration is needed.

Exploration is conducted to discover and ascertain the quantity and quality of resource available in an area. Exploration is capital intensive and as such the mineral exploration sector has become one of the major investment opportunities in the country. Large scale exploration is done under Exclusive Prospecting Orders (EPOs).

Work carried out during the tenure of EPOs has over the years been translated into numerous successful mining ventures- the likes of Maligreen Gold mine, Ipanema and Hungwe gold discoveries, Renco, Freda Rebecca e.t.c.

Currently there are 9 EPOs exploring for Gold, Copper, Nickel, Cobalt Chrome and Platinum Group Metals however, the current socio-economic climate in the areas under exploration has not been very conducive for EPO holders to systematically conduct exploration activities. The main challenges to exploration and further investment in mineral exploration include illegal mining activities, resistance and backlash from small scale miners and restrictions by land owners

INDONESIA

REPORT BY THE SECRETARIAT

Page 36 paragraph 2.47

2.47. (…) In general, foreign companies are at liberty to establish subsidiaries or branches, or to appoint agents in Zimbabwe, with certain exceptions (e.g. banking). However, several potential limitations remain in the Zimbabwe Investment Authority (ZIA) Act, whereby the Ministry of Industry and Commerce (MIC) is authorized to: (i) designate the sectors available for investment by domestic and foreign investors; (ii) specify those sectors reserved exclusively for domestic investors; (iii) prohibit the export of specified raw materials in unprocessed form; (iv) prescribe the manner or the extent to which any raw materials shall be beneficiated before export; and (v) prescribe the degree of export orientation of investment proposals submitted by applicants.

Question 1
In determining the criteria, what are the specific criteria to determine sectors which open for investment by domestic and foreign investors?

Answer
In terms of Section 3 (1) (A) of the Indigenisation and Economic Empowerment Act [Chapter 14:33] as amended there are twelve sectors Reserved for Zimbabweans citizens and these are as follows; Transportation: passenger buses, taxes and car hire services; Retail and wholesale trade; Barber shops, hairdressing and beauty salons; Employment Agencies; Estate Agencies; Valet services; Grain milling; Bakeries; Tobacco grading and packaging; Advertising Agencies; Provision of local arts and craft, marketing and distribution and Artisanal mining.
A person who is not a Zimbabwean Citizen may invest in the reserved sectors of the economy if that business meets certain prescribed thresholds based on the following objectives:

c. Significant and sustainable employment creation in Zimbabwe;

d. The transfer of skills and technology for the benefit of the people of Zimbabwe;

e. The creation of sustainable value chains

f. Other prescribed socially and economically desirable objectives

The law does not necessarily bar foreign investors from investing in the economy's 12 reserved sectors as this might close the economy to certain skills and technological advancements that foreign investors may bring in these sectors. The law seeks to attract meaningful foreign investment in these sectors based on the fact that the above sectors may be considered as low capital investment sectors.

Page 41 paragraph 3.11

3.11. The profession of customs clearing agent is governed by Zimbabwe Revenue Authority (ZIMRA), under the Customs and Excise Act. It is open to foreigners, but the company must be locally registered. To obtain an annually renewable license, applicants must submit a certified certificate of incorporation; the national identity card, finger prints, and police clearance of shareholders, directors and any employees authorized to act on behalf of the clearing agent; curricula vitae of all employees (with proof of customs experience); and a tax clearance certificate. Where the clearing agent intends to engage in imports, removal in bond, or transit, a bond of USD 250,000 must be lodged with a guarantor. The license is issued after payment of a USD 800 licence fee, and must be renewed annually at a cost of USD 100.

Question 2
Besides licensing renewal fees, do the applicants need to submit the mentioned documents every year? Please provide further information on the purpose of these requirements.

Answer
The requested documentation is submitted once and forms part of the clearing agents client file. However, where there are changes within the clearing agents firm they are required to submit the necessary documentation reflecting such changes.

The documents are required so that ZIMRA knows the clearing agents working with importers and importers. In case of any issues with any clearing agent these can be dealt with appropriately with the specific clearing agent.

Question 3
Does the government has specific program to simplify the requirements and system?

Answer
The clearing agents licensing and renewal process has now been automated within the ASYCUDA World clearance system, this has drastically simplified the process and documents are now submitted electronically through this system.

<u>Page 65 paragraph 3.84</u>

3.84. The CBCA Programme provides that the designated products, when imported into the country, must be accompanied by a certificate of conformity with Zimbabwean national standards. A pre-export verification of conformity of the listed products is carried out in the country of export, and a Certificate of Conformity (CoC) is issued. The assessment involves "confirmation, through the provision of objective evidence, that requirements of the applicable standards have been fulfilled through one or more of the following tasks: shipment inspection, verification of documentation, sample testing and risk assessment". According to the authorities, the CBCA Programme accepts certified products from well-known brands, as long as reports and/or certification documents from an accredited third party are provided; in that case, there is no testing, but the fees are still payable.

Question 4
Does it mean that company with "well-known brands" does not need to fulfill the requirements and assessments under CBCA program, such as sample testing and risk assessment? Please elaborate more.

Answer
Products which are well known under the CBCA Programme are homogenous products which are regularly exported as they have reasonable and consistent levels of quality by conformity to the required standards. These products from a supplier/exporter are eligible to forgo sample testing and avoid unnecessary re-testing by undertaking product registration under route B of the CBCA Programme. The registration is valid for a period of one year. Shipments of registered products are exempted from mandatory testing and certification of the registered products may be based on physical inspection only. However, random testing of registered product is still required to ensure product conformity throughout the registration period. Product registration is recommended to Exporters having frequent shipments of homogenous products.

<u>Page 69 paragraph 3.107</u>

3.107. Zimbabwe maintains a ban on cultivation, (sale and use) of GMOs and GMO products. While imports of GMO products are generally prohibited, imports of GM-modified grains (e.g. maize and soya beans from South Africa) may be authorized under supervised milling requirements.

Question 5
Please provide more information on how Zimbabwe manage the import of GM-modified grains while Zimbabwe continue to ban cultivation of GMOs.

Answer
The Government of Zimbabwe **does not have a ban** on the sale and use of GMOs and GMO products. The Genetically Modified Food and Feed (Labelling), Regulations, Statutory Instrument 159 of 2018 states that:

a. Operators who produce or sell food or feed containing at least 1% of products of genetic modification shall label their products as guided by the regulation.

b. Operators who produce or sell food or feed containing less than 1% of products of genetic modification shall not be compulsorily required to label their products as such, and if they so wish, the operators shall ensure that the label has the appropriate words as guided by the regulation

Question 6
Please specify the requirements for milling and please elaborate how Zimbabwe supervised it?

Answer
GM grain may be imported for the sole purpose of milling and not distribution. Once an authorized for import GM product arrives at port monitoring and surveillance is maintained until it arrives at the milling site where a biosafety inspector will supervise the consignment until all the grain has been milled.

Report by Zimbabwe WT/TPR/G/398

Page 22 paragraph 12.30

12.30. In the 2020 World Bank Ease of doing business survey Zimbabwe ranked 140 with a doing business score of 54.5 (Ease of Doing Business Report October 2019). This is attributed to the Ease of doing business reforms being spearheaded by the Office of the President and Cabinet. The National Trade Policy interventions will be targeted on indicators that directly affect the Trading across Borders index ranking.

Question 7
Please elaborate the National Trade Policy interventions program.

Answer
Under the Government initiative to improve the Ease of Doing Business Ranking various technical working groups have been set up which focus on the World Bank Indicators, amongst these technical working groups there is a Working Group that focusses on the Trading Across Borders indicator. This working group has focused reforms on the simplification, harmonization, automation and publication of the clearance processes at the countries ports of entry so as to reduce the time and cost of undertaking cross border clearances.

In addition, the Government in collaboration with the private sector will implement the following broad and specific strategies under the National Trade Policy and Export Strategy framework.

Developing and Nurturing Export Culture – encouraging firms to re-orient their business models towards competitive production of high quality and valued-added goods and services for export.

Sector Prioritisation, Value-Chain and Cluster Development – Supporting the identified priority sectors with potential competitive advantage in the export market - tourism, horticulture, leather and leather products, food and beverages, textiles and clothing, wood and furniture, arts and crafts, as well as mineral beneficiation and trade in services.

Special Economic Zones - Establishment of Special Economic Zones to attract export-oriented investments.

SMEs Development – Building the trade capacity of SMEs including access to finance and technology and export marketing training programmes.

Export product and market diversification – identification of opportunities to diversify the export basket of products that Zimbabwe can export and the export markets that can be accessed competitively.

Trade Incentives - Provision of trade finance, export credit insurance and incentives to trade/export

Trade Promotion Activities – Provision of Trade and Market Access Information, participating in Trade Fairs and Exhibitions, and promoting the Brand Zimbabwe in terms of Tourism, Trade and Investment.

Zimbabwe Export Promotion Council - Establishing a Zimbabwe Export Promotion Council to consult and provide evidence-based advice on export development, promotion and facilitation strategies. Sector-specific councils will be established where necessary.

Trade in Services – Promoting trade in services in the following priority sectors - tourism, financial services, business and professional services, and education services, medical services, construction and engineering, ICT, transport, energy.

Tariff Policy – Enhance implementation of tariff and non-tariff measures aimed at enabling the importation of raw materials and capital goods to stimulate production and export of value-added goods, in line with the country's regional and multilateral commitments.

Standards and Quality - regulating imported products so that they are in compliance with national, regional and international standards. Encouraging the manufacture and export of products that meet standards in export markets.

Trade Remedies – This will be strategically instituted to counter unfair trade practices in accordance with provisions of regional and multilateral trade agreements.

Trade Negotiations – Engaging in trade negotiations at bilateral, regional and international trade levels and commodity arrangements to enhance and safeguard market access for Zimbabwean products.

Trade Facilitation – This will be implemented to reduce the time and cost of importing, exporting and transit as well as improving Zimbabwe's world ranking on trading across borders. Continuous review of legislation affecting the ease of doing export business will also be undertaken.

Aid for Trade – Engaging Development Cooperating Partners to support trade facilitation initiatives and programmes in Zimbabwe.

Transport – developing land links (road and railway transport) and air links for the transport sector to play its pivotal role in facilitating trade through the movement of goods and people and turn the country into a gateway to markets in the Southern African region.
Electronic Commerce – Promoting the adoption of e-commerce by business which involves the production, distribution, marketing, sale or delivery of goods (both physical and digital products) and services by electronic means to enable the country to reach out to export markets in advanced countries.

Events and Meetings Industry – Promoting the Events and Meetings Industry by hosting major regional and international meetings and conferences, exhibitions and attracting tourist traffic into Zimbabwe.

Intellectual Property Rights (IPRs) – Protection of IPRs covering, Copyrights, Trademarks, Geographical Indications, Industrial Designs, Patents and Layout Designs of Integrated Circuits. This is aimed at encouraging creative work and technological innovation, ensuring fair competition, as well as facilitating the transfer of technology.

Competition Policy – promotion of fair competition and address unfair business practices.

Gender Mainstreaming - Extending preferential access to finance, trade support, and trade information for women and youths.

Trade and Environment – Balancing the often conflicting interests between trade and environmental protection, consisting of both the impact of environmental policies on trade, as well as the impact of trade policies on the environment.

THAILAND

PART I: QUESTIONS REGARDING THE SECRETARIAT REPORT

Para 3.1.4 Page 49

Question 1
Could Zimbabwe clarify why surtax is levied at the general rate of 25%, despite the fact that Zimbabwe's Other Duties and Charges (ODCs) are bound at 15 % under WTO regulation? How many tariff lines (at 8 digits) are bound with ODCs? Additionally, please provide the reason for levying the ODCs or surtaxes?

Answer
Surtax and ODC's are levied as a National Policy tool to enhance revenue generation and is targeted at a few selected commodity codes in relation to the number of existent HS Tariff codes. Its rate is determined purely on the revenue generation expectations and forecasts of the measure.
The 139 tariff lines at 8 digit level for other goods are levied with surtax, and also all tariff lines for second hand light passenger motor vehicles of commodity code heading 87.03 which are more than five years old from the date of original manufacture.

Para 20 Page 9

Question 2
Does Zimbabwe have any kind of export duties? If so, what kind of products and how many tariff lines would levy upon these export duties?

Answer
No export duties are levied in Zimbabwe, however export taxes are levied on specified products such as Raw Hides, and selected unbeneficiated minerals to promote local beneficiation. Currently there is a suspension on the charging of export tax on unbeneficiated minerals.

PART II: QUESTIONS REGARDING THE GOVERNMENT REPORT

Para 13.10 Page 23

Question 3
Please elaborate further on the details of Comprehensive Trade Facilitation Program aimed to ease the flow of goods and services within the region as stated on the policy review.
In which trade aspects, if not all, does the program covers?

Answer

SADC Trade Facilitation Programme was adopted after the World Trade Organization (WTO) Agreement on Trade Facilitation entered in force in 2017. The aim of the programme was the implementation of the WTO Trade Facilitation Agreement by SADC Member States through the advancement of the regional integration agenda in particular the consolidation of the SADC Free Trade Area (FTA). The implementation of the Agreement would be supported by the SADC Protocol on Trade. The Article 5 of Annex III of the Protocol concerning Simplification and harmonization of Trade Documentation and Procedure for Trade Facilitation among other provides the following:

- Reducing the cost of documents and the volume of paper work required in respect of trade between Member States;

- ensure adequate coordinating between trade and transport facilitation within the community; and

- Promoting the development and adoption of common solutions to problems in trade facilitation among Member States.

The SADC Protocol on Trade in governing instruments for the implementation of the Free Trade Area requires some amendments to accommodate the WTO Trade Facilitation Agreement. In order to effectively implements SADC Trade Facilitation Programme, SADC Member States and SADC Secretariat where directed to:

- ensure that the programme is mainstreamed in the SADC Regional Integration Strategic Development Plan (RISDP), implementation plan to support trade integration, industrialization, and mobilization of resources;

- prioritize for implementation of activities in which WTO Trade Facilitation Agreement commitments have been undertaken, including areas where capacity building is required, based on national categorizations;

- align national and regional instruments with the provisions of WTO Trade Facilitation Agreement; and

- urged Member States who have not ratified the WTO Trade Facilitation Agreement to do so.

To ensure that the implementation of the SADC Trade Facilitation programmes is comprehensive the region developed system for monitoring and reporting on the trade facilitation program through the SADC Monitoring Reporting and Evaluation (MRE) mechanisms for the Protocol on Trade. The system is therefore comprehensive and encompass requirements under the SADC Trade Facilitation Programme, the WTO Trade Facilitation Agreement and the SADC Protocol on Trade

Question 4
What are the measures and processes of the facilitation program, particularly in the flow of services?

Answer
The program covers both trade in goods and services as covered under the WTO Trade Facilitation agreement.
The measures include and not limited to Risk Management, Electronic Payment, Information sharing, General Disciplines on Fees and Charges Imposed on or in Connection with Importation and Exportation, Establishment and Publication of Average Release Times, Establishment of National Committee on Trade Facilitation, Common Border Procedures and Uniform Documentation Requirements, Common Custom Procedures and Simplification of Documents.

ADDITIONAL QUESTIONS FROM THAILAND

PART I: QUESTIONS REGARDING THE SECRETARIAT REPORT

Para 2.42-2.45 Page 34-35

Question 1
According to the report, the abolishment of the indigenization law in 2018 has affected foreign ownership in service sectors mentioned in the BOX 2.2 such as transportation services, retail and wholesale trade, and advertising agencies; yet, the report did not mention any law or regulations succeeded by the law.

Are there any laws or regulations that take place of the indigenization law repealed in 2018?
The major investment restriction was the implementation of the Indigenisation and Economic Empowerment Act, which forced foreign-owned businesses to cede at least 51% shares of their local operations to black Zimbabweans. In 2018, this requirement was removed, except for diamonds and platinum, which are strategically important to the country. The requirement on diamond and platinum was removed in March 2019 through the amendment of the Finance Act of 2017.

Response :

i. The Indigenization and Economic Empowerment legislation was amended in 2018. The Indigenization and Economic Empowerment Act [Chapter 14:33] as amended reserves twelve sectors off the economy for Zimbabwean citizens and these are as follows; Transportation: passenger buses, taxis and car hire services; Retail and wholesale trade; Barber shops, hairdressing and beauty salons; Employment Agencies; Estate Agencies; Valet services; Grain milling; Bakeries; Tobacco grading and packaging; Advertising agencies; Provision of local arts and craft, marketing and distribution and artisanal mining.

ii. Foreign owned businesses that were already in businesses before the amendments to the law in 2018 which led to the reserving of certain sectors of the economy for citizens will not be affected or forced out of business by this current legislation.

iii. Non-citizen Zimbabweans may invest in the reserved sectors of the economy if that business meets certain prescribed thresholds based on the following objectives:

- Significant and sustainable employment creation in Zimbabwe;
- The transfer of skills and technology for the benefit of the people of Zimbabwe;
- The creation of sustainable value chains
- Other prescribed socially and economically desirable objectives

iv. The law does not necessarily bar foreign investors from investing in the economy's 12 reserved sectors as this might close the economy to certain skills and technological advancements that foreign investors may bring in these sectors. The law seeks to attract meaningful foreign investment in these sectors based on the fact that the above sectors may be considered as low capital investment sectors.

Para 2.47 Page 36

Question 2
It is stated in the report that the MIC (Ministry of Industry and Commerce) is authorized to do the following tasks; (i) designate the sectors available for investment by domestic and foreign investors; (ii) specify those sectors reserved exclusively for domestic investors; (iii) prohibit the export of specified raw materials in unprocessed form; (iv) prescribe the manner or the extent to which any raw materials shall be beneficiated before export; and (v) prescribe the degree of export orientation of investment proposals submitted by applicants.

Could Zimbabwe provide further details on how and in which format the MIC issues regulations to govern those tasks?

a. The Indigenisation and Economic Empowerment Act [Chapter 14:33] as amended reserves twelve sectors of the economy for Zimbabweans citizens and these are as follows; Transportation: passenger buses, taxes and car hire services; Retail and wholesale trade; Barber shops, hairdressing and beauty salons; Employment Agencies; Estate Agencies; Valet services; Grain milling; Bakeries; Tobacco grading and packaging; Advertising Agencies; Provision of local arts and craft, marketing and distribution and Artisanal mining.

b. Non-citizen Zimbabweans may invest in the reserved sectors of the economy if that business meets certain prescribed thresholds based on the following objectives:

- Significant and sustainable employment creation in Zimbabwe;
- The transfer of skills and technology for the benefit of the people of Zimbabwe;
- The creation of sustainable value chains
- Other prescribed socially and economically desirable objectives

c. Foreign investors who wish to invest in the economy's reserved sectors have to submit application to the Ministry of Industry and Commerce for approval. The application needs to be guided by the afore-mentioned objectives. The law does not bar foreigners from investing in the economy's reserved sectors.

d. Currently, the Ministry of Industry and Commerce does not have any controls on the export of raw materials. Prior to the outbreak of Covid-19, the only commodities that required an export licence from the MIC are **sugar, fertilizers and gypsum**. Regulation of exports for these commodities was to ensure that there is sufficient sugar and fertilizers for local consumption.

e. There is no legal instrument, administered by MIC, that specifically prohibits the export of raw materials before value addition. Except for gypsum, MIC therefore, does not regulate any such exports. In the case of gypsum, it is a by-product of another industrial process and only there is only one producer in the country who produces it. However, MIC receives very few requests to export Gypsum.

f. **Covid-19** - On 17 April 2020, following the outbreak of Covid-19, MIC introduced export licensing requirements for ethanol (a raw material for making alcohol-based sanitizers), designated pharmaceutical medicines and personal protective equipment (PPE). This has been done purely to augment the national response to the outbreak of Covid-19 and control outflows of goods that are essential in the fight against the pandemic. The legal instrument specifying this is **Statutory Instrument 90 of 2020**.

g. The Ministry of Health and Child Care through Medicines Control Authority of Zimbabwe MCAZ) issues export permits on medicines/drugs whilst the Ministry of Industry and Commerce issues the export licence.

