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USAID STRATEGIC ECONOMIC RESEARCH AND ANALYSIS – ZIMBABWE (SERA) PROGRAM

BASELINE REVIEW OF BUSINESS REGULATIONS, LAWS, AND PROCEDURES IN ZIMBABWE

CONTRACT NO. AID-613-C-11-00001

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ABBREVIATIONS

AHPCZ	Allied Health Profession Council of Zimbabwe
AMA	Agricultural Marketing Authority
ARDA	Agricultural and Rural Development Authority
BAZ	Broadcasting Authority of Zimbabwe
BSAC	British South Africa Company
CTC	Competition and Tariff Commission
DVS	Department of Veterinary Services
EMA	Environmental Management Agency
FSP	Financial Services Provider
GAPWUZ	General Agriculture Plantation Workers Union of Zimbabwe
GMB	Grain Marketing Board
HGAPWUZ	Horticulture and General Agricultural and Plantation Workers' Union of Zimbabwe
HPAZ	Health Profession Association of Zimbabwe
HPCZ	Health Profession Council of Zimbabwe
IP	Intellectual Property
MCAZ	Medical Control Authority of Zimbabwe
MDPCZ	Medical and Dental Practitioners Council of Zimbabwe
MICTPCS	Ministry of Information Communication Technology, Postal and Courier Services
MMMD	Ministry of Mines and Mining Development
MOAIMD	Ministry of Agriculture, Irrigation and Mechanisation Development
MOEWC	Ministry of Environment Water and Climate
MOFED	Ministry of Finance and Economic Development
MOHCW	Ministry of Health and Child Welfare
MOIC	Ministry of Industry and Commerce
MOLGNH	Min of Local Government and National Housing
MOTH	Ministry of Tourism and Hospitality
MRPCZ	Medical Rehabilitation Practitioners Council of Zimbabwe
NCZ	Nurses Council of Zimbabwe
NPWLM	National Parks and Wild Life Management
NSSA	National Social Security Authority
PCZ	Pharmacist Council of Zimbabwe
RDC	Rural District Council
SAZ	Standards Association of Zimbabwe
SIRDC	Scientific and Industrial Research Development Centre
TIMB	Tobacco Industry and Marketing Board
WB	World Bank
ZBC	Zimbabwe