3.3.2 Standards and other technical requirements page 63-66
Comment
According to the WTO report, it mentioned that about 3% of the standards have been adopted as technical regulations in Zimbabwe. However, there is only on notification submitted to the WTO TBT Committee. According to the Technical Barriers to Trade obligations, any establishment of the adopted or proposed technical regulations standards or conformity assessment procedures, including any regulations amendment which may have consequences on trade-related matter, requires all parties to allow at least 60 days to allow other members and related parties opportunity to comment.

Response :
The country endeavours to comply with its notification obligations under the TBT agreement and has requested assistance from the WTO to help increase compliance.

Para 4.114 Page 100

Question 3
Regarding Zimbabwe's monetary and currency issues, could Zimbabwe elaborate the policy for promoting investment in the tourism sector?

Response :
The Reserve Bank of Zimbabwe availed to the tourism sector the liberty to retain 100% of export proceeds for the period up to 31st December 2020. This measure aims to mitigate the negative effects of the COVID-19 induced disruption on tourism activity and to cushion the balance sheets of Zimbabwean tourism sector players. There are no further monetary policy based incentive(s) for the tourism sector at the moment.

Para 4.116 Page 100

Question 4
Could Zimbabwe provide further details regarding to the foreign investment regulations in the tourism sector?

Response :
Tourism Special Economic Zones (SEZs) and Tourism Development Zones (TDZs) are instrumental tools for tourism investment in Zimbabwe. The Victoria Falls Special Economic Zone (SEZ) has opened up investment in the tourism capital and other areas around it. The SEZ stretches from Hwange to Binga, inclusive of Victoria Falls.

The country has through the National Tourism Master Plan demarcated the country into 11 Tourism Development Zones. The masterplan identifies potential investment opportunities in each zone. There are also incentives associated with investing in these Tourism Development Zones and as in the SEZ, investment laws in these areas are independent of ordinary areas in the country.

The Government continues to create an enabling environment to attract investments into the tourism sector and also use tourism to attract Foreign Direct Investments (FDI) into the country. The Zimbabwe government has designated eleven (11) Tourism Development Zones to create more investment opportunities in areas where tourism offers comparative advantages. Tourism Development Zone The government is committed to making sure that the industry is protected from disinvestments through primary and secondary legislations.

Tourism development zones are focal areas for concentration of tourism activities and investment. They have been identified by looking at clusters of existing and potential tourism products. Their boundaries are indicative and are not binding in regulatory terms. Tourism product clusters have been recognized where there is a "concentration" of existing or potential tourism products and facilities, in and around major attractions and/or towns.

Para 4.119 Page 101

Question 5
Zimbabwe's stated trade policy objective in the area if transport services is to liberalize market access, albeit generally on a case-by-case and reciprocal basis. In fact, market access continues to be determined on a bilateral basis, and restrictions remain, although commercial presence (mode 3 of the GATS) was liberalized following the repeal of the Indigenization Act in 2018.

Could Zimbabwe provide further details on the mentioned restrictions?

2.42-2.45

- With respect to road transport services (passenger and freight), there are no laws or regulations that take the place of the indigenisation law repealed in 2018• The provisions of the country's investment laws prescribe that road transport and car hire services remain listed as sectors reserved for domestic investment.

- However in line with the Finance Act No.1 of 2018, foreign nationals may invest in the reserved sectors if the business meets certain criteria prescribed by the Minister in terms of employment creations skills/technology transfer, etc.

- A provision was made for those foreigners that invested in these reserved sectors prior to 1 January 2018 to continue operation subject to regularising by registering with ZIMRA, National Indigenisation and Economic Empowerment (NIEE) Unit and maintaining bank accounts in terms of the Bank Use Promotion Act [Chapter 24:24]. The foreign nationals were given grace period of up to 31 July 2018 to comply with this requirement.

- The framework for regulating cross border road transport sector is governed by Bilateral Road Transport Agreements and Multi-lateral Cross Border Road Transport Agreements. These provide for the regulation of other modes of supply such as consumption abroad and cross border supply. These Agreements also impact on market access through the implementation of cabotage restrictions.

Question 6
Could Zimbabwe provide further details on what laws or regulations to which the telecommunication service sector is currently applied?

Response

1. Telecommunications Law

<u>International Level</u>

a. ITU Treaty.

b. Treaties governing the relations between states and entities within different states (cross border issues).

<u>Country Level</u>

Regulations governing the following:

a. Creation of Regulatory Authorities, that is, the general institutional framework;

b. Licensing;

c. Competition behavior;

d. Tariffs;

e. Quality of service;

f. Interconnection issues;

g. Infrastructure sharing;

h. Scarce resource management;

i. Universal Service;

j. Sanctions and or penalties; and

k. Dispute Resolution.

2. Why regulate the Sector?

"Rules are for people who are not willing to make their own" (Chuck Yeager).
"If you allow a purely capitalist society, without any type of regulation, you will get one monopoly that will eat all the smaller fish and own everything. You will have zero capitalism and zero competition. It will be just one big company".

- To prevent any single company from taking over and controlling the market;
- To ensure no discriminatory practices are used to withhold telecommunication services from certain classes of users;
- To prevent prioritization of one line of communication over another, or others;
- To prevent market failure;
- To protect consumers;
- To create effective competition;
- To prevent anti-competitive behavior; and
- To allocate scarce resources (numbers and radio frequency spectrum).

3. POTRAZ Mandate and Functions (Postal Regulatory Authority of Zimbabwe)

<u>Mandate</u>

- Provision of sufficient Domestic and International Telecommunications and Postal Services;
- Provision of affordable and sustainable services;
- Development of systems and services;
- Licensing and regulation of Network Operators; and
- Advise Minister.

<u>Functions</u>

a. Establish standards and codes;

b. Allocate satellite orbits;

c. Allocate radio frequency spectrum;

d. Protect Consumers;

e. Promote competition;

f. Monitor Tariffs;

g. Advance innovation and technological development;

h. Represent Zimbabwe regionally and internationally in Telecommunications and Postal fora;

i. Establish and control the National Numbering Plan; and

j. Develop the National Broadband Plan.

4. Licensing and Pricing

Licensing

a) Public Telecommunication Network Operators

- Mobile Network Operators
- Fixed Telecommunication Network Operators
- Internet Access Providers

b) Private Telecommunication Network Operators

- Private Telecommunication - Banks, NGOs, Municipalities, *et cetera*
- Postal and Courier licenses

Pricing

- Tariff regulation to curb:
- Exploitative behaviour - excessive pricing of services;
- Exclusionary behaviour - Discriminatory pricing;
- Development of appropriate standard costing models for regulated services;
- Approval of tariff applications; and
- Monitoring of pricing behavior in terms of services packages / bundles, promotions and assessing billing accuracy and compliance with approved tariffs by Operators.

5. International Affiliations

- International Telecommunications Union (ITU);
- African Telecommunications Union (ATU);
- Universal Postal Union (UPU);
- Pan African Postal Union (PAPU);
- Common Market for Eastern and Southern Africa (COMESA);
- Southern African Development Community (SADC);
- Communications Regulators Association of Southern Africa (CRASA); and
- African Advanced Level Telecommunication Institute (AFRALTI).

6. Policy and Legal Framework

International and Regional Treaties - Regulatory Tools

- The ITU Constitution;
- The Convention of the ITU;

- International Telecommunications Regulations (ITRs);
- The Radio Regulations; and
- Regional Treaties and Protocols such as SADC and COMESA Protocols (These also influence Zimbabwe's Telecommunication Laws).

Zimbabwean Legislation - Regulatory Tools

- Postal and Telecommunications Act (Chapter 12:05);
- Criminal Law Amendment (Protection of Power, Communication and Water) Infrastructure Act No. 1 of 2011;
- Interception of Communications Act (Chapter 11:20);
- Broadcasting Services Act (Chapter 12:06);
- Postal and Telecommunications Charges for Reserved (Services) [Statutory Instrument 319 / 2000];
- Postal and Telecommunications (Licensing, Registration and Certification Regulations) [Statutory Instrument 11A of 2001];
- Postal and Telecommunications Postal Services Regulations [Statutory Instrument 238 of 2001];
- Postal and Telecommunications Internet Services Regulations [Statutory Instrument 262 of 2001];
- Postal and Telecommunications Interconnection Guidelines [Statutory Instrument 28 of 2001];
- Penalties Regulations [Statutory Instrument 162 0f 2008];
- Postal and Telecommunications Subscriber Regulations;
- Statutory Instrument on Infrastructure Sharing, which was gazetted as Statutory Instrument Number 137 of 2016 (S.I. 137.2016);
- Postal and Telecommunications Quality of Service Regulations; and
- Human Exposure to Electromagnetic Field (EMF) Regulations.

7. Legislation in the Pipeline

- Postal and Telecommunications Bill Amended Licensing and Certification Regulations.

PART II: QUESTIONS REGARDING THE GOVERNMENT REPORT

Para 6.23, 8.6 Page 13, 16

Question 7
Referring to Para 6.23 on Measures Introduce to Assist Industry reported that in 2016 provided for rebates of customs duties for companies on importation of industrial, mining, agricultural, and energy equipment. Meanwhile Para 8.6 on Investment and Environment and Policy reported that privileges offered to domestic investors and foreign investors rebates of duty are granted to facilitate duty-free importation of capital equipment for use in manufacturing, mining, agriculture, and energy.

What is the differences between Para 6.23 and Para 8.6 in terms of rebates of duties and privileges offered to domestic investors and foreign investors who invested only in Special Economic Zones?

Answer
Tax Incentives to be allowed in Special Economic Zones i.e. Tourism Zone
Corporate Tax
Exemption for the first five years of operation and a corporate tax rate of 15% applicable thereafter.
Special Initial Allowance on Capital Assets
To be allowed at the rate of 50% of cost from the first year, and at the rate of 25% in the subsequent two years.
Employees' Tax
Specialised expatriate staff to be taxed at a flat rate of 15%. All the other staff to be taxed using the applicable tax tables
Non-Residents Withholding Tax on Fees
Exemption on fees for services that are not locally available.
Non-Residents Withholding Tax on Royalties
Exemption is granted.
Non-Residents Withholding Tax on Dividends

Para 7.23 Page 16

Question 8
Could Zimbabwe elaborate more details about the tourist visa policy?
The general Visa policy in the country is reciprocal. What each country requires of Zimbabweans when they travel are the same requirements when citizens of that country travel to Zimbabwe. Zimbabwe has three Visa Categories, Category A, citizens do not require a Visa to travel to Zimbabwe, Category B citizens can apply for Visas at the point of entry into the country and Category C require Visa prior to travelling.

Kavango Zambezi Transfrontier Conservation Area (KAZA) is in the process of introducing the Kaza Univisa and a pilot project was carried out between Zimbabwe and Zambia. Countries eligible to the Kaza Univisa can access the Visa in either Zimbabwe or Zambia and will be able to access the borders of the two countries for 30 days without applying for another Visa. At the lapse of the Kaza pilot period, Zimbabwe and Zambia agreed to maintain the Visa until the other countries from the region decide on the way forward.

The tourism sector has continued to lobby for loosening up of the visa regime and the government is gradually moving countries from stringent visa categories in order to promote travel into the country and boost tourism revenue at the same time maintaining security for citizens.

The Immigration Act and its attendant Regulations provide for the imposition of visa requirements as an intervention to regulate the entry and stay of foreigners. Though the country's visa policy is based on the international principle of reciprocity, other factors come into play especially in trying to promote tourism and country to country relations with investment source markets. The Zimbabwe visa policy is therefore informed by various factors that include reciprocity, regional standards and agreements, bilateral agreements, national investment and tourism promotion considerations.
The Immigration Act Chapter 4:02, Section 31 provides for the administration of visa requirements on foreigners intending to visit Zimbabwe while Regulations 9 (6) and Section 42 guides the implementation of this statutory position.
The Regulations mentioned above provide for a three category visa system as tabulated below;

Category A

These are countries whose nationals are exempt from visa requirements. There are forty six countries under this category.

Category B

These are countries whose nationals require visas to enter Zimbabwe but the visas are granted at ports of entry upon payment of the requisite visa statutory fee. One hundred and seventeen (117) countries fall under this category.

Category C

These are countries whose nationals are required to obtain visa before travelling and currently visas are applied for online do online. There are fifty two (52) countries in this category.
It is important to note that the visa regime is not meant to frustrate investment and tourism but is part of the various tools that the Department uses in its endeavour ***to facilitate movement and business.***

The visa regime in place today is therefore, not static but is continuously reviewed and relaxed in pursuit of ease of doing business under the UN, AU, SADC and COMESA protocols on free movement of persons for both investment, tourism and holiday making.
A look at the visa regime shows that prominent source markets for both investment and tourism fall in categories A and B which are categories that do not have restrictive visa requirements.
As for countries in category C, the requirements to do online and prior application is mostly influenced by security considerations. To minimise inconveniences in this category, the online application facility was introduced and has greatly eased the process for Category C nationals.

After entry management of visitors to Zimbabwe
A visitor's visa shall be subject to conditions spelt under section 42 of the Immigration Regulations. The conditions relate to the obligations of the visitor, as well as, the validity of the visitor's stay and visa extension, where applicable. The initial validity of visas of thirty (30) days for business visitors and ninety (90) days for tourists are standards that are used at both SADC and COMESA levels as contained in the Protocols on the facilitation of Movement of persons (SADC) and the Protocol on the Free Movement of Persons, labour, Services, right of Residence and Establishment (COMESA).
The Zimbabwe visa regime is, therefore, a highly responsive regime that is constantly reviewed to suit the ever changing global terrain. The policy borrows from the International principles, regional and global best practices including the ease of doing business reforms while remaining a reliable security intervention for the Government. The ultimate aim of the regime is to be as open as possible yet remaining robustly secure.

Para 7.25 Page 16

Question 9
Could Zimbabwe elaborate more details regarding the preparation of the workforce in the tourism sector?
The preparation of the tourism sector workforce in Zimbabwe is run by vocational training centres, technical colleges and universities. The curriculum is centred on the balance of vocational and academic focus with the goal of providing competent graduates that can fill managerial posts as vocationally trained workforce could not suffice the needed expertise. The tourism curriculum at university level focuses on producing skilled and knowledgeable managerial personnel for the industry.
The university tourism programs in Zimbabwe balances vocational and liberal aspects of tourism training that is vital to producing a well-rounded graduate ready for handling management responsibilities. Vocational training in Zimbabwe renders learners to be unable to take managerial responsibilities. The vocationally trained are the skilled workforce for the various areas of the hospitality side of tourism. Diploma graduates are most preferred by the industry as they are ready to practice tourism as opposed to degree holders. Diploma holders are exposed to a lot of practical practice training of this noble industry, whereas the degreed are exposed to industrial attachment for a year.
Zimbabwe's tourism training is skewed towards hospitality and there is no balance in modules with the private sector's expectations. The tourism authority works closely with all institutions and the private sector but there is still a huge gap in manpower development that need to be filled as a matter of urgency. Individual tourism industry organizations continue to engage in tailored human capital development for brand equity.

UNITED KINGDOM

Government Report
3 Vision 2030 Agenda
Safety of Investments
Para 3.14., page 7
The report states that the Constitution of Zimbabwe also protects and guarantees property rights as well as investment protection. The safety of investments in Zimbabwe is guaranteed, and investors are free to approach the courts for any dispute resolution, free from government influence.

Question 1
On agricultural land, what assurances can be provided to UK investors that 99 year leases are viable, and there will be respect of property rights?

Answer
The 99 Year lease is issued after a rigorous process where title surveys by the Surveyor General are done. There are considerable costs involved. Once a farmer is issued with a 99 Year lease it is not expected to be cancelled or withdrawn arbitrarily except if the lessee breaches certain conditions of the lease or the lessee himself/herself chooses to have the lease cancelled. The lease provides security to the investor/farmer. To date the Government has not cancelled any lease where the lessee is abiding by the conditions of the lease.
Indeed, property rights will be respected as provided for by the Constitution. Already Government has resolved not to acquire BIPPA protected properties where such properties had not been acquired.

3 Vision 2030 Agenda
Repatriation of dividends
Para 3.15., page 7
The report states that "investors are allowed to remit shareholder dividends through the financial system in Zimbabwe."

Question 2
What measures is Zimbabwe putting in place to guarantee repatriation of forex for investors in practice?

Answer
The Government of Zimbabwe guarantees the repatriation of 100% of the original capital investment. In addition, companies are free to remit up to 100% of dividends from net profit after tax. However, this is subject availability of foreign currency on the interbank market. The Government and Reserve Bank of Zimbabwe are putting in place confidence building measures to stabilise the exchange rate in order to attract foreign currency back into the formal system through a number of measures including implementation of monetary targeting framework to contain money supply growth which has been a major driver of exchange rate depreciation and the promotion of export growth.

3 Vision 2030 Agenda
Zimbabwe Investment Development Agency (ZIDA)
Para 3.16., page 7
The report notes that ZIDA is expected to be fully functional in 2020.

Question 3
Can Zimbabwe elaborate on how ZIDA will work in practice, and when it will be fully constituted?

Answer
ZIDA is an Investment Promotion Agency (IPA) created by an Act of Parliament, ZIDA Act [Chapter 14:37] promulgated on 7 February 2020. ZIDA, an integration of former Zimbabwe Investment Agency (ZIA), Zimbabwe Special Economic Zones Authority (ZIMSEZA) and Joint Ventures Unit (JVU), is responsible for promoting, protecting and facilitating all investments in Zimbabwe under one roof. ZIDA is also an advisor to the government on crafting and updating National Investment Policy and any other policies which creates an enabling / conducive investment environment. Within ZIDA, a One Stop Investments Services Centre (OSISC) was set up and mandated to facilitate the provision of investment services such as:

- Company/Business Registration;
- Tax registration;
- Issuance of Investment License;
- Immigration permits;
- Processing of Environmental Impact Assessment (EIA);
- Connectivity to utilities like water and power, obtaining land; and
- Any other approvals required in respective sectors;

OSISC, thus streamline, simplify and shortens the turnaround time for investing in Zimbabwe as everything is now done under one roof.

5 Monetary and Exchange Rate Policies
Para 5.3., page 9
The report notes that the foreign currency surrender regime requires exporters to utilise their retained export receipts in Nostro FCAs within 30 days from the date of receipt, or all unutilised balances are sold by the Reserve Bank of Zimbabwe on the interbank market.

Question 4
What plans are in place to ensure that the foreign currency surrender regime does not act as a disincentive to UK investors into the export sector in Zimbabwe, given the instability of the local currency?

Answer
The surrender requirements are a short-term measure meant to manage foreign currency in the economy and in particular preserving foreign currency for critical import needs such as fuel and energy, among other things. It is deemed, however, that the foreign currency surrender requirement leaves the companies with enough foreign currency to meet their import needs. The local currency equivalent can also be used to meet the domestic needs without necessarily affecting the company operations.
Nonetheless, authorities are putting in place measures to stabilise the exchange rate through a monetary targeting framework meant to contain money supply growth in the economy. Authorities are also implementing various measures meant to restore confidence in the economy given that adverse expectations have been a major contributor of exchange rate instability and escalation in the inflation rate.

Question 5
Could Zimbabwe explain what measures are being implemented to ensure the currency market operates in a transparent, open and efficient way to accurately reflect the value of the currency?

Answer
In a statement issued on 11 March 2020, the Zimbabwean Government announced that it was introducing, with immediate effect, an electronic foreign currency trading platform based on the Reuters system is being immediately put in place.[10] This platform is meant to allow foreign exchange to be traded freely amongst the banks and permit a true market exchange rate to be determined. Bureaux de Changes will also participate on this platform through their banks (Authorised Dealers). The RBZ will continue to be a significant player in the market, providing liquidity to stabilize the exchange rate, where necessary. All the foreign exchange requirements will be available through the interbank market which will use a market determined exchange rate.

[10] https://www.rbz.co.zw/documents/press/March/PRESS-STATEMENT-FX.pdf.

5 Monetary and Exchange Rate Policies
Para 5.6., page 9
The report highlights that the Reserve Bank guaranteed the exchange rate, at par, of foreign currency "legacy debts" (debts incurred by private companies in foreign currencies at an expected 1:1 exchange rate between RTGS dollar and US dollar) subject to verification and ascertaining the correct amount of the legacy debt.

Question 6
How transparent was the verification process for the legacy debt and what are the conditions for legacy debt to be guaranteed at par by the RBZ? How will the repayment of this debt be prioritised?

Answer
All the affected parties are required to submit their applications through their banks. The banks will then submit the applications for the legacy debt to be paid at par to the RBZ's Exchange Control Division. There is a Committee comprising of the Exchange Control Division and the Ministry of Finance to ensure transparency. The Committee would then make recommendations to the Governor for approval.

Question 7
Are there any dispute resolution mechanisms available to investors whose legacy debts or liabilities are not protected under this RBZ guarantee?

Answer
In the event that the application is rejected, the applicant is free to make an appeal to the Committee. This is done in line with the Exchange Control Appeals procedure under the Statutory Instrument (SI) 109 of 1996. The Governor and the Permanent Secretary can consider the application. If the applicant is not satisfied, the issue can further be escalated to the Minister of Finance since the Ministry of Finance is the ultimate exchange control authority.

6 Sectoral Performance
6.2 Mining
Para 6.11., page 12
The report states "In addition, with the increased call for transparency and accountability in the sector, discussions are underway with various stakeholders on joining the Extractive Industry Transparency Initiative (EITI), which will be pursued in 2020."

Question 8
Could Zimbabwe provide an update on progress here and advise what progress is being made in digitising mining licenses in the country, which would make purchasing mining licenses more transparent for both existing license holders and international investors?

Answer
The Ministry is making progress towards the Cadastre System albeit with huge financial constraints. Various pieces of hardware have been purchased, the issue of lack of foreign currency to pay the contractor is the main hindrance.

7.5 Energy related services
Para 7.27., page 16
The report states "Zimbabwe has been facing power shortages due to limited electricity generation capacity at Kariba Hydro Power station due to low water levels attributed to drought, and also limited output at Hwange Thermal Power Station. Plans to add more than 2200 MW of generation capacity which will make uninterrupted power supply within the next 3-5 years are under way. The Batoka Gorge Hydro Power Project and the Hwange 7 & 8 Thermal Expansion Power Project are being rolled out. Opportunities for investment in the energy sector are available including other renewable energy sources such as wind and solar."

Question 9
Can Zimbabwe advise how it will support investment into the distributed renewable power sector, by ensuring consistent implementation of duty free imports of solar equipment for example?

Answer

- Implementation of the Net metering regulations
- Establishment of NODAL Agency (one stop shop investment centre for renewable energy projects) to speed up approvals of renewable energy investments
- Revision of SI 147 of 2010 to include Duty free importation of all renewable energy equipment
- Setting up of a green fund for Renewable energy projects
- Tax exemptions for Renewable Energy Projects for a period up to five years
- Awarding of National Project Status Renewable Energy Projects

Question 10
What is Zimbabwe doing to eliminate market barriers in renewable energy and open up the renewable energy sector (particularly solar) to international investment?

- The sector has remained open for private sector participation in line with set regulations. The Ministry has just launched the renewable and bio-fuels policies which shows Government's commitment towards rapid implementation on renewable energy technologies. Government will also set up a Establishment of NODAL Agency (one stop shop investment centre for renewable energy projects) to speed up approvals of renewable energy investments.

- Relevant regulations shall be crafted to support the implementation of the policies i.e. the establishment of a competitive procurement framework for renewable energy projects mainly large solar projects.

8 Investment environment and policy
Para 8.1., page 16
The report highlights several opportunities for investment in state enterprises and parastatals.

Question 11
Can Zimbabwe provide an update on the process of privatization of state enterprises and parastatals? What assurances can Zimbabwe provide that this process will be fair and transparent, and open to international bidders?

Answer
In 2018, the second Republic of Zimbabwe approved a **State Enterprises Reform Framework** which identified 43 State Enterprises and Parastatals for reforms. The identified state owned enterprises (SOEs) identified for reforms were categorised specific reform strategies which are privatisation, merging, unbundling, departmentalisation and performance reviews.

The shares of SOEs identified for privatisation will be offered to foreign and/or domestic investors, in which, the ultimate investor will be selected through a competitive bidding process. Competitive bidding process grants equal opportunities to both domestic and foreign investors to invest in SOEs.

Technical Committees which comprise of Government departments chaired by responsible line ministries leads the implementation of privatisation of SOEs. The Technical Committees are advised by Independent Transactional Advisors selected through competitive bidding procedures in line with the Public Procurement Legislation. The engagement of Transactional Advisors shows Government's commitment in professionalising the privatisation process.

Update on the status of the 43 SOEs identified for Specific Reform Strategies:

Privatisation

1. Agribank
2. Infrastructure Development Bank of Zimbabwe (IDBZ)
3. POSB
4. Tel-One
5. Net-One
6. Petrotrade
7. Allied Timbers
8. ZIMPOST
9. ZUPCO
10. ZMDC subsidiaries

11. IDC subsidiaries

The partial privatisation transactions are at various stages of implementation and the expected completion time being December 2020.

12. ZISCO Steel

- Government reconsidering Disposal of Government shareholding to suitable investor.

Reconstruction

13. Air Zimbabwe

- The company is under reconstruction arrangement as provided by the Reconstruction of State-Indebted Insolvent Companies Act [Chapter 24:27] and Grant Thornton is the Administrator.

Public Private Partnership (PPP)

14. Cold Storage Company (CSC)

- PPP arrangement with Boustead Beef Company concluded

15. National Railways of Zimbabwe (NRZ)

- PPP partner yet to be identified by December 2020

16. Road Motor Services (RMS)

- The reform of RMS aligned to the restructuring of NRZ.

Unbundling

17. Grain Marketing Board

- The commercial business unit of the Grain Marketing Board had already been separated into a standalone company named Silo Food Industries Ltd.

18. Civil Aviation Authority of Zimbabwe (CAAZ)

- The Civil Aviation Legislation was amended to allow separation of regulatory functions from operation functions. Implementation of the amended legislation is currently underway.

Merging

19. Powertel

- To be merged with Zarnet and Africom.

20. Zarnet

- To be merged with Powertel and Africom.

21. Africom

- To be merged with Zarnet and Powertel.

22. ZESA Group

- Consolidation of 4 ZESA subsidiaries companies into a single entity. Implementation in progress and expected to be completed by December 2020.

23. Postal & Telecommunication Regulatory Authority of Zimbabwe (POTRAZ)
24. Consultations in progress on merging the entity with Broadcasting Authority of Zimbabwe.
25. Broadcasting Authority of Zimbabwe (BAZ)

- Consultations in progress on merging the entity with POTRAZ.

26. Special Economic Zones Authority

- Merged with Zimbabwe Investment Authority and Joint Venture Unit in forming Zimbabwe Investment Development Agency (ZIDA).

27. Zimbabwe Investment Authority

- Merged with Special Economic Zones Authority and Joint Venture Unit in forming Zimbabwe Investment Development Agency (ZIDA).

28. Women's bank
    - Decision to merge the bank with Small & Medium Enterprises Development Corporation (SMEDCO) and Empower bank was reversed. The bank to remain as standalone entity.
29. Empower Bank
    - Decision to merge the bank with Small & Medium Enterprises Development Corporation (SMEDCO) and Women's bank was reversed. The bank to remain as standalone entity.
30. Zimtrade
    - A decision to merge the entity in forming ZIDA was reversed and the entity remained a standalone entity.
31. Zimbabwe Tourism Authority
    - A decision to merge the entity in forming ZIDA was reversed and the entity remained a standalone entity.

Performance Reviews

32. Zimbabwe Parks and Wildlife Management Authority (Zimparks)
- Performance Review was completed and board implementing the recommendations.

33. Forestry Commission
- Performance Review was completed and board implementing the recommendations.

34. Small and Medium Enterprises Development Corporation
- Performance Review was completed and the recommendations awaiting adoption by Government.

35. Environmental Management Agency
- Performance Review was completed and board implementing the recommendations.

36. Scientific And Industrial Research And Development Centre (SIRDC)
- Performance Review had been completed and the recommendations awaiting adoption by Government.

37. The Zimbabwe National Roads Administration (ZINARA)
- Performance Review is yet to be re-done following failure by previous consultant to effectively perform the review and the procurement process for the new Consultant is currently underway.

Departmentalization

38. National Indigenisation and Economic Empowerment Board
- Successfully departmentalised under Ministry of Industry and Commerce.

39. National Liquor Licencing Authority
- Successfully departmentalised under Ministry of Local Government and Public Works.

40. National Library and Documentation Services
- Successfully departmentalised under Ministry of Primary and Secondary Education.

41. The Boxing and Wrestling Boards
- The policy decision to departmentalise the entity is yet to be reconsidered.

42. National Competitiveness Commission
- The decision to departmentalise the Commission under the Line ministry was reverse and the entity remained a standalone entity.

43. Board of Censors
- The decision to departmentalise the Board under the Line ministry was reverse and the entity remained a standalone entity.

44. Lotteries and Gaming Board
- The decision to departmentalise the Board under the Line ministry was reverse and the entity remained a standalone entity.

Measures Specific to Privatisation (Transparency)

Independent transactional Advisors identified through competitive bidding as provided in the Public Procurement Legislation would advise the implementation of privatisation transactions. The Adverts for procuring Transaction Advisors were open to both domestic and international consulting firms in line with principle of transparency.

The Investors are being identified through the competitive bidding process to ensure transparency and equal opportunities to all potential investors.

9 Administration of standards and quality

Para 9.3., page 17

The report states "Zimbabwe also implements the Consignment Based Conformity Assessment Programme (CBCA) which involves pre-export verification of about 12,5% of the goods in the tariff handbook. The CBCA is conducted under the auspices of Statutory Instrument 132 of 2015. Of the goods under the CBCA programme only goods accompanied by a conformity assessment certificate may be imported into the country."

Question 12

Can Zimbabwe advise on how the scope and implementation of the Consignment Based Conformity Assessment is managed, so as not to negatively impact on critical imports, such as in the solar sector?

Answer

The CBCA Programme regulates products in the following categories: food and agricultural products; fertilizers; building and civil engineering products; certain petroleum and fuels (not inspected by the Zimbabwe Energy Regulatory Agency); packaging material; electrical/electronic products; body care products; automotive and transportation goods; clothing and textiles; and toys.

The CBCA programme process includes the following:

The exporter lodges a request for certificate to a Service Provider and the request should include the following:

- List, designation and price of goods intended to be exported, if available; transport and insurance price, importer/exporter details
- Conformity documents available (ex: third party certificate, test reports, reports of analysis, certificate of the manufacturer according to ISO 9001 or other quality standard)
- Information related to local and provisional date of availability of goods to carry out their physical inspection before shipment (completion of the request for certificate form (RFC).

The CBCA Programme helps to protect consumers from sub-standard products and helps them to obtain value for money on critical imports such as the example given by the EU of the solar sector. Therefore, the "fit for purpose" of critical imports cannot be compromised.

In order to expedite the process for frequent traders of homogenous goods that have reasonable and consistent levels of quality, exporters/producers can be registered by the approved service provider under Route B of the CBCA process. Route B offers a fast track certification process for goods as the assessment will be conducted on registered goods and any available documents from exporters/producers are taken into account.

8 Investment environment and policy
Para 8.7., page 17
The report mentions that Zimbabwe's new National Investment Policy seeks to increase the share of private sector investment to upwards of 25 per cent of GDP by 2030, restore and sustain investor confidence through guarantees over investment protection, policy consistency, and transparency throughout the entire investment management cycle.

Question 13
Can Zimbabwe provide clarification on what guarantees over investment protection, policy consistency and transparency will be provided to private investors, and how these guarantees can be enforced internationally?

Investment guarantees are provided for in Part III of the Zimbabwe Investment and Development Agency Act. Investors are guaranteed of the following:

Freedom of Investment
Investors can invest freely in any of the economic sectors of Zimbabwe in the same form and under the same conditions as defined for local individuals under the same applicable laws and regulations.

Non-discrimination between domestic and foreign investment and among foreign investors
Investors shall be accorded treatment that is no less favourable than that it accords, in like circumstances to domestic investors. The same treatment shall be accorded to foreign investors regardless of their origin.

Employment of senior expatriate staff
An investor may appoint any individual as a senior manager regardless of their nationality in respect to the investment made on Zimbabwe.

Fair and equitable treatment
Guarantee against expropriation
The Government shall not expropriate or cause to be nationalized any investment and neither shall it compel an investor to cede an investment to another person. This can only be done if its for public purpose in an non-discriminatory manner and on payment of prompt, adequate and effective compensation. The compensations will be equivalent to the fair market value of the expropriated investment immediately before the expropriation took place.

Transparency
The Government is obligated to made publicly available in a timely manner all laws, regulations, procedures and administrative rulings that have an impact on investment.

Transfer of Funds
Investors are guaranteed the transfer of funds in a freely convertible currency into and outside Zimbabwe. The funds include capital, contractual obligations, profits and dividends and earning and other remuneration among others. Delay and or prevention of the transfer of funds may be allowed only in cases of bankruptcy, criminal offences or when they are investigations by the law enforcement agencies.

Zimbabwe is committed to ensuring and promoting security of investment as demonstrated by its active participation in Bilateral and Multilateral Agreements and the enactment of the Zimbabwe Investment and Development Agency Act.
Zimbabwe is signatory to a number of Bilateral Investment Treaties that guarantee security of investment and protection of private property from expropriation.
Zimbabwe is also a member of Multilateral Investment Guarantee Agency (MIGA), the Africa Trade Insurance Agency (ATI), the International Centre for Settlement of Investment Disputes (ICSID), the Overseas Private Investment Corporation (OPIC), the New York Convention on the Enforcement of Arbitral Awards and the United Nations Convention on International Trade Law (UNCITRAL), amongst others.
The enactment of the Zimbabwe Investment and Development Agency Act, an overarching investment law, complemented by the Ease of Doing Business reforms, are part of the new dispensation's initiative's towards improving the country's attractiveness and reputation as a best destination for global investments.
The Zimbabwe Investment and Development Agency Act provides a clear comprehensive and binding legal and regulatory framework for the conduct of investment activities, by both domestic and foreign investors.
Furthermore, the Act guarantees security of all investments in the country, including security from expropriation or any form of activity which might lead to the same effect.
In the same vein, the Government of Zimbabwe developed a new National Investment Policy, which was unveiled by His Excellency, the President in September 2019, which is a focused initiative that defines the investment climate of the country, outlining strategic investment options and providing comprehensive framework for coordination, facilitation, promotion, protection and retention of investment in Zimbabwe.

12 Trade Policies and Practices
Para 12.3., page 19
The government report states that the National Trade Policy (2019 – 2023) seeks to reform and open up Zimbabwe for free and fair trade, in line with the multilateral trading system.

Question 14
Can Zimbabwe add further clarification on how they plan to work with countries exporting and investing in the market to remove specific market access barriers that are impeding foreign export and investment?

Answer
Zimbabwe is implementing COMESA NTB Regulations and Elimination programme which provides a simplified way of reporting NTBs in a bid to facilitate trade and ease of doing business across borders. These regulations are found on the Tripartite NTB Online reporting, monitoring and elimination system that has provided the Tripartite Region with a tool to report, monitor and eliminate NTBs. The purpose of the online system is to reduce trade restrictions between trading nations. The recently launched African Continental Free Trade Area (AfCFTA) NTB online reporting and elimination mechanism was developed on the basis of the Tripartite mechanism. The Tripartite NTBs Online Reporting, Monitoring & Eliminating Mechanism portal can be accessed on; www.tradebarriers.org.

In the case were concerns are raised with regard to specific market access barriers that are impeding foreign export and investment, Zimbabwe will attend to these on a case by case basis

FOLLOW-UP QUESTIONS FROM THE UNITED KINGDOM

WT/TPR/G/398 – Government Report

5 Monetary and Exchange Rate Policies
Para 5.3., page 9

The report notes that the foreign currency surrender regime requires exporters to utilise their retained export receipts in Nostro FCAs within 30 days from the date of receipt, or all unutilised balances are sold by the Reserve Bank of Zimbabwe on the interbank market.

Question 4
What plans are in place to ensure that the foreign currency surrender regime does not act as a disincentive to UK investors into the export sector in Zimbabwe, given the instability of the local currency?

Your response to Question 4 defines the surrender regime as a 'short-term measure'. Could you give an indication of how long this measure will be in place?

Response

No timeline can be given because the administration and enforcement of foreign exchange surrender requirements in most developing countries, including Zimbabwe is a function of foreign exchange demand and supply dynamics and attendant implications for strategic imports. This notwithstanding the focus of the authorities is to continue with ongoing fiscal and monetary reforms aimed at stabilising inflation to levels within the Southern African Development Community macroeconomic convergence targets of 3-7% for year on year inflation. It is envisaged that achievement of a stable and convertible domestic legal tender within the medium term would address current concerns regarding surrender requirements as exporters would voluntarily offer their foreign exchange to the market in order to finance their domestic operations.

6 Sectoral Performance
6.2 Mining
Para 6.11., page 12

The report states "In addition, with the increased call for transparency and accountability in the sector, discussions are underway with various stakeholders on joining the Extractive Industry Transparency Initiative (EITI), which will be pursued in 2020."

Question 8
Could Zimbabwe provide an update on progress here and advise what progress is being made in digitising mining licenses in the country, which would make purchasing mining licenses more transparent for both existing license holders and international investors?

Please could you provide an update on progress on joining the Extractive Industry Transparency Initiative (EITI). By what date do you hope to have joined by?

Response

The Ministry of Mines has engaged a contractor to instal a Mining Cadastre Information Management System, which will see the digitalisation of all mining titles. So far the Mutare office was set up as a pilot project, equipment for one provincial office has already been delivered. Processes for payment for delivery of equipment and software for the other provincial offices and head offices are underway. In the meantime, provinces are capturing information using Microsoft excel, data on tattered maps is also being captured, in preparation for the main system when it is fully installed.

On Joining EITI , sensitisation workshops were affected by Covid-19 pandemic and as such no specific timeline can be given.

UNITED STATES OF AMERICA

QUESTIONS BASED ON THE SECRETARIAT'S REPORT

2 TRADE AND INVESTMENT REGIMES
2.3 Trade Agreements and Arrangements
2.3.1 WTO

Page 28, paragraph 2.18: According to the Secretariat's report, Zimbabwe has not passed enabling legislation for the WTO Agreement despite ratification in March 1995, meaning the WTO Agreement has not been domesticated into Zimbabwean law.

Question 1
Please provide a timeline for Zimbabwe to pass enabling legislation for the WTO agreement framework.

Answer
The processes to pass the enabling WTO legislation is already in motion. This process would require approval of the Parliament of Zimbabwe and Senate and thereafter Presidential Assent. We hope that during the current parliamentary session that ends in 2023 before the next elections some progress would have been made in this regard.

Page 28, paragraph 2.19: According to the Secretariat's report, Zimbabwe has submitted a total of 11 notifications under the WTO Agreement on Agriculture, including domestic support notifications for five years (Table DS:1 - 1995 to 1999) and export subsidy notifications for 23 years (Table ES:1 and Table ES:2 – 1995 to 2017).

Question 2
Please provide a timeline for when Zimbabwe will provide overdue Committee on Agriculture notifications.

Answer
The country endeavors to provide the outstanding current notifications on Agriculture for the period 2017 – 2019 before the end of the year. The country has staff constrains and capacity challenges that are impacting negatively on its quest to fulfil its notification obligations.

2.3.2.4 AfCFTA
Page 33, paragraph 2.33 – 2.36: The Secretariat's report briefly discusses the AfCFTA and the establishment of the African Union. Since its establishment, the AU has created the AU Peace Fund to finance its peace and security programs, in part, through a 0.2% levy on all eligible imported goods into the continent.

Question 3
Can you confirm whether Zimbabwe is collecting a 0.2 percent levy on imports onto the Continent to generate funds to implement the Kigali Decision on the AU Peace Fund?

Answer
Notwithstanding the Kigali Decision on the AU Peace Fund, Zimbabwe is currently not collecting a 0.2% levy on imports onto the Continent to generate funds to implement the Kigali Decision.
A decision was made at the AU level of Heads of State and Government that Member States wo are able to contribute to their assessed budget without resorting to the agreed percentage sold do so. Zimbabwe decided to continue to contribute from the voted funds, since it is a constitutional requirement that all revenue is deposited into the Consolidated Revenue Fund ad allocated as authorised by Parliament. This is in line with Government thrust of transparency and accountability.

Question 4
If so, we would appreciate additional, detailed information on how it is collected.

Answer:
Not applicable

2.3.3 Relations with the European Union

Page 34, paragraph 2.37: According to the Secretariat's report, Zimbabwe briefly describes its relationship with the European Union, but more specifically the Interim European Partnership Agreement (EPA) between Zimbabwe and the EU. The EPA covers many aspects of trade, from mining, services, to SPS and agriculture.

Question 5

How will Zimbabwe work with the EU, and other WTO Members who trade with Zimbabwe, to achieve the appropriate level of SPS protection and is significantly less restrictive to trade?

Answer

Agreements with EU or other WTO members will be based on the provisions of the WTO SPS agreement.

The Government will ensure the implementation of international standards (ISPM), Harmonization updating of standards /legislation at national and regional level, Implementation of standards that are scientifically justified and Conduct risk based PRA.

Question 6

As of 2020, Zimbabwe has not notified any measures associated with implementation of the EPA to either the SPS or TBT Committees. Since 1995, Zimbabwe has only notified five SPS measures to the WTO. Has Zimbabwe implemented SPS measures since 1995 that were not notified to the WTO? If so, what measures were they? When will Zimbabwe start notifying SPS and TBT measures, per its WTO commitments?

Answer

Zimbabwe has notified 5 SPS-Food safety measures and will continue to notify more in future.

However, there is need for country based capacity development on how to make notifications. Further to this some of the enquiry points may experience connectivity challenges. Enquiry points have been provided with hardware for this purpose but licensed software was not provided and connectivity is a challenge.

Measures were implemented since 1995 but can only provide measures that were implemented from the last TRP review done in 2011.

A numbers of SPS measures were adopted from 2011 to date:

2014

- Health certificate on importation of cattle was amended to include the following clause "The animals may only be disposed of after 3 years while breeding, under close veterinary monitoring."

- With effect from October 2014 a new pre-requisite requirement on importation of cattle was effected. Applicants are now required to submit a breeder's certificate or breeder's confirmation letter and state or authorised veterinarian confirmation letter on breeding status and veterinary supervision of head.

- Clause 9 on highly pathogenic avian influenza (HPAI) on the health certificate on importation of day old chicks and hatching eggs was amended in line with Terrestrial Animal Health Code 2014. The clause "the country must be free from active highly pathogenic avian influenza in poultry" was amended to read "*the country, zone , or compartment must be free from active highly pathogenic avian influenza in poultry.* The clause "the poultry flocks of origin are located in districts free from highly pathogenic avian influenza, and more than 300Km away from any highly pathogenic avian influenza outbreak in the country." to read "*the poultry flocks of origin are located in districts free from highly pathogenic avian influenza."*

2015

- Health certificate on importation of blood meal was amended for Botswana , to read " the processing temperature 90 degree Celsius for a minimum period of 30 minutes at an absolute pressure 400-800 Kpa." from temperature of 133 degree Celsius for a minimum period of 20 minutes at an absolute pressure of three bar.

- Health certificate for importation of fish , the following condition has been added " declare freedom from algae toxins and seasons for harvesting of fish "

2016

- Health import conditions certificates were developed for importation of racing pigeons from The Netherlands, Kuwait, Trinidad and Tobago, USA, Namibia, Angola and China.
- Health certificate on the importation of ducklings from South Africa was amended.
- Testing for Johne's disease on importation of cattle, sheep and goats was amended on health certificates to include the ELISA test
- PCR test was added on the health certificate for importation of semen to test for Infectious Bovine Rhinotracheitis
- Health certificate for importation of ornamental fish from South Africa was amended

2018
Proposed health certificate for export of bovine semen from the Netherlands was adopted.

2019
Proposed health certificates for importation of live sheep, goats, cattle, frozen bovine embryos and frozen semen from Canada and the United States of America were reviewed and adopted by both countries.

Movement restrictions of animals due to disease outbreaks were effected for the following diseases.

- Highly Pathogenic Avian Influenza in 2017.
- Tick borne Disease Theileriosis 2017, they areas under quarantine at the moment.
- Foot and Mouth Disease since 2011 they have been both new and recurrent outbreaks, all affected areas were quarantined
- Anthrax sporadic outbreaks have been experienced and all affected areas quarantined.
- African Swine Fever 2019 affected areas under quarantine.

Quarantine measures are affected as and when outbreaks occur and are lifted when outbreak has been resolved

Suspensions
Importation of poultry and poultry products from South Africa is on suspension due to HPAI outbreak that occurred in 2018.
Notifications to the WTO SPS will be done from this year 2020 as per the commitments of the agreement.

3 TRADE POLICIES AND PRACTICES BY MEASURE

3.1 Measures Directly Affecting Imports

3.1.1 Customs procedures, valuation, and requirements

3.1.1.1 Procedures

Page 39, paragraph 3.4: Zimbabwe ratified the WTO Trade Facilitation Agreement (TFA) in October 2018. It notified its category A designation of Articles 10.6 and 12 in October 2016. According to this self-designation, as of February 22, 2017, Zimbabwe committed to submit a transparency notification on: i) the use of customs brokers under Article 10.6.2 and ii) customs contact points for the exchange of information under Article 12.2.2.

Question 7
When will Zimbabwe fulfill its commitments and submit its transparency notifications under Articles 10.6.2 and 12.2.2 of the TFA?

Answer
The country is cognizant of the notification obligations it has under the WTO Trade Facilitation Agreement need to make and will work towards ensuring that these transparency notifications under Articles 10.6.2 and 12.2.2 are met before 31 December 2020.
Page 41, paragraph 3.9: In 2015, Zimbabwe introduced a preshipment inspection requirement for conformity assessment on quality grounds for several imported products.

Question 8
Does Zimbabwe intend to notify the Secretariat of these changes to its laws and regulations related to preshipment inspection under Article 5 of the Agreement on Preshipment Inspection? When will the notifications occur?

Answer:
Zimbabwe made a notification to the WTO on the Consignment Based Conformity Assessment (CBCA) Programme, G/TBT/N/ZWE/1 dated 4 April 2016

Question 9
How did Zimbabwe choose Bureau Veritas Inspection Valuation Assessment Control (Private) Limited company to be the only entity designated to conduct preshipment inspection under its regime?

Answer
The Consignment Based Conformity Assessment (CBCA) programme was introduced in 2015 as a pilot programme and the service provider who showed interest in undertaking the pilot programme was recruited. However, the Consignment Based Conformity Assessment (CBCA) programme is now being reviewed and a competitive bidding process is being finalized. The programme will now have more service providers.

Question 10
What measures does Zimbabwe have in place to implement Article 2 of the Agreement on Preshipment Inspection related to Non-discrimination, Government Requirements, Site of Inspection, Standards, Transparency, Protection of Confidential Business Information, Conflicts of Interest, Delays, Price Verification, Appeals Procedures, and Derogations with respect to pre-shipment inspection activities?

Answer
Consignment Based Conformity Assessment (CBCA) Programme is a pre-export verification of conformity to standards programme which is a conformity assessment procedure based on Article 5 of the WTO Technical Barriers to Trade Agreement (WTO/TBT Agreement). The CBCA Programme does not undertake the verification of the quantity, the price, including currency exchange rate and financial terms, and/or the customs classification of goods of regulated goods exported to Zimbabwe. The CBCA Programme is concerned with the conformity of products to the required standards in order to protect the consumer and the environment from dangerous, substandard or counterfeit products and to safeguard the country from unfair trade practices and dumping of substandard goods. Therefore, this pre-export verification of conformity programme is not a pre-shipment inspection measure but a conformity assessment measure.

3.1.1.3 Customs Valuation
Page 43, paragraph 3.26: The dutiable value of imports into Zimbabwe is the sum of the purchase cost plus all expenses incurred for insurance and freight up to the point of entry into Zimbabwe. In the absence of proof of insurance and freight charges, an estimate of the cost is calculated in the following way: for goods imported by air, the cost of freight and insurance is estimated at 15% of the f.o.b. value of the goods; the corresponding percentage is 1% for imports other than by air, and 5%-7.5% for imports "loaded into the importer's means of transport".

Question 11
Please explain how these estimated costs for insurance and freight, in the absence of proof, are consistent with Article 8.3 of the Agreement on Customs valuation[11] which requires that additions to the price actually paid or payable be made only on the basis of objective and quantifiable data.

Answer
The estimated costs of calculating freight and insurance only applies in instances where the importer has failed to submit substantive proof of such costs or in instances where the importer provides his own transport and does not charge for the service. The computation of the estimates was based on the average costs of such insurance and freight as declared in previous transactions, hence its objectivity and it is quantifiable. Therefore, such computed estimates of insurance and freight are consistent with Article 8.3. of the WTO Valuation Agreement.

3.1.3.1 Applied MFN tariffs
Page 44, paragraph 3.29.
Zimbabwe grants at least MFN treatment to all its trading partners, including those that are not WTO Members. Its 2019 applied MFN customs tariff is based on the HS 2017 version of the Harmonized Commodity Description and Coding System (HS), and comprises 6,380 lines at the eight-digit level. Zimbabwe's simple average applied MFN tariff increased from 15.4% in 2011 to 15.8% in 2019 (Table 3.3). In November 2018, a new statutory instrument listed a large array of food, beverages, consumer goods and vehicles whose import duties are to be paid exclusively in foreign currencies. Beverages, spirits and tobacco are the most protected sectors (Table 3.4).

Question 12
The Secretariat's report notes that Zimbabwe has not reduced its average MFN applied tariff rate since 2011, does Zimbabwe intend to move forward in lowering its average MFN applied tariff for agriculture?

Answer
Agriculture is the pillar of the Zimbabwean economy, especially rural folk who depend on the sector for their livelihood. In that regard, in the short to medium term, Zimbabwe has no plans to lower the applied tariff rates for agriculture. However, it is also important to note that the adoption of the local currency has already reduced effective rates of duty, given the movements in the exchange rate against major foreign currencies.

3.1.3 Tariffs
3.1.3.2 WTO tariff bindings
Page 47, paragraph 3.33: The Secretariat's report indicates that Zimbabwe's applied MFN tariff rate for a range of products, including some agricultural products (listed in table 3.6), exceeds the bound rate for those goods.

Question 13
Please explain why Zimbabwe exceeded its bound rates for each of the commodities listed in table 3.6. Further, please provide steps that will be taken to bring the applied tariff rates at or below the bound WTO rates.

Answer
For fresh water fish, wood, paper & paperboard and fabrics, the tariff rates are meant to promote local industry. Consultations with the relevant private sector players will be undertaken, with a view to bring the applied tariff rates at or below the bound WTO rates or if need be, renegotiate the tariff bindings, in order to reflect policy preferences for the country

[11] Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994.

Question 14
Does Zimbabwe propose to modify or withdraw concessions for those tariff lines that exceed their bound rates? If so, when does Zimbabwe intend to notify contracting parties? If not, please explain why.

Answer:
Currently, there are no available concessions for the cited tariff lines that exceeds the bound rates. Consultations are ongoing, with a view to align the tariff rates to be in compliance with WTO provisions and contracting parties will be accordingly notified, once this is finalised.

3.1.6 Duty concessions, suspensions, exemptions or rebates
Page 54, paragraph 3.42: According to the Secretariat's report, Zimbabwe has a multi-layered import licensing regime. The list of products subject to licensing by the Ministry of Industry and Commerce (MIC) was recently shortened, however the remaining agricultural products also require import permits issued by the Ministry of Agriculture (MOA).

Question 15
What is the purpose of requiring permission to import from two Ministries?

Answer
The Ministry of Industry and Commerce (MIC) issues import licences for specific products that are manufactured by local industry in accordance with the Control of Goods Act and Statutory Instrument 122 of 2017 and Statutory Instrument 237A of 2018. The purpose of import licensing from the perspective of MIC is for statistical purposes and to monitor imports of products which local industry already produces. Most recently however, Statutory Instrument 60 of 2020 was gazetted which removed import licensing for flour, grain and maize meal. SI 237A (2018) and SI60 (2020) do not place any products under the import licensing regime of MIC but actually remove the need for licensing of the specified products which altogether comprise 32 product lines.
The Ministry of Agriculture (MOA) issues for its own reasons that it can explain.
Products requiring licensing from both MIC and MOA are agro-processed products such as margarine, flour, cooking oil whose main raw materials are directly obtained from the agricultural sector.

Question 16
Please explain the complete process, including interactions with various ministry officials, an importer must follow in order to obtain an import license for those agricultural products. Please provide an online link for the MOA's import licensing policy.

Answer
At MIC, an importer must submit an application letter stating the products to be imported, their quantity and value. The letter must give reasons for importation which are documented by the Ministry for information purposes. The application letter must be accompanied by an invoice or pro-forma invoice.
Corporate applicants must, in addition, submit a copy of the tax clearance certificate, copy of certificate of incorporation, copies of the CR14 which lists the company's registered directors, the CR6 which lists the company's registered address and a copy of an up to date Standards Development Fund Levy receipt. These licensing requirements and procedures are stated on pages 872-874 of SI 122 (2017).
Once an application is submitted to the Ministry at the Reception on the 13th floor, Mukwati Building, Harare. From there, the applications are all recorded and filed then the files are given to relevant officers who will process the application. Once the application is approved (usually within 3 working days), the applicants can come to the Ministry's offices and pay the licence processing fee (ZW$150.00) whereupon the hardcopy licence will now be written and issued out.
The Ministry has now introduced an online application process where all the documents listed above are uploaded on the import licensing online portal and then processed online by relevant Ministry officials online applications can be processed same day or even in a matter of hours. The measure has streamlined the application and issuance of import licenses by MIC.
Online applicants must visit the website: https://zimeservices.pfms.gov.zw
For permits issued by the Ministry responsible for Agriculture, the first step is an application, in person, for a plant import permit from the Department of Research and Specialist Services in Harare or the Head Plant Quarantine and Plant Protection Services Institute in Mazowe. A permit is required for all plants and plant products entering Zimbabwe. The process involves pest risk analysis, and a decision by the Chief Plant Quarantine Office on whether pre-shipment inspection is required. A

weekly schedule is compiled by the NPPO for approval, together with a recommendation for approval (or not) by the approving authority. Registration of the applicant with the Agricultural Marketing Authority is a pre-requirement. The second step involves an application for a biosafety permit from the National Biotechnology Authority (See also 3.2.3.1). The third step involves the issuance of an import permit by the Ministry of Lands, Agriculture, Water, Climate and Rural Resettlement. This process takes about 14 days. In the case of approval, a permit is issued. There is no website yet that allows for import handling permit applications. The applicable fees are USD 5 for commercial imports and USD 1 for other imports.

3.1.7 Import prohibitions, restrictions, and licensing
3.1.7.1 Import licensing, controls and other restrictions

Page 54, paragraphs 3.42-3.45: The Secretariat's report includes a list of products in table 3.10 that have been identified as being subject to licensing under MIC and the Control of Goods. Paragraph 3.42 of the report indicates that the procedures for modifying the non-automatic import licensing change frequently. The United States still encourages Zimbabwe to formally notify these changes to the WTO Import Licensing Committee. The permit regime administered by the MOA is less transparent and appears to be implemented through acts and regulations including the "Animal Health (Import) Regulation of 1989" and the "Grain Marketing Act".

Question 17

Please provide an update on amendments to these acts and the lists of products subject to the import requirements contained within.

Answer
Since the last TPR in 2011, the main legislation on import licensing - the Control of Goods (Import and Export) (Commerce) Regulations, under the authority of the MIC, was amended by the gazetting of SI 126/14, SI 6/16 SI 18/16, SI 19/16, SI 20/16 and SI 64/16. Between 2014 and 2016, these legislation incrementally added products to the import licencing regime. In 2017, SI 122/17 consolidated all the previous instruments cited above, into one instrument, SI 122/17 which also removed the import licensing requirement for some products. The most recent legislation, S.I. 237A/18 and SI 60/20 amended S.I. 122/17 by removing import licensing requirement (from MIC) for 32 product lines.

Question 18
Please provide and explain which other acts and statutory instruments regulate the importation of agricultural products into Zimbabwe.

Answer
The National Biotechnology Authority regulates agricultural products in Zimbabwe using the National Biotechnology Authority Act [*Chap.14:31*] of 2006 and regulations which are as follows:

i. National Biotechnology Authority (Food, Feed, Food and Feed Additives and Seed) (Import, Export and Transit) Regulations, 2018, Statutory Instrument 157 of 2018.

ii. National Biotechnology Authority (Genetically Modified Food and Feed) (Labelling), Regulations, 2018, Statutory Instrument 159 of 2018.

iii. National Biotechnology Authority (Agricultural Biotechnology Products), Regulations, 2018, Statutory Instrument 160 of 2018.

iv. Plant Pests and Diseases Act Chapter 19.08

v. Plant Pests and Diseases (Importation) Regulations, 1976

vi. Plant Quarantine and Plant Protection Services Institute issues the plant health import permit

vii. Animal Health Act

Question 19
Where can this information be found online?

Answer
MIC is in process of publishing the information on its website; www.mic.gov.zw
For Ministry of Lands, Agriculture and Rural Resettlement, the website is being updated to include current information.

Question 20
Which administrative bodies of the MOA issue the import permits?

Answer
For imports, the first step is an application, in person, for a plant import permit from the Department of Research and Specialist Services in Harare or the Head Plant Quarantine and Plant Protection Services Institute in Mazowe. A permit is required for all plants and plant products entering Zimbabwe. The process involves pest risk analysis, and a decision by the Chief Plant Quarantine Office on whether pre-shipment inspection is required. A weekly schedule is compiled by the NPPO for approval, together with a recommendation for approval (or not) by the approving authority. Registration of the applicant with the Agricultural Marketing Authority is a pre-requirement. The second step involves an application for a biosafety permit from the National Biotechnology Authority (See also 3.2.3.1). The third step involves the issuance of an import permit by the Ministry of Lands, Agriculture, Water, Climate and Rural Resettlement. This process takes about 14 days. In the case of approval, a permit is issued. There is no website yet that allows for import handling permit applications. The applicable fees are USD 5 for commercial imports and USD 1 for other imports.
Plant Quarantine Services – plant import permit/ phytosanitary certificate
Veterinary Services Department-Veterinary import permit/ veterinary Health certificate
Ministry of Lands, Department of Strategic Policy Planning and Business Development for issuance of import and export permits

Question 21
What is the role of the Agricultural Marketing Authority in issuing import permits for agricultural products?

Answer AMA is responsible for registering traders in terms of SI 140 of 2013 in the case of grains and oils seeds and 148 of 2012 for other agricultural products. These registrations are a prerequisite for issuance of imports and export permits. AMA also plays an advisory role through monitoring products availability in the market and therefore advises on the import permit quota system for horticulture products.

Question 22
When will Zimbabwe notify under the Annual Notification (N3)?

Answer
The notification is expected to be submitted by the end of the year 2020.

3.1.8 Anti-dumping, countervailing, and safeguard measures
Page 58, paragraph 3.51: The Secretariat's report states that Zimbabwe has adopted legislation pertaining to safeguards, but has not yet notified the pertinent legislation.

Question 23
Please advise as to when Zimbabwe will notify the pertinent legislation to the WTO Committee on Safeguards for review.

Answer
The process of notifying the regulation is underway at the World Trade Organization (WTO) Secretariat. We submitted it to WTO and we look forward to its circulation to members.

Page 58, paragraph 3.52: The Secretariat's report notes that Zimbabwe has not conducted a full investigation into an unfair trade practice to date. The report then notes that, "The Commission primarily helps local industry through, inter alia: legislative or administrative measures for the purpose of countering unfair trade practices; and technical assistance to the Government in the conclusion of arrangements with other countries for the benefit of local industry."

Question 24
Given that the legislative and administrative measures referred to, do not appear to be trade remedy measures, please list the specific types of legislative or administrative measures Zimbabwe has used to address unfair trade and the circumstances, actions, or practices that Zimbabwe deems subject to these types of measures.

Answer
The Commission is empowered in terms of Section 34C(1)c of the Competition Act (Chapter 14:28) to undertake investigations with a view to granting tariff protection or relief to the local manufacturing industry that would be facing competitiveness challenges locally and internationally. In terms of tariff protection, the Commission makes recommendations to Government to raise MFN duty to protect industries facing stiff import competition from imports. The upward adjustment of the tariffs would allow the industries to recapitalise, adjust and restructure so that they become competitive
The Commission also recommends to Government for the lowering of MFN duty (tariff relief) on raw materials and intermediate goods used by industries so that they become competitive locally and internationally.

3.2 Measures Directly Affecting Exports
3.2.5 Export finance, insurance, and guarantees
Page 63, paragraph 3.72: According to the Secretariat's report the Export Credit Guarantee Corporation of Zimbabwe (ECGC), a wholly owned subsidiary of the Reserve Bank of Zimbabwe (RBZ), is an export credit agency whose mandate is to help in the facilitation of international trade by providing export credit insurance products and guarantees to financial companies to lend to micro, small and medium-sized companies (MSMEs).

Question 25
Please explain if ECGC provides export financing support for agricultural products under its export credit insurance and guarantee facilities. If so, would Zimbabwe please provide information regarding export financing for agriculture as requested in the Annex to the Nairobi Decision?

Answer
ECGC Z does not provide direct funding for agricultural products. However, through its Micro, Small and Medium Enterprises Credit Guarantee Scheme (MSME CGS) it provides guarantees to lending institutions some of which will be lending to entities which are availing finance for agricultural products. Furthermore, ECGC Z also provides financial guarantees in respect of facilities which fall above the MSME CGS threshold and these are mainly for agricultural products as well.

Question 26
If Zimbabwe is not able to submit this data in the export competition questionnaire before the Secretariat's deadline of May 31, 2020, please explain what steps Zimbabwe is taking to provide this data after the end of 2020 when the Nairobi Decision Annex should be fully adopted by all Members.

Answer
Effort will be made to fill in the questionnaire

3.3.2 Standards and other technical requirements
Page 64, paragraph 3.76: To date, the SADCSTAN has developed 99 regional standards, in the areas of management systems, construction, electrical appliances, and fish products. According to the SAZ, Zimbabwe had adopted 66% of the SADC harmonized standards by 2019.

Question 27
Were any of these 99 regional standards based on existing international standards? If so, which standards are based on international standards; if not, what are they based on?

Answer
Yes, some are based on international standards. The management system (QMS and EMS) standards and electrical appliances standards are based on ISO and IEC standards respectively. Some of the regional harmonized standards are based on member states national standards and African continental standards.

Page 64, paragraph 3.78: The Continental Standardization Body under the ARSO was established in 1977, with the mandate of harmonizing African Regional Standards, which are developed or adopted. To date, the ARSO has harmonized more than 280 standards and, of these, Zimbabwe has adopted 51.

Question 28
Why has Zimbabwe not adopted more of the 280 standards?

Answer
Zimbabwe joined ARSO in 2017 and has a backlog of African standards still pending stakeholder consultation for national adoption. We are now active in the ARSO harmonization programme whose mandate is to harmonize continental standards to facilitate trade within the AfCFTA.

3.3.3 Sanitary and phytosanitary (SPS) requirements
Page 66, paragraph 3.93: Zimbabwe states that its legal framework for food safety, animal health, and plant pest and disease control is largely obsolete and requires modernization. We also understand that Zimbabwe's Food Standards Advisory Board formulates and advises the Minister of Health on food safety policy; the Department of Research and Specialist Services, Specialist Services Division, Plant Quarantine Services Institute is responsible for phytosanitary measures; and the Department of Veterinary Services is responsible for animal health and veterinary measures.

Question 29
Are there areas of coordination among these ministries? Please provide further details on: (1) the coordination of these ministries; and (2) how local and national governments will cooperate.

Answer
The Food Standards Advisory Board (FSAB) is made up of all regulators from different Ministries that deal with SPS maters including Health, Agriculture, Industry and Commerce, Science and Technology as well as private sector players, consumer organisations, standards organisation, local authorities and farmer associations.

The ministries coordinate through the National SPS Committee which meets quarterly to discuss SPS issues. Each arm of the SPS (Food safety, Plant Health and Animal Health) works the local authorities.
Ministry of Health coordinates with department of Research and Specialist Services (DRSS), Plant Quarantine Services Institute (PQSI) and Vet on issues of mycotoxines such as aflatoxins and also issues to deal with pesticide MRLs.

There exists the National SPS Coordinating Committee co-chaired by Secretary for Lands, Agriculture, Water and Rural Resettlement and Secretary for Health and Child Care. The National SPS Coordinating Committee comprises representatives from farmers unions, private sector, Retailers association, municipalities representatives and academia. It is expected to meet once per quarter.

Question 30
Please provide a timeline and update as to the status of Zimbabwe's modernization of its legal framework for food safety, animal health, and plant pest and disease control.

Answer
Due to resource constraints, it is not possible to provide a timeframe within which to modernize our food safety, animal health, and plant pest and disease control legal framework at this moment in time.

Page 66, paragraph 3.93: Zimbabwe's SPS regime remains substantially unchanged since the last TPR in 2011. The legal framework for food safety, animal health, and plant pest and disease control is largely obsolete, and requires modernization. Zimbabwe provided five SPS notifications in the period under review (Table 2.2). No specific trade concerns were raised against Zimbabwe's measures in the WTO SPS Committee.

Question 31
The Secretariat's report notes that Zimbabwe's SPS regime is "largely obsolete and requires modernization." How does Zimbabwe plan to modernize their SPS regime?

Answer
The statement that Zimbabwe SPS regime is 'obsolete' is an overstatement. We can agree that it is not up to date with international standards but not obsolete. There are efforts to modernize to a limited extend. As an example, A food safety strategy has already been crafted. Zimbabwe has plans to constitute a food control authority that will oversee all food control activities along the' farm to fork' continuum. This will operate a risk based approach to food safety control. However due to resource constraints the plans cannot be executed at this moment in time.
Page 66, paragraph 3.95: Zimbabwe states that it has entered into commitments to work towards the harmonization of SPS measures within the South African Development Community (SADC).

Question 32
Can Zimbabwe provide an update and/or timeline as to the status of Zimbabwe's progress on these commitments towards harmonization of SPS measures within the SADC?

Answer
There is progress in bilateral harmonization in some SPS areas. Documents have been crafted in terms of guidelines on harmonization. However implementation has been a challenge due to resource constraints.

Page 67, paragraph 3.96: As an example of the nascent harmonization within the SADC, in 2013, a memorandum of understanding on the Harmonized Seed Regulatory System (and related phytosanitary measures) was opened for signature among SADC members. It has not yet been signed by Zimbabwe. The regulatory regime for seeds is aimed at facilitating cross-border trade in certified seed varieties, and reducing repetitive national testing. The system comprises a SADC seed variety catalogue and common phytosanitary measures for seeds. The SPS measures include two SADC pest lists: one for seed-borne pests/pathogens requiring control when seeds are traded across borders within the SADC; and the other where seeds are imported from third countries.

Question 33
The Secretariat's report notes that Zimbabwe has not signed the memorandum of understanding on the harmonized seed regulatory system (MOU). Does Zimbabwe intend to sign the MOU? Does Zimbabwe have reservations? If so, what are they?

Answer:
Zimbabwe intends to sign the SADC MoU on Seed harmonisation without reservations. It is currently finalising the internal legal approval processes. It is hoped that by end of 2020 Zimbabwe would have signed.

Page 67, paragraph 3.99: Zimbabwe states that under the recent Food and Food Standards Import and Export Regulations (S. I. No. 8 of 2015), all imports of food are subject to inspection at the border, unless the importer concerned holds a Food Sanitary Certificate.

Question 34
Please confirm that Zimbabwe will recognize equivalent certificates provided by other Members' relevant food safety authorities. If applicable, please clarify the basis and/or parameters by which Zimbabwe recognizes a certificate as equivalent to its Food Sanitary Certificate.

Answer
Zimbabwe can confirm that we will recognise other member states equivalent food sanitary certificates if prior agreements are entered into. The agreements will be entered into in accordance with CODEX guidelines on recognition of other member states' sanitary certificates.

Question 35
Please confirm that the criteria by which food inspectors detain import consignments are based on existing criteria and guidelines of international standard setting bodies, such as OIE, IPPC and Codex Alimentarius?

Answer
Food consignment detentions will be done in accordance with criteria and guidelines of OIE, IPPC and Codex Alimentarius as well as the national laws and regulations.

Page 67, paragraph 3.100: We appreciate Zimbabwe's good record of providing food safety notifications prior to adopting measures.

Question 36
We note that several of these notifications do not include links to the full text of the measures, and we would appreciate if Zimbabwe could provide links to the full text of future notified measures.

Answer
Links will be provided in future

Question 37
Zimbabwe notes that it notified a draft regulation concerning food fortification and labelling in 2016, which is based partly on national standards and on Codex standards. Please clarify the national standards on which this food fortification draft regulation is based, and how they differ from the Codex standards. Additionally, please provide further details and explain the basis for the fortification requirements.

Answer
The food fortification regulations are based on national regulations on labelling of pre-packaged foods SI 265 of 2002. The SI is also based on the CODEX standard on pre-packaged food labelling. Reference was also made to national Public Health Act on inspection procedures.
Fortification requirements stipulated were based on national survey results on nutritional deficiencies as well as ECSA guideline values on micronutrient additions.

Page 68, paragraph 3.102: For imports, the first step is an application, in person, for a plant import permit from the Department of Research and Specialist Services in Harare or the Head Plant Quarantine and Plant Protection Services Institute in Mazowe. A permit is required for all plants and plant products entering Zimbabwe. The process involves pest risk analysis, and a decision by the Chief Plant Quarantine Office on whether pre-shipment inspection is required. A weekly schedule is compiled by the NPPO for approval, together with a recommendation for approval (or not) by the approving authority. Registration of the applicant with the Agricultural Marketing Authority is a pre-requirement. The second step involves an application for a biosafety permit from the National Biotechnology Authority (See also 3.2.3.1). The third step involves the issuance of an import permit by the Ministry of Lands, Agriculture, Water, Climate and Rural Resettlement. This process takes about 14 days. In the case of approval, a permit is issued. There is no website yet that allows for import handling permit applications. The applicable fees are USD 5 for commercial imports and USD 1 for other imports.

Question 38
The Secretariat's report notes that the Chief Plant Quarantine Office (CPQO) decides whether a pre-shipment inspection is required. How does the CPQO arrive at the determination requiring pre-shipment inspection is required?

Answer
Page 68, paragraph 3.102: Zimbabwe states that the first step to obtain an import permit is to apply in person. Zimbabwe also states that the process involves pest risk analysis and a decision by the Chief Plant Quarantine Office on whether pre-shipment inspection is requirement, and that registration of the applicant with the Agricultural Marketing Authority is a pre-requirement.

Question 39
Please explain the basis for the in-person requirement portion of the first step in obtaining an import permit.

Answer
The in-person requirement is due to the fact that there is no inline system for application. As such, the applicant is required to manually complete the import application form.

Question 40
Please confirm that the pest risk analysis and decision-making process are based on existing criteria and guidelines of international standard setting bodies, such as OIE, IPPC, and Codex.
Confirmed.

Question 41
Please clarify which regulatory body and/or bodies will determine the credibility of new information showing the existence of a significant risk. Additionally, please provide further clarification regarding the coordination of these case-by-case determinations.

Answer
National Plant Protection Organization in terms of plant related products and stock feeds
Department of Veterinary Services in case of animal origin products and feeds
Government Analyst Laboratory in case of Food

Question 42
Please provide further details regarding the information required as part of registration with the Agricultural Marketing Authority. Will Zimbabwe please describe the procedures that may protect confidential information, and identify any legislation and/or regulatory authority responsible for the protection of this information?

Answer
Company registration documents. Officials signed the official secrecy act.

Page 69, paragraph 3.107: Zimbabwe states that it maintains a ban on cultivation, (sale and use) of GMOs and GMO products, and that while imports of GMO products are generally prohibited, imports of GM-modified grains (e.g. maize and soya beans) may be authorized under supervised milling requirements.

Question 43
Please explain the basis for Zimbabwe's ban on the sale and use of GMOs and GMO products.

Answer
The Government of Zimbabwe **does not have a ban** on the sale and use of GMOs and GMO products. The Genetically Modified Food and Feed (Labelling), Regulations, Statutory Instrument 159 of 2018 states that:

a. Operators who produce or sell food or feed containing at least 1% of products of genetic modification shall label their products as guided by the regulation.

b. Operators who produce or sell food or feed containing less than 1% of products of genetic modification shall not be compulsorily required to label their products as such, and if they so wish, the operators shall ensure that the label has the appropriate words as guided by the regulation.

Question 44
Please explain why the ban diverges from existing criteria and guidelines on GMOs and GMO products set forth by international standard setting bodies, such as OIE, IPPC and Codex.

Answer
The Government of Zimbabwe does not have a ban on the sale and use of GMOs and GMO products. The Genetically Modified Food and Feed (Labelling), Regulations, Statutory Instrument 159 of 2018 states that:

a. Operators who produce or sell food or feed containing at least 1% of products of genetic modification shall label their products as guided by the regulation.

b. Operators who produce or sell food or feed containing less than 1% of products of genetic modification shall not be compulsorily required to label their products as such, and if they so wish, the operators shall ensure that the label has the appropriate words as guided by the regulation.

In addition, Zimbabwe ratified to the Cartagena Protocol on Biosafety to the Convention on Biological Diversity is an international agreement which aims to ensure the safe handling, transport and use of living modified organisms (LMOs) resulting from modern biotechnology that may have adverse effects on biological diversity, taking also into account risks to human health.

Question 45
Please provide further details regarding which GMO products are "generally prohibited."

Answer
There is no prohibition of products, however, all GMO products must be notified and declared.

Question 46
Please clarify which products, e.g. maize and soya beans, may be authorized under supervised milling requirements. Please explain the basis for exempting these products from the general ban on the sale and use of GMOs and GMO products.

Answer
Please refer to the response given on question 37. In addition, please note that processed foods which contain GMOs can be put on the market provided that labelling regulations are followed. Genetically modified seed can only be imported for confined field trials and will only be approved for commercial use once the country adopts GMOs. Research trials are allowed and should be conducted under the supervision of NBA.

Question 47
Please provide the criteria by which Zimbabwe determines which GMOs and GM-modified products can be authorized for import.

Answer
Please refer to the responses given on questions 37 and 40. The biosafety permit issuance process is guided by a risk assessment of the product in question. Consequently, all products GM or not are evaluated before import is authorized.

Page 69, paragraph 3.108: Zimbabwe states that it is in the process of adopting mandatory labelling rules with regard to GM food and feed.

Question 48
Please explain the basis for Zimbabwe's mandatory labelling rules.

Answer
Mandatory Labelling was introduced to provide information to consumers so that they make informed choice fully knowing it's GMO status .

Question 49
Please provide an update on Zimbabwe's process of adopting these mandatory labelling rules.

Answer
The National Biotechnology Authority developed a draft standard with the Standards Association of Zimbabwe. A stakeholder consultative workshop was held in July 2015 prior to the approval of the standard. The standard was later used to develop draft GM labelling regulations and a stakeholder consultative workshop was held before the regulations (SI 159 of 2018) were gazetted.

Question 50
Please explain further the labelling rules and confirm whether these rules align or diverge from criteria and guidelines on GM products set forth by international standard setting bodies, such as OIE, IPPC and Codex.

Answer
The labelling rules conform to the Cartagena Protocol on Biosafety and Codex regulations.

Question 51
Please explain whether these rules will be published for comment.

Answer
The National Biotechnology Authority developed a draft standard with the Standards Association of Zimbabwe. A stakeholder consultative workshop was held in July 2015 prior to the approval of the standard. The standard was later used to develop draft GM labelling regulations and a stakeholder consultative workshop was held before the regulations (SI 159 of 2018) were gazetted.

Page 69, paragraph 3.109: Zimbabwe states that its Animal Health Act and most of its regulations require updating and are under review.

Question 52
Please provide an update and/or timeline as to the status of Zimbabwe's review and update of its Animal Health Act and its regulations.

Answer
The Animal Health Act is being reviewed under the OIE Veterinary Legislative Support Program. Its work in progress and a timeline on its completion is not available at the moment.

Question 53
Please explain whether the updated regulations and Act will be published for comment and notified before being implemented.

Answer
The updated regulations and Act will be published for comments and notified to stakeholders and trade partners before being implemented.

3.3.5 State trading, state-owned enterprises, and privatization
Page 72, paragraph 3.125: The Secretariat's report indicates that Zimbabwe has not made a notification to the Working Party on State Trading Enterprises since 2008, despite having a biennial requirement to do so.

Question 54
Please indicate when Zimbabwe will make its notification and whether it will cover the period from 2008 – forward.

Answer
The entities listed in the report do not have monopoly control on the export of goods and in that regard do not control all exports out of the country

Page 72, paragraphs 3.125, 3.126 and 3.127: In its last notification in June 2008, Zimbabwe stated that it does not have any officially defined state trading enterprises. However, the report lists over 50 enterprises that appear to be involved in international trade.
Question 55
What percentage of agri-food exports and what percentage of agri-food imports are managed (through buying or selling) by the enterprises identified in the report?

Answer
Trade in agricultural products is mainly through private sector players except in grain imports wherein GMB is involved in ensuring the Strategic Grain Reserve has enough grain reserves in cases of maize deficits.

Question 56
Are foreign enterprises allowed to purchase agri-food goods (e.g. commodities, fertilizer, equipment, hides & skins, etc.) without going through these enterprises? Are any countries or foreign enterprises banned from trading with these enterprises?

Answer
Yes foreign enterprises are allowed provided they are legally registered and the products is allowed to be imported and exported. No countries or foreign enterprises are banned from trading with these enterprises.

Question 57
What exclusive rights regarding export or imports, if any, are granted to each of the following entities that are not granted to the private sector, and what law or official decree guarantees these rights or privileges?

- **Grain Marketing Board**
- **Cold Storage Company Ltd,**
- **Agricultural Marketing Authority**
- **Agricultural Bank of Zimbabwe (AGRIBANK)**
- **Pig Industry Board of Zimbabwe**

There are no exclusive rights accorded to these enterprises in importing or exporting.

Question 58
Please describe any export credits, or export financing offered by the Reserve Bank of Zimbabwe to promote exports? Where can rate information be obtained?

Answer
The Reserve Bank of Zimbabwe is currently not offering any export credit. This is in line with the monetary targeting framework which is meant to contain money supply growth in the economy in order to stabilise the exchange rate and reduce inflation

3.3.6 Government Procurement
Page 74, paragraph 3.130: Zimbabwe's new Procurement Regulatory Authority of Zimbabwe (PRAZ) oversees public procurement proceedings to ensure transparency, honesty, cost-effectiveness and competition in public procurement. The PRAZ directly reports to the Office of the President.

Question 59
How does the PRAZ maintain independence to ensure public procurements are meeting these goals of transparency and fairness?

Answer
The independence of PRAZ is derived from Section 6 (Functions of the Authority) and Section 7 (Powers of the Authority) of the Public Procurement and Disposal of Public Assets Act [Chapter 22:23]. The Act spells out the manner in which these functions are to be discharged and limits the Authority's role to a supervisory one that focuses on the attainment of the objectives of the Act.

The Authority has a strong monitoring and evaluation unit that supervises procuring entities to ensure processes are transparent and fair.

Act further makes provisions for use of other committees outside the PRAZ to handle different scenarios that may be encountered in order to preserve the Authority independence and supervisory function. These committees are as follows;

a. Special Procurement Oversight Committee. This committee is provided for under section 54 of the Act. The Committee reviews all procurements of a special nature as provided for within the Act. It is chaired by the Attorney General, with Accountant General and two other independent members who are non-PRAZ personnel as members.

b. Review Panels. These panels are provided for under section 75 of the Act. The panels are set up from time to time in a manner prescribed in the Act, to review challenged procurement processes in which a bidder and procurement entity have not been able to resolve a dispute.

Question 60
Is the PRAZ an independent agency? Can the Office of the President influence who runs the PRAZ or set its policy agenda?

Answer
PRAZ is autonomous in its functions. Section 8 of the PPDPA Act provides that a Board comprising of experts defined is appointed in line with provision of the Public Entities Corporate Governance Act [Chapter 10:19].
The Office of the President and Cabinet is limited to the appointment and supervision of the Board in line with Section 8 of the PPDPA Act.
Policy agenda for PRAZ is derived from the Fiscal Policy Statement and Transitional Stabilisation Plan 2018 – 2023.

4 TRADE POLICIES BY SECTOR
4.1 Agriculture, Forestry, and Fisheries
4.1.2 Agricultural policy framework
Page 80, paragraph 4.13: A National Agricultural Policy Framework (2018–30) was issued in draft form in June 2018 but has yet to be adopted. It aims to enhance investment, productivity and output, and improve food security and nutrition. Self-sufficiency (in maize) still figures as a policy objective. According to the new agricultural policy framework, policy-making is based on the following principles: evidence-based decision-making; productivity and growth-oriented; nutrition-sensitive; and with market-based interventions where "the Government will commit to a rule-based system of interventions that will not undermine private sector investments".

Question 61
The Secretariat's report notes that a National Agricultural Policy Framework (NAPF) was issued in draft form but has yet to be adopted. When will Zimbabwe adopt the NAPF?

Answer
It is hoped that by end of 2020 the National Agricultural Policy Framework would have been adopted by Zimbabwe.

Page 83, paragraph 4.26: According to the Secretariat, the Grain Marketing Board (GMB) in Zimbabwe is responsible for a host of functions including administering the Strategic Grain Reserve and acting as an ad hoc grain importer and exporter. However, in June 2019, the Government reverted to strict controls of the domestic maize trade and made all sales to the GMB compulsory. The rationale for this restrictive policy is stated as a necessity to ensure sufficient supply of maize for the population.

Question 62
Can Zimbabwe please explain if compulsory grain sales to the GMB are permanent or if the rules will be loosened in the future? Additionally, are there any plans to privatize the GMB or some of its functions in the future?

Answer
The compulsory grain sales are not permanent and will be loosened in the future. They were instituted to augment the stocks in the Strategic Grain Reserve (SGR).

The Grain Marketing Board (GMB) commercial business operations are operating under a private company with effect from 1 April 2019. This is compliance with a Cabinet Decision made on the 10th of April 2018. The Grain Marketing Board is currently focusing on management of the Strategic Grain Reserve (SGR) in line with the Cabinet Decision

Question 63
Please provide the text of any law or decree clarifying GMB's role in procurement, storage and disposal (including domestic sale and export) document and any special or exclusive privileges granted to GMB relating to grain trade.

Answer
The Grain Marketing Board operations are guided by the Grain Marketing Act [Chapter 18:14]. The 10 April 2018 Cabinet Decision confined the GMB to the procurement, storage and handling of identified cereals under the SGR. The GMB does not have special or exclusive privileges relating to grain trade except where the Minister responsible for Agriculture may deem it necessary to institute measures, in the national interest, that result in the GMB enjoying special or exclusive privileges.

Question 64
If the GMB or the Government of Zimbabwe establish annual targets, or minimum or maximum amounts, for publicly procured grain stock, please provide these targets by product and describe the basis for setting these targets

Answer
An annual target is established in line with the SGR level. The SGR level should fluctuate from a minimum of 500 000 mt to 936 000mt according to the Debt Takeover Agreement signed between Government and the GMB in 1996. The SGR is composed of cereal food crops that include maize and traditional grains. There are no specific quantities for each of the crops that make up the SGR although maize will always constitute the bulk of the stocks.

Question 65
How do private sector importers of agri-food products, including grain, acquire import licenses? Please describe any price limitations placed on private sector grain importers, such as minimum import prices or maximum domestic sale prices.

Answer
Private sector importers follow the same procedure with public sector institutions in acquiring import permits. These procedures include Registration with Agricultural Marketing Authority (AMA), GMO certificate from supplier, National Biosafety Permit issued by national Biosafety Authority, Plant import permit issued by Plant Quarantine Services, Control of Goods Permit issued by the Department of Strategic Policy Planning and Business Development. In most cases the importers complete application forms satisfying the requirements by the relevant authorities alluded to above. There are no price limitations placed on private sector grain importers be it minimum import prices or maximum domestic sale prices**.**

Question 66
What functions or services does the Grain Millers Association of Zimbabwe provide when acting as an importer on behalf of the private sector?

Answer
The Grain Millers Association is a voluntary organization which represents the interests of local, large and small scale grain millers. When acting as an importer on behalf of the private sector, they aid in bulk buying thus reducing unit transport costs per individual importer.

Questions based on the Government's Report

3 VISION 2030 AGENDA
3.1 Progress in the Implementation of the TSP
Page 5, paragraph 3.5: The current regime hurts countries trying to export to Zimbabwe, as the GOZ is controlling who gets allocated FX at preferential rate.

Question 67
Will they liberalize the currency regime to allow for a market-supported rate?

Answer
In a statement issued on 11 March 2020, the Zimbabwean government announced that it was introducing, with immediate effect, an electronic foreign currency trading platform based on the Reuters system is being immediately put in place.[12] This platform is meant to allow foreign exchange to be traded freely amongst the banks and permit a true market exchange rate to be determined. Bureaux de Changes will also participate on this platform through their banks (Authorised Dealers). The RBZ will continue to be a significant player in the market, providing liquidity to stabilize the exchange rate, where necessary. All the foreign exchange requirements will be available through the interbank market which will use a market determined exchange rate.
https://www.rbz.co.zw/documents/press/March/PRESS-STATEMENT-FX.pdf
The country has already adopted a "managed float" exchange rate regime, abandoning strict control of foreign exchange by the central bank. A Reuters Electronic Forex Trading Platform which allows registered financial institutions to freely trade foreign exchange, thereby permitting a true market exchange rate to be determined, was introduced. The central bank will also liberalise use of free

[12] https://www.rbz.co.zw/documents/press/March/PRESS-STATEMENT-FX.pdf.

funds for importation of goods and services and this process has already commenced with Direct Fuel Imports.

3.2 Economic Outlook
Page 8, paragraph 3.22:

Question 68
What is their roadmap to arrears clearance now that the SMP is clearly off track?

Answer
The Government is continuing to engage the International Financial Institutions (IFIs) and Development Partners with a view to map the way forward on the matter.

6 SECTORAL PERFORMANCE
6.2 Mining
Page 12, paragraph 6.11:

Question 69
How far along are discussions regarding joining EITI?

Answer
The intentions of Zimbabwe joining EITI are there as highlighted in the 2019 and 2020 Budget Statements by the Minister of Finance and Economic Development.

12 TRADE POLICIES AND PRACTICES
Page 19, Paragraphs 12.1 and 12.2:

Question 70
Please provide online links to the Zimbabwe National Trade Policy Vision and Export Strategy towards the National Vision 2030 Agenda, National Trade Policy (2019--2023) and the and the National Export Strategy (2019-2023).

Answer
The Zimbabwe National Trade Policy Vision and Export Strategy towards the National Vision 2030 Agenda documents will be availed on the ZimTrade website
National Trade Policy (2019--2023) and the National Export Strategy (2019-2023) will be uploaded once the internal approval processes are complete.

12.7 Standards and Quality
Page 21, paragraph 12.26: According to the Government's report, Zimbabwe notes that the government seeks to "implement internationally accepted quality standards and accreditation programs to develop local standards based on internationally accepted standards."

Question 71
How will Zimbabwe ensure implementation of the European Union (EU)-Zimbabwe Economic Partnership Agreement (EPA) will comply with internationally accepted quality standards and accreditation programs and continue to be globally trade facilitative for all of Zimbabwe's trading partners?

Answer
Zimbabwe's quality institutions should participate meaningfully in the international standards development processes through coordination by the national standards body, adopt the relevant deliverables as national standards and implement them. Efforts need to be made to ensure that our institutions are accredited by recognized accreditation bodies. This requires dedicated resources.

Question 72
Can Zimbabwe please explain how during the standard setting process, the government will differentiate between relevant international standards and guidance, versus EU standards?

Answer
For internationally agreed standards information is well documented in texts. For private standards these will be again clearly specified by the importers to the exporters.

13 MULTILATERAL TRADE AND REGIONAL AGREEMENTS
13.8 Interim Economic Partnership Agreement with the European Union
Page 25, paragraph 13.26: According to the Government's report, Zimbabwe notes that Article 53 of the EPA "provides for the continuation of negotiations with a view to concluding a full and comprehensive EPA."

Question 73
Will Zimbabwe please explain how the government will ensure that the continuation of negotiations regarding SPS measures will comply with the Agreement on SPS Agreement and will be based on scientific principles from Codex, OIE, and the IPPC?

Answer
The SPS Agreement will be used as the basis for the negotiations in the EPA. As such, scientific principles from CODEX, OIE and IPPC will be used as basis.

Question 74
Can Zimbabwe explain how the government will identify EU SPS standards that are not science or evidence-based, and ensure Zimbabwe does not adopt those standards?

Answer
The Government will identify these EU SPS standards though working closely with private sector exporters. Government does not force private sector exporters to adopt the EU Standards as these are voluntary standards. They will not be compulsorily adopted but will be dependent on the private exporters.

FOLLOW-UP QUESTIONS FROM UNITED STATES OF AMERICA

SECRETARIAT REPORT
2 TRADE AND INVESTMENT REGIMES
2.3 Trade Agreements and Arrangements
2.3.1 WTO
Page 28, paragraph 2.18: According to the Secretariat's report, Zimbabwe has not passed enabling legislation for the WTO Agreement despite ratification in March 1995, meaning the WTO Agreement has not been domesticated into Zimbabwean law.

Question 1

Please provide a timeline for Zimbabwe to pass enabling legislation for the WTO agreement framework.

Answer

The processes to pass the enabling WTO legislation is already in motion. This process would require approval of the Parliament of Zimbabwe and Senate and thereafter Presidential Assent. We hope that during the current parliamentary session that ends in 2023 before the next elections some progress would have been made in this regard.

<u>Follow-up Question from the United States:</u> We ask Zimbabwe to make every effort to prioritize this legislation and pass it as soon as possible. Zimbabwe currently has no system to address conflicts between the WTO Agreement and domestic law, and we remain concerned about the potential for conflicts.

Response

Zimbabwe takes note of the concern and will prioritise the domestication of the WTO Agreement possibly during the current parliamentary session.

Page 28, paragraph 2.19: According to the Secretariat's report, Zimbabwe has submitted a total of 11 notifications under the WTO Agreement on Agriculture, including domestic support notifications for five years (Table DS: 1 - 1995 to 1999) and export subsidy notifications for 23 years (Table ES: 1 and Table ES:2 – 1995 to 2017).

Question 2

Please provide a timeline for when Zimbabwe will provide overdue Committee on Agriculture notifications.

Answer

The country endeavours to provide the outstanding current notifications on Agriculture for the period 2017 – 2019 before the end of the year. The country has staff constraints and capacity challenges that are impacting negatively on its quest to fulfil its notification obligations.

<u>Follow-up Question from the United States:</u>

- Can Zimbabwe please clarify whether the notifications referenced in its response were for the ES: 1 and ES: 2 notifications for the 2017 -2019 time period?

Response

In relation to ES 1 and ES2 the notifications are up to 2019. This is evidenced by WTO also issuing the notifications for 2018 and 2019 in July 2020.Attachement herein for referencing.

- Can Zimbabwe inform or clarify what the timeline is for the remaining domestic support notifications from 2000-the present?

Response

It was agreed between Ministry of Agriculture, Lands and Water and COA since we have challenges in relation to data and also the hyperinflation periods the country faced in the past, Zimbabwe is to submit notifications from 2015 to date in relation to domestic support. However, the Ministry also face challenges of technical support in relation to calculating Domestic Support which require training at national level for officials involved in these areas.

2.3.3 Relations with the European Union
Page 34, paragraph 2.37: According to the Secretariat's report, Zimbabwe briefly describes its relationship with the European Union, but more specifically the Interim European Partnership Agreement (EPA) between Zimbabwe and the EU. The EPA covers many aspects of trade, from mining, services, to SPS and agriculture.

Question 3

How will Zimbabwe work with the EU, and other WTO Members who trade with Zimbabwe, to achieve the appropriate level of SPS protection and is significantly less restrictive to trade?

Answer

Agreements with EU or other WTO members will be based on the provisions of the WTO SPS agreement.

The Government will ensure the implementation of international standards (ISPM), Harmonization updating of standards /legislation at national and regional level, Implementation of standards that are scientifically justified and Conduct risk based PRA.

Follow-up Question from the United States: Can Zimbabwe confirm that it will ensure implementation of sanitary and phytosanitary standards based on international standards, recommendations, and guidelines of international standard setting bodies, such as OIE, IPPC, and Codex?

Response

Zimbabwe confirms that it is already implementing SPS standards based on international standards recommendations, and guidelines of international standard setting bodies, such as OIE, IPPC and Codex. Like any other member of the said bodies, Zimbabwe is complying with some requirements, and receiving and or seeking technical assistance to meet other requirements to ensure safe international trade in animals and animal products.

Question 4

As of 2020, Zimbabwe has not notified any measures associated with implementation of the EPA to either the SPS or TBT Committees. Since 1995, Zimbabwe has only notified five SPS measures to the WTO. Has Zimbabwe implemented SPS measures since 1995 that were not notified to the WTO? If so, what measures were they? When will Zimbabwe start notifying SPS and TBT measures, per its WTO commitments?

Response

Zimbabwe has notified 5 SPS-Food safety measures and will continue to notify more in future.

However, there is need for country based capacity development on how to make notifications. Further to this some of the enquiry points may experience connectivity challenges. Enquiry points have been provided with hardware for this purpose but licensed software was not provided and connectivity is a challenge.

Measures were implemented since 1995 but can only provide measures that were implemented from the last TRP review done in 2011.

A number of SPS measures were adopted from 2011 to date:

2014

- Health certificate on importation of cattle was amended to include the following clause "The animals may only be disposed of after 3 years while breeding, under close veterinary monitoring."

- With effect from October 2014 a new pre-requisite requirement on importation of cattle was effected. Applicants are now required to submit a breeder's certificate or breeder's confirmation letter and state or authorised veterinarian confirmation letter on breeding status and veterinary supervision of head.

- Clause 9 on highly pathogenic avian influenza (HPAI) on the health certificate on importation of day old chicks and hatching eggs was amended in line with Terrestrial Animal Health Code 2014. The clause "the country must be free from active highly pathogenic avian influenza in poultry" was amended to read "the country, zone , or compartment must be free from active highly pathogenic avian influenza in poultry. The clause "the poultry flocks of origin are located in districts free from highly pathogenic avian influenza, and more than 300Km away from any highly pathogenic avian influenza outbreak in the country." to read "the poultry flocks of origin are located in districts free from highly pathogenic avian influenza."

2015

- Health certificate on importation of blood meal was amended for Botswana , to read " the processing temperature 90 degree Celsius for a minimum period of 30 minutes at an absolute pressure 400-800 Kpa." from temperature of 133 degree Celsius for a minimum period of 20 minutes at an absolute pressure of three bar.

- Health certificate for importation of fish , the following condition has been added " declare freedom from algae toxins and seasons for harvesting of fish "

2016

- Health import conditions certificates were developed for importation of racing pigeons from The Netherlands, Kuwait, Trinidad and Tobago, USA, Namibia, Angola and China.

- Health certificate on the importation of ducklings from South Africa was amended.

- Testing for Johne's disease on importation of cattle, sheep and goats was amended on health certificates to include the ELISA test

- PCR test was added on the health certificate for importation of semen to test for Infectious Bovine Rhinotracheitis

- Health certificate for importation of ornamental fish from South Africa was amended

2018

- Proposed health certificate for export of bovine semen from the Netherlands was adopted.

2019

Proposed health certificates for importation of live sheep, goats, cattle, frozen bovine embryos and frozen semen from Canada and the United States of America were reviewed and adopted by both countries.

Movement restrictions of animals due to disease outbreaks were effected for the following diseases.

- Highly Pathogenic Avian Influenza in 2017.

- Tick borne Disease Theileriosis 2017, they areas under quarantine at the moment.

- Foot and Mouth Disease since 2011 they have been both new and recurrent outbreaks, all affected areas were quarantined

- Anthrax sporadic outbreaks have been experienced and all affected areas quarantined.

- African Swine Fever 2019 affected areas under quarantine.

Quarantine measures are affected as and when outbreaks occur and are lifted when outbreak has been resolved

Suspensions

Importation of poultry and poultry products from South Africa is on suspension due to HPAI outbreak that occurred in 2018.

Notifications to the WTO SPS will be done from this year 2020 as per the commitments of the agreement.

Follow-up Question from the United States: We recognize Zimbabwe's need for country-based capacity development on how to make notifications, including solutions addressing connectivity challenges and the lack of licensed software.

- Can Zimbabwe please provide greater clarity on the timeline as well as the specific capacity-development needs necessary to ensure that Zimbabwe can start notifying SPS and TBT measures, per its WTO commitments?

- Can Zimbabwe clarify which regulatory body and/or bodies will be involved in the capacity development needed to ensure that Zimbabwe can make notifications? Please describe the process and the envisioned timeline.

- Can Zimbabwe please identify which regulatory body and/or bodies will be involved in ensuring that Zimbabwe can start and continue notifying SPS and TBT measures?

Response

Stakeholders require capacitation on the TBT and SPS notification requirements. Zimbabwean stakeholders are looking forward to a training from the WTO Secretariat to hold in country training for all TBT and SPS stakeholders. This training was delayed due to the Covid-19 pandemic meeting and travel related constraints. All TBT and SPS stakeholders will be trained on the TBT notification requirements and WTO tools as soon travel by WTO staff becomes possible in light of the Covid-19 pandemic.

SPS and TBT stakeholders

SPS National Notification Point: Department of Economics and Markets, Ministry of Lands, Agriculture, Water and Rural Resettlement

TBT National Notification Point: Ministry of Foreign Affairs and International Trade

Agency for SPS (Animal Health): Department of Veterinary Services

Agency for SPS (Plant Health): Department of Research and Specialist Services

Agency for SPS (Public Health): Department of Environmental Health

Agency for TBT: Standards Association of Zimbabwe

All regulators and stakeholders in the SPS and TBT arena.

Ministry of Industry and Commerce (Conformity Assessment)

3 TRADE POLICIES AND PRACTICES BY MEASURE
3.1 Measures Directly Affecting Imports
3.1.1 Customs procedures, valuation, and requirements
3.1.1.1 Procedures

Page 41, paragraph 3.9: In 2015, Zimbabwe introduced a preshipment inspection requirement for conformity assessment on quality grounds for several imported products.

Question 5

Does Zimbabwe intend to notify the Secretariat of these changes to its laws and regulations related to preshipment inspection under Article 5 of the Agreement on Preshipment Inspection? When will the notifications occur?

Answer:

Zimbabwe made a notification to the WTO on the Consignment Based Conformity Assessment (CBCA) Programme, G/TBT/N/ZWE/1 dated 4 April 2016.

Follow-up Question from the United States: The Agreement on Preshipment Inspection includes the following definition:

Preshipment inspection activities are *all* activities relating to the verification of the *quality*, the quantity, the price, including currency exchange rate and financial terms, and/or the customs classification of goods to be exported to the territory of the user Member' (Article 1.3, *emphasis added*).

Is there any reason Zimbabwe cannot notify the CBCA Programme under Article 5 of that Agreement and respond to questions, if any are raised?

Response

Zimbabwe made notifications as per the WTO requirements and intend to notify again when changes are made to the programme. Any questions raised vis a vis the programme will be responded to.

Question 6

How did Zimbabwe choose Bureau Veritas Inspection Valuation Assessment Control (Private) Limited company to be the only entity designated to conduct preshipment inspection under its regime?

Answer

The Consignment Based Conformity Assessment (CBCA) programme was introduced in 2015 as a pilot programme and the service provider who showed interest in undertaking the pilot programme was recruited. However, the Consignment Based Conformity Assessment (CBCA) programme is now being reviewed and a competitive bidding process is being finalized. The programme will now have more service providers.

Follow-up Question from the United States: Please provide a timeline for the review and finalization of the CBCA programme.

Response

At least a year from now possibly by October 2021

Question 7

What measures does Zimbabwe have in place to implement Article 2 of the Agreement on Preshipment Inspection related to Non-discrimination, Government Requirements, Site of Inspection, Standards, Transparency, Protection of Confidential Business Information, Conflicts of Interest, Delays, Price Verification, Appeals Procedures, and Derogations with respect to pre-shipment inspection activities?

Answer

Consignment Based Conformity Assessment (CBCA) Programme is a pre-export verification of conformity to standards programme which is a conformity assessment procedure based on Article 5 of the WTO Technical Barriers to Trade Agreement (WTO/TBT Agreement). The CBCA Programme does not undertake the verification of the quantity, the price, including currency exchange rate and financial terms, and/or the customs classification of goods of regulated goods exported to Zimbabwe. The CBCA Programme is concerned with the conformity of products to the required standards in order to protect the consumer and the environment from dangerous, substandard or counterfeit products and to safeguard the country from unfair trade practices and dumping of substandard goods. Therefore, this pre-export verification of conformity programme is not a pre-shipment inspection measure but a conformity assessment measure.

Follow-up Question from the United States: The Agreement on Preshipment Inspection (PSI) includes the following definition:

'Preshipment inspection activities are *all* activities relating to the verification of the *quality*, the quantity, the price, including currency exchange rate and financial terms, and/or the customs classification of goods to be exported to the territory of the user Member' (Article 1.3, *emphasis added*),

It is clear that the CBCA is a preshipment inspection measure, in addition to being a conformity assessment measure.

It is important for Members to have an opportunity to review this measure vis-à-vis the relevant commitments of the PSI Agreement that discipline the activities of the service provider conducting an inspection. Please notify this measure under Article 5 of the PSI Agreement and work with other WTO Members to ensure it complies, as appropriate, with the relevant provisions of the PSI Agreement.

Response

Zimbabwe will take all the necessary steps to notify the WTO taking into consideration provisions stated in Article 5 as soon as Zimbabwe finalises the review of the CBCA Programme.

3.1.1.3 Customs Valuation
Page 43, paragraph 3.26: The dutiable value of imports into Zimbabwe is the sum of the purchase cost plus all expenses incurred for insurance and freight up to the point of entry into Zimbabwe. In the absence of proof of insurance and freight charges, an estimate of the cost is calculated in the following way: for goods imported by air, the cost of freight and insurance is estimated at 15% of the f.o.b. value of the goods; the corresponding percentage is 1% for imports other than by air, and 5%-7.5% for imports "loaded into the importer's means of transport".

Question 8

Please explain how these estimated costs for insurance and freight, in the absence of proof, are consistent with Article 8.3 of the Agreement on Customs valuation[13] which requires that additions to the price actually paid or payable be made only on the basis of objective and quantifiable data.

Answer

The estimated costs of calculating freight and insurance only applies in instances where the importer has failed to submit substantive proof of such costs or in instances where the importer provides his own transport and does not charge for the service. The computation of the estimates was based on the average costs of such insurance and freight as declared in previous transactions, hence its objectivity and it is quantifiable. Therefore, such computed estimates of insurance and freight are consistent with Article 8.3. of the WTO Valuation Agreement.

Follow-up Question from the United States: Please explain how an average cost can be an objective and quantifiable basis for determining the actual cost of transport, handling, and insurance.

Answer to Follow-Up Question: In terms of the Article 1 of the Agreement on Customs Valuation the primary basis for customs valuation is "**transactional value"**, in this vain on valuation of the costs of transport, and insurance the primary basis of valuation is in conformance with the Agreement in that the actual costs incurred are utilized, as evidenced by the presentation of documentary evidence of such payment, i.e. transport or insurance invoices, consignment notes bearing such costs, or any other acceptable documentation.

However, in the event that the costs of transport or insurance cannot be determined under Article 1 of the Agreement, Articles 2 through to 6 are utilized in the determination of Customs Values.

In instances where the value of transport and insurance cannot be determined using Articles 1 to 6, Article 7 is then utilized. Under this method computed values have been utilized, which is in conformance with the Agreement, in this instance the computed values is based on the percentages as stated.

3.1.3 Tariffs
3.1.3.2 WTO tariff bindings
Page 47, paragraph 3.33: The Secretariat's report indicates that Zimbabwe's applied MFN tariff rate for a range of products, including some agricultural products (listed in table 3.6), exceeds the bound rate for those goods.

Question 8

Please explain why Zimbabwe exceeded its bound rates for each of the commodities listed in table 3.6. Further, please provide steps that will be taken to bring the applied tariff rates at or below the bound WTO rates.

Answer

For fresh water fish, wood, paper & paperboard and fabrics, the tariff rates are meant to promote local industry. Consultations with the relevant private sector players will be undertaken, with a view to bring the applied tariff rates at or below the bound WTO rates or if need be, renegotiate the tariff bindings, in order to reflect policy preferences for the country.

[13] Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994.

Follow-up Question from the United States: The United States asks Zimbabwe again to specify what concrete steps Zimbabwe will take, and the timing of those steps, to promptly eliminate all instances in which Zimbabwe is exceeding its WTO tariff bindings.

Response

A position paper is being developed providing options available whether to bring the duties to bindings or undertake negotiations for tariff concession changes. we hope that the paper should be available for discussion by mid-2021.

3.1.6 Duty concessions, suspensions, exemptions or rebates
Page 54, paragraph 3.42: According to the Secretariat's report, Zimbabwe has a multi-layered import licensing regime. The list of products subject to licensing by the Ministry of Industry and Commerce (MIC) was recently shortened, however the remaining agricultural products also require import permits issued by the Ministry of Agriculture (MOA).

Question 9

What is the purpose of requiring permission to import from two Ministries?

Answer

The Ministry of Industry and Commerce (MIC) issues import licences for specific products that are manufactured by local industry in accordance with the Control of Goods Act and Statutory Instrument 122 of 2017 and Statutory Instrument 237A of 2018. The purpose of import licensing from the perspective of MIC is for statistical purposes and to monitor imports of products which local industry already produces. Most recently however, Statutory Instrument 60 of 2020 was gazetted which removed import licensing for flour, grain and maize meal. SI 237A (2018) and SI60 (2020) do not place any products under the import licensing regime of MIC but actually remove the need for licensing of the specified products which altogether comprise 32 product lines.

The Ministry of Agriculture (MOA) issues for its own reasons that it can explain.

Products requiring licensing from both MIC and MOA are agro-processed products such as margarine, flour, cooking oil whose main raw materials are directly obtained from the agricultural sector.

Follow-up Question from the United States:

- Please explain whether import licensing is required for flour, given the response indicates MIC removal of import licensing for flour, grain, and maize meal, but later indicates that products such as margarine, flour, and cooking oil require license from both MOA and MIC.

Response to part 1 of Question 9

According to SI60/20 flour has been removed from the regulated products list and thus do not require an import license from the Ministry of Industry and Commerce. The Ministry of Agriculture still regulates flour imports and requires importers to obtain import permits.

- Can MOA please explain the purpose of its import licensing regime and what measures the regime implements?

Question 10

Please explain the complete process, including interactions with various ministry officials, an importer must follow in order to obtain an import license for those agricultural products. Please provide an online link for the MOA's import licensing policy.

Answer

At MIC, an importer must submit an application letter stating the products to be imported, their quantity and value. The letter must give reasons for importation which are documented by the Ministry for information purposes. The application letter must be accompanied by an invoice or pro-forma invoice.

Corporate applicants must, in addition, submit a copy of the tax clearance certificate, copy of certificate of incorporation, copies of the CR14 which lists the company's registered directors, the CR6 which lists the company's registered address and a copy of an up to date Standards

Development Fund Levy receipt. These licensing requirements and procedures are stated on pages 872-874 of SI 122 (2017).

Once an application is submitted to the Ministry at the Reception on the 13th floor, Mukwati Building, Harare. From there, the applications are all recorded and filed then the files are given to relevant officers who will process the application. Once the application is approved (usually within 3 working days), the applicants can come to the Ministry's offices and pay the licence processing fee (ZW$150.00) whereupon the hardcopy licence will now be written and issued out.

The Ministry has now introduced an online application process where all the documents listed above are uploaded on the import licensing online portal and then processed online by relevant Ministry official's online applications can be processed same day or even in a matter of hours. The measure has streamlined the application and issuance of import licenses by MIC.

Online applicants must visit the website: https://zimeservices.pfms.gov.zw

For permits issued by the Ministry responsible for Agriculture, the first step is an application, in person, for a plant import permit from the Department of Research and Specialist Services in Harare or the Head Plant Quarantine and Plant Protection Services Institute in Mazowe. A permit is required for all plants and plant products entering Zimbabwe. The process involves pest risk analysis, and a decision by the Chief Plant Quarantine Office on whether pre-shipment inspection is required. A weekly schedule is compiled by the NPPO for approval, together with a recommendation for approval (or not) by the approving authority. Registration of the applicant with the Agricultural Marketing Authority is a pre-requirement. The second step involves an application for a biosafety permit from the National Biotechnology Authority (See also 3.2.3.1). The third step involves the issuance of an import permit by the Ministry of Lands, Agriculture, Water, Climate and Rural Resettlement. This process takes about 14 days. In the case of approval, a permit is issued. There is no website yet that allows for import handling permit applications. The applicable fees are USD 5 for commercial imports and USD 1 for other imports.

Follow-up Question from the United States: Are there any plans for the Ministry of Agriculture's import licensing systems to move online, like has been done with MIC?

Can Zimbabwe please clarify if an agent is able to submit an application?

- Despite not having a website as of yet that allows for management of import permit applications, can MOA supply a link to its processes and relevant regulations or provide scanned copies?
- Please provide the law that gives MOA the power to write the import permitting regulations.
- What is the decision-making process for adding or removing products to the list requiring licenses?
- Please provide like copies or references to the written regulations and/or procedures.

3.1.7 Import prohibitions, restrictions, and licensing

3.1.7.1 Import licensing, controls and other restrictions

Page 54, paragraphs 3.42-3.45: The Secretariat's report includes a list of products in table 3.10 that have been identified as being subject to licensing under MIC and the Control of Goods. Paragraph 3.42 of the report indicates that the procedures for modifying the non-automatic import licensing change frequently. The United States still encourages Zimbabwe to formally notify these changes to the WTO Import Licensing Committee. The permit regime administered by the MOA is less transparent and appears to be implemented through acts and regulations including the "Animal Health (Import) Regulation of 1989" and the "Grain Marketing Act".

Question 11

Please provide an update on amendments to these acts and the lists of products subject to the import requirements contained within.

Answer

Since the last TPR in 2011, the main legislation on import licensing - the Control of Goods (Import and Export) (Commerce) Regulations, under the authority of the MIC, was amended by the gazetting of SI 126/14, SI 6/16 SI 18/16, SI 19/16, SI 20/16 and SI 64/16. Between 2014 and 2016, these legislation incrementally added products to the import licencing regime. In 2017, SI 122/17 consolidated all the previous instruments cited above, into one instrument, SI 122/17 which also removed the import licensing requirement for some products. The most recent legislation, S.I. 237A/18 and SI 60/20 amended S.I. 122/17 by removing import licensing requirement (from MIC) for 32 product lines.

Follow-up Question from the United States: The United States notes that none of these measures have been notified to the Committee on Import Licensing Procedures. Please indicate when Zimbabwe plans to notify its complete import licensing regime.

Response

The Ministry of Industry and Commerce will start notifying its complete licensing regime during the period end of year 2020 going forward.

Question 12

Which administrative bodies of the MOA issue the import permits?

Answer

For imports, the first step is an application, in person, for a plant import permit from the Department of Research and Specialist Services in Harare or the Head Plant Quarantine and Plant Protection Services Institute in Mazowe. A permit is required for all plants and plant products entering Zimbabwe. The process involves pest risk analysis, and a decision by the Chief Plant Quarantine Office on whether pre-shipment inspection is required. A weekly schedule is compiled by the NPPO for approval, together with a recommendation for approval (or not) by the approving authority. Registration of the applicant with the Agricultural Marketing Authority is a pre-requirement. The second step involves an application for a biosafety permit from the National Biotechnology Authority (See also 3.2.3.1). The third step involves the issuance of an import permit by the Ministry of Lands, Agriculture, Water, Climate and Rural Resettlement. This process takes about 14 days. In the case of approval, a permit is issued. There is no website yet that allows for import handling permit applications. The applicable fees are USD 5 for commercial imports and USD 1 for other imports.

Plant Quarantine Services – plant import permit/ phytosanitary certificate

Veterinary Services Department-Veterinary import permit/ veterinary Health certificate

Ministry of Lands, Department of Strategic Policy Planning and Business Development for issuance of import and export permits.

Follow-up Question from the United States: The United States notes that it appears at least seven different agencies and offices are involved in the approval of an import license.

- Can Zimbabwe explain why so many different administrative bodies are involved in the approval process?

Response

The pieces of legislation lie with different departments with different mandates

- Does Zimbabwe have any plans to streamline this system in the future?

Response

Zimbabwe now has a centralised system of operating through the One Stop Shop in the Ministry.

- On average, how many days are required from the date that an application is received until a license is granted?

Response

Minimum one working day for plant quarantine

3.3.2 Standards and other technical requirements

Page 64, paragraph 3.78: The Continental Standardization Body under the ARSO was established in 1977, with the mandate of harmonizing African Regional Standards, which are developed or adopted. To date, the ARSO has harmonized more than 280 standards and, of these, Zimbabwe has adopted 51.

Question 13

Why has Zimbabwe not adopted more of the 280 standards?

Answer

Zimbabwe joined ARSO in 2017 and has a backlog of African standards still pending stakeholder consultation for national adoption. We are now active in the ARSO harmonization programme whose mandate is to harmonize continental standards to facilitate trade within the AfCFTA.

Follow-up Question from the United States: Does Zimbabwe have a timeline for the national adoption of ARSO standards? Has Zimbabwe ranked or created a priority list of ARSO standards for national adoption? If so, can Zimbabwe share those standards or categories it has prioritized for national adoption?

Does Zimbabwe have a timeline for the national adoption of ARSO standards?

Response

We do not have a timeline for the adoptions. Were we are a participating member we adopt the ARSO standards within 6 months of ARSO publication.

Has Zimbabwe ranked or created a priority list of ARSO standards for national adoption?

Response

We do not have a priority list but active TCs review relevant ARSO standards and adopt them.

3.3.3 Sanitary and phytosanitary (SPS) requirements
Page 66, paragraph 3.93: Zimbabwe's SPS regime remains substantially unchanged since the last TPR in 2011. The legal framework for food safety, animal health, and plant pest and disease control is largely obsolete, and requires modernization. Zimbabwe provided five SPS notifications in the period under review (Table 2.2). No specific trade concerns were raised against Zimbabwe's measures in the WTO SPS Committee.

Question 14

The Secretariat's report notes that Zimbabwe's SPS regime is "largely obsolete and requires modernization." How does Zimbabwe plan to modernize their SPS regime?

Answer

The statement that Zimbabwe SPS regime is 'obsolete' is an overstatement. We can agree that it is not up to date with international standards but not obsolete. There are efforts to modernize to a limited extend. As an example, A food safety strategy has already been crafted. Zimbabwe has plans to constitute a food control authority that will oversee all food control activities along the' farm to fork' continuum. This will operate a risk based approach to food safety control. However due to resource constraints the plans cannot be executed at this moment in time.

Follow-up Question from the United States:

- Can Zimbabwe provide a timeline and update on its progress to modernize its SPS regime? Can Zimbabwe provide further information on its plans to modernize its SPS regime? Specifically, can Zimbabwe identify the specific areas in which it seeks to modernize its SPS regime and specify exactly which efforts are currently being undertaken? Please identify the regulatory body and/or bodies involved in this modernization.

Response

Some equipment is being purchased to modernise the laboratory operations though resource constraints and Covid-19 global pandemic hamper the pace at which this is being done. In the same vein, legislation is being reviewed albeit resource constraints.

It is important to note that the Plant Health Authorities in 2020 developed audit systems that helps in monitoring and making sure that Plant Health concerns are taken care of and that regulations in line with plant health are being adhered to.

- Can Zimbabwe provide further information on its plans to constitute a food control authority? Please provide further details on: (1) the authority and coordination of the food control authority; (2) how local and national governments will cooperate; (3) how the food control authority will coordinate with the ministries, agencies, and/or regulatory bodies responsible for SPS measures.

- Can Zimbabwe identify and provide further details on the basis for its envisioned risk-based approach to food safety control? Please explain how this risk-based approach aligns with existing criteria and guidelines of international standard setting bodies, such as OIE, IPPC, and Codex.

Response

Under IPPC guidelines, the plant healthy authorities monitor regulatory functions of good agricultural practises including the use and reduction of chemical residues in crop produce.

- We take note that, due to resource constraints, Zimbabwe's plans to operate a risk-based approach to food safety control cannot be executed at this time. Can Zimbabwe identify the resource constraints and provide a possible timeline on when it expects to begin operating the envisioned risk-based approach to food safety control?

Response

The plant healthy authority requires improved mobility for outreach programmes including for monitoring and enforcement of compliance; Internet connectivity; technical backstopping and cooperation from partners with fully functional monitoring systems. Capacity building in both human resources and operational structures.

Page 66, paragraph 3.95: Zimbabwe states that it has entered into commitments to work towards the harmonization of SPS measures within the South African Development Community (SADC).

Question 15

Can Zimbabwe provide an update and/or timeline as to the status of Zimbabwe's progress on these commitments towards harmonization of SPS measures within the SADC?

Answer

There is progress in bilateral harmonization in some SPS areas. Documents have been crafted in terms of guidelines on harmonization. However implementation has been a challenge due to resource constraints.

Follow-up Question from the United States:

- Can Zimbabwe please identify the documents it has crafted on guidelines related to harmonization?

Response

SADC harmonised seed regulations (draft).

- Can Zimbabwe please identify the regulatory body and/or bodies involved in crafting and implementing the guidelines on harmonization?

Response

Plant Healthy authorities involved in Seed Trade (Plant Quarantine and Seed Services Institutes)

- Can Zimbabwe identify the specific resource constraints that challenge the harmonization of its SPS measures within the SADC and provide greater clarity on how these constraints impact its timeline on harmonization?

Response

Capacity building and awareness to conduct workshops; mobility to do inspections and to monitor implementation of the regulation; the need to modernise equipment for laboratory testing, decentralisation of operations to be close to farming areas; the above challenges if not considered makes the production of the seeds under SADC Harmonised SPS agreement slow to take off and this resulting in Zimbabwe failing to implement and support food security with the SADC block.

Question 16

The Secretariat's report notes that the Chief Plant Quarantine Office (CPQO) decides whether a pre-shipment inspection is required. How does the CPQO arrive at the determination requiring pre-shipment inspection is required?

Answer

Follow-up Question from the United States: The United States notes that Zimbabwe has not answered the question. Can Zimbabwe please explain how the determination requiring pre-shipment inspection is required?

Response

The determination regarding pre-shipment inspection comes from risk assessments reports contacted by a team of experts from the Plant Health Authorities and Stakeholders.

Page 69, paragraph 3.107: Zimbabwe states that it maintains a ban on cultivation, (sale and use) of GMOs and GMO products, and that while imports of GMO products are generally prohibited, imports of GM-modified grains (e.g. maize and soya beans) may be authorized under supervised milling requirements.

Question 17
Please clarify which products, e.g. maize and soya beans, may be authorized under supervised milling requirements. Please explain the basis for exempting these products from the general ban on the sale and use of GMOs and GMO products.

Answer
Please refer to the response given on question 37. In addition, please note that processed foods which contain GMOs can be put on the market provided that labelling regulations are followed. Genetically modified seed can only be imported for confined field trials and will only be approved for commercial use once the country adopts GMOs. Research trials are allowed and should be conducted under the supervision of NBA.

Follow-up Question from the United States: We understand Zimbabwe allowed a temporary reprieve on restrictions of imported GMO seeds (maize) in order to address the past year's food insecurity.

- Could Zimbabwe please describe under what conditions such reprieves are possible.

Response

Zimbabwe has always put in place provision for importation of GMO gain under supervised milling and transportation arrangements during times of food shortages. Millers who are able to abide to supervised milling procedures are given permits to import GMO maize grain. The country is also moving towards evaluation of GM crops for possible adoption if approved. The modalities for the possible adoption of GM crops are being worked out by the relevant stakeholders.

3.3.5 State trading, state-owned enterprises, and privatization
Page 72, paragraph 3.125: The Secretariat's report indicates that Zimbabwe has not made a notification to the Working Party on State Trading Enterprises since 2008, despite having a biennial requirement to do so.

Question 18

Please indicate when Zimbabwe will make its notification and whether it will cover the period from 2008 – forward.

Answer

The entities listed in the report do not have monopoly control on the export of goods and in that regard do not control all exports out of the country.

Follow-up Question from the United States: Unfortunately, Zimbabwe's reply does not directly respond to our original question. Therefore, we ask Zimbabwe again to indicate when it will make its updated notification and whether it will cover the period from 2008-forward. Also, Zimbabwe is reminded that the working definition of "state trading enterprise" includes entities with both exclusive and special rights which, through the exercise of those rights, they influence through their purchases or sales the level or direction of imports or exports. Focusing on monopolies or on enterprises that export alone will not encompass all potentially applicable enterprises.

Page 72, paragraphs 3.125, 3.126 and 3.127: In its last notification in June 2008, Zimbabwe stated that it does not have any officially defined state trading enterprises. However, the report lists over 50 enterprises that appear to be involved in international trade.

Question 19

What percentage of agri-food exports and what percentage of agri-food imports are managed (through buying or selling) by the enterprises identified in the report?

Answer

Trade in agricultural products is mainly through private sector players except in grain imports wherein GMB is involved in ensuring the Strategic Grain Reserve has enough grain reserves in cases of maize deficits.

Follow-up Question from the United States: Please provide a breakdown (by volume or value) of agri-food exports noting the amounts exported through state-owned enterprises versus amounts exported by the private sector.

Question 20
Please describe any export credits, or export financing offered by the Reserve Bank of Zimbabwe to promote exports? Where can rate information be obtained?

Answer
The Reserve Bank of Zimbabwe is currently not offering any export credit. This is in line with the monetary targeting framework which is meant to contain money supply growth in the economy in order to stabilise the exchange rate and reduce inflation.

Follow-up Question from the United States: Could Zimbabwe please describe the RBZ's gold incentive program, and its role in stabilizing the exchange rate and the reduction of inflation?

Response
The gold incentive was a temporary but very important Government program which was geared at supporting the country's gold sector in the face of vulnerabilities. The programme has since been discontinued as part of the reforms that are being implemented by Government.

3.3.6 Government Procurement
Page 74, paragraph 3.130: Zimbabwe's new Procurement Regulatory Authority of Zimbabwe (PRAZ) oversees public procurement proceedings to ensure transparency, honesty, cost-effectiveness and competition in public procurement. The PRAZ directly reports to the Office of the President.

Question 21

How does the PRAZ maintain independence to ensure public procurements are meeting these goals of transparency and fairness?

Answer

The independence of PRAZ is derived from Section 6 (Functions of the Authority) and Section (Powers of the Authority) of the Public Procurement and Disposal of Public Assets Act [Chapter 22:23]. The Act spells out the manner in which these functions are to be discharged and limits the Authority's role to a supervisory one that focuses on the attainment of the objectives of the Act.

The Authority has a strong monitoring and evaluation unit that supervises procuring entities to ensure processes are transparent and fair.

Act further makes provisions for use of other committees outside the PRAZ to handle different scenarios that may be encountered in order to preserve the Authority independence and supervisory function. These committees are as follows;

a. Special Procurement Oversight Committee. This committee is provided for under section 54 of the Act. The Committee reviews all procurements of a special nature as provided for within the Act. It is chaired by the Attorney General, with Accountant General and two other independent members who are non-PRAZ personnel as members.

b. Review Panels. These panels are provided for under section 75 of the Act. The panels are set up from time to time in a manner prescribed in the Act, to review challenged procurement processes in which a bidder and procurement entity have not been able to resolve a dispute.

Follow-up Question from the United States:

- Does the Authority's monitoring and evaluation unit have oversight of the external review panels?

Response

Whilst the Authority's Monitoring and Evaluation Division does not have oversight of external review committees. The PRAZ legal Department does.

According to Section 75 of the Public Procurement and Disposal of Public Assets Act (PPDPA), a review panel constitutes of member representatives of various professional and civil sector bodies. Their decision is binding on the bidder that launched the challenge and the procuring entity whose procurement processes are subject to challenge as given in Section 76 of the PPDPA Act. The bidder has rights to appeal up to Administrative court.

- In cases where there is a procurement dispute between a bidder and a procuring entity, how are determinations handled?

Response

There are numerous possibilities that relate to potential disputes between a Procuring Entity and a Bidder. These may be viewed as

- Pre- contract
- Post -contract

Before an award is issued, whilst the procurement is still being processed; the provisions of the following sections apply in dealing with any disputes

1. PPDPA Section 72, 73-76.
2. PPDPA Regulations Sections 68-77

Once a contract is issued, ensuing disputes are managed under

1. Sections 78 -89 (Procurement Contracts)
2. PPDPA Regulations Sections 68-77 (Debarment Procedures)

- Is the Review Panel responsible for issuing any corrective actions?

Response

Yes. According to Section 76 (3),(4),(5) and (6) of the PPDPA Act, there are specific corrective actions a review panel may take upon review of a case . If not conciliated, the bidder has rights to appeal up to Administrative court.

- Could Zimbabwe please elaborate on when PRAZ will begin publishing procurement award notices online (the web page dedicated to this is blank)? https://portal.praz.org.zw/awards

Response

Operationalization of the web page is work in progress, it is set to be fully functional before the end of year 2020.

4 TRADE POLICIES BY SECTOR

4.1 Agriculture, Forestry, and Fisheries

4.1.2 Agricultural policy framework

Page 83, paragraph 4.26: According to the Secretariat, the Grain Marketing Board (GMB) in Zimbabwe is responsible for a host of functions including administering the Strategic Grain Reserve and acting as an ad hoc grain importer and exporter. However, in June 2019, the Government reverted to strict controls of the domestic maize trade and made all sales to the GMB compulsory. The rationale for this restrictive policy is stated as a necessity to ensure sufficient supply of maize for the population.

Question 22

Please provide the text of any law or decree clarifying GMB's role in procurement, storage and disposal (including domestic sale and export) document and any special or exclusive privileges granted to GMB relating to grain trade.

Answer

The Grain Marketing Board operations are guided by the Grain Marketing Act [Chapter 18:14]. The 10 April 2018 Cabinet Decision confined the GMB to the procurement, storage and handling of identified cereals under the SGR. The GMB does not have special or exclusive privileges relating to grain trade except where the Minister responsible for Agriculture may deem it necessary to institute measures, in the national interest, that result in the GMB enjoying special or exclusive privileges.

Follow-up Question from the United States:

- Please explain under what criteria or circumstances the Minister of Agriculture may grant GMB with the privilege to trade grain.

Response

When the Government makes huge investments into Agriculture and it was to achieve a fair return on its investment.

- The Grain Marketing Act establishes the GMB and prescribes powers "to regulate and control the prices and marketing of certain agricultural products and their derivatives," and part IV, paragraph 31 reads, "*Fixing of prices: In each year the Minister shall, by statutory instrument, fix the price or prices payable by the GMB during the twelve months following the 1st April in that year for any controlled product which is sold to or acquired by the Grain Marketing Board and which complies with the terms of any rules made under paragraph 2 or 3 of the Schedule*."

- How are the SGR's purchasing prices for international purchase of grain determined? Please provide the link for the legislation or documents that establish purchase prices. Please share any criteria or formula for fixing the prices of GMB purchases.

Response:

International grain purchase price is determined world prices and SAFEX pricing. Contracts are entered into with various suppliers and confidentiality is the key word in these contracts since food security issues requires such.

Question 23

If the GMB or the Government of Zimbabwe establish annual targets, or minimum or maximum amounts, for publicly procured grain stock, please provide these targets by product and describe the basis for setting these targets

Answer

An annual target is established in line with the SGR level. The SGR level should fluctuate from a minimum of 500 000 mt to 936 000mt according to the Debt Takeover Agreement signed between Government and the GMB in 1996. The SGR is composed of cereal food crops that include maize and traditional grains. There are no specific quantities for each of the crops that make up the SGR although maize will always constitute the bulk of the stocks.

Follow-up Question from the United States:

- Are the target levels for the SGR made public annually or periodically, and is the criteria for establishing SGR target levels publicly available? If so, please provide the website where the information is published.

Response

The process of setting out targets is determined by the strategic planning process which in itself is consultative process as most key stakeholders participates during the process. The whole process is governed by the grain production levels and as well as the mandate as stated in the Grain Marketing Act and the Debt Take Over Agreement.

- Please explain how import contracts for SGR purchases are established. For example, is there an application process that importers must follow, does Zimbabwe have a list of approved countries or enterprises permitted to export grain for GMB purchase, or are purchases made on the open market?

- Are imports selected based on price or quality targets (or both)?

Response

Grain imports are according to a criterion which takes into account the quality, quantity, price and payment modalities into considerations.

- How are tenders for SGR purchases announced?

Response

SGR Purchases are handled in line with the procurement processes which include advertising tenders in various newspapers mainly the weekly publications. Public Procurement and Disposal Of Public Asset Act and Regulations

- As indicated in the Grain Marketing Act [Chapter 18:14] part VI, section 33, subsection 1-2, are domestic producers of controlled grain products required to sell all or a minimum portion of their crop to the GMB or other public enterprise?

Response

GMB is the buyer of last resort which therefore means that farmers can look for any market and in cases where they do not find one, they should deliver to the GMB. However, there are certain instances where the GMB remains the sole buyer when the Minister announces an SI to that effect. Currently SI45 of 2019 prohibits other players from buying maize grains but this is only during the life time of the SI. Once it falls away, the market becomes open to any player. In all the instances, the GMB does not compel producers to sell prescribed quantities to it.

- Has Zimbabwe ever exported grain stocks from the SGR or from other stocks purchased by the GMB?

Response

Zimbabwe used to be the bread basket of Africa which means that it used to export grain through the GMB. Under all the circumstances, when GMB(Government) decides to export grain in a good year, SGR interests must be protected.

FOLLOW-UP QUESTIONS BASED ON THE GOVERNMENT'S REPORT

3 VISION 2030 AGENDA
3.1 Progress in the Implementation of the TSP
Page 5, paragraph 3.5: The current regime hurts countries trying to export to Zimbabwe, as the GOZ is controlling who gets allocated FX at preferential rate.

Question 24
Will they liberalize the currency regime to allow for a market-supported rate?

Answer
In a statement issued on 11 March 2020, the Zimbabwean government announced that it was introducing, with immediate effect, an electronic foreign currency trading platform based on the Reuters system is being immediately put in place.[14] This platform is meant to allow foreign exchange to be traded freely amongst the banks and permit a true market exchange rate to be determined. Bureaux de Changes will also participate on this platform through their banks (Authorised Dealers). The RBZ will continue to be a significant player in the market, providing liquidity to stabilize the exchange rate, where necessary. All the foreign exchange requirements will be available through the interbank market which will use a market determined exchange rate.
https://www.rbz.co.zw/documents/press/March/PRESS-STATEMENT-FX.pdf
The country has already adopted a "managed float" exchange rate regime, abandoning strict control of foreign exchange by the central bank. A Reuters Electronic Forex Trading Platform which allows registered financial institutions to freely trade foreign exchange, thereby permitting a true market exchange rate to be determined, was introduced. The central bank will also liberalise use of free funds for importation of goods and services and this process has already commenced with Direct Fuel Imports.

Follow-up Question from the United States: The RBZ has now shifted to a weekly foreign currency auction system, which resulted in a sharp currency depreciation. Still, businesses note it is difficult to access U.S. dollars through this auction system, and a large portion of the private sector still relies on the black market for foreign currency needs.

- Are there plans in place to further liberalize foreign currency trading?

Response

As with all other economies liberalisation interventions in the foreign exchange market are subject to balance of payments and other external sector developments from time to time. The Government is however committed to continue implementing far reaching macroeconomic reforms as stipulated in the Transitional Stabilisation Programme (2018-2020) and the forthcoming National Development Strategy (2020-2025).

12 TRADE POLICIES AND PRACTICES
12.7 Standards and Quality

Page 21, paragraph 12.26: According to the Government's report, Zimbabwe notes that the government seeks to "implement internationally accepted quality standards and accreditation programs to develop local standards based on internationally accepted standards."

Question 25

Can Zimbabwe please explain how during the standard setting process, the government will differentiate between relevant international standards and guidance, versus EU standards?

Answer

For internationally agreed standards information is well documented in texts. For private standards these will be again clearly specified by the importers to the exporters.

Follow-up Question from the United States:

- Can Zimbabwe share what documented texts it references regarding guidance differentiating between relevant international standards and guidance versus EU standards?

Response

CODEX, IPCC and OIE are the reference documents for international standards.

- How does Zimbabwe publish or ensure access to relevant standards for importers in order to ensure they are able to clearly specify requirements to exporters?

[14] https://www.rbz.co.zw/documents/press/March/PRESS-STATEMENT-FX.pdf.

Response

For EU there is a link on the ZIM EU EBIC where traders can access EU standards
In case of Zimbabwe, importers will also get links to relevant departments/ Ministries where they will get relevant information.

ICELAND (ADDITIONAL)

Questions to Zimbabwe from Iceland

Question 1
What is the participation of women in the economy of Zimbabwe?

Women and men in Zimbabwe tend to work in different occupations (horizontal segregation) and in different positions within the same occupational group (vertical segregation). The differences may be accounted for by:

- Gender roles and or stereotypes.
- Limited choices and opportunities.
- Access to education and training services.

According to the 2014 labour force survey there are more women than men in the following occupations:

- Skilled agriculture, forestry and fishery work 56%
- Service and sales workers 55.7%
- Professional work 50.7%

While women are outnumbered in the following occupations:

- Elementary occupations 49.9%
- Technicians and associates 34%
- Managers 27.6%
- Craft and related trades 18.9%
- Plant and machine operators and assemblers 6.2%
- Armed forces 4.6%

Women contribute 56% to the agriculture, forestry and fishing sector. Women also dominate work in the private households, human health and social work wholesale and retail trade education and activities of extra-territorial organisations. Women make up 49% of workers in informal employment.

Question 2
Have specific barriers that limit women's participation in trade been identified?

The Ministry has conducted consultations with women in the informal trade sector who have highlighted the following challenges:

- Limited access to finance,
- Lack of collateral,
- Exorbitant duty and tariffs,
- Corruption and delays at border facilities,
- Ignorance of rules regulating regional trade,

- Lack of financial literacy and business skills.

Question 3
Has Zimbabwe implemented any specific measures to encourage women's participation in trade and promote women's entrepreneurship, or are such measures being developed?

The Ministry facilitates women's participation and access to markets in various trade initiatives at locally trade fairs (Zimbabwe International Trade Fair and the Zimbabwe Agricultural Show) regionally and internationally. The Ministry:

- Facilitates engagement between regulators of trade, (Zimbabwe Revenue Authority, ZIMTRADE and Standards Association of Zimbabwe) and women in the trade sector to dispel myths regarding local and external trade regulations.

- Provides business training for women in the trade sector at no cost.

- Provides funding for women existing projects through the Women's Development Fund

- The Ministry has launched the regional online platform (50 MASWP) in order to encourage women to register on the platform and to digitally market their products across the COMESA region.

- Is in the process of developing a handbook for women in cross border trade to enable them to use the Simplified Trade Regimes to promote trade within the region.

- Intends to re-establish the National FEMCOM Chapter, an affiliate of the regional body that seeks to integrate women into trade and development activities in eastern and southern Africa.

Question 4
Are the effects of trade policy on women and men measured and monitored, and if so how?

The Ministry has structures at Ward, District and Provincial level and the Ministry Staff has the responsibility of monitoring and evaluating women in trade activities and programmes through the Monitoring and Evaluation Framework for Gender Equality and Women Empowerment. The Ministry has also established a Monitoring and Evaluation Department at national level which oversees the monitoring and evaluation of all projects and programmes.

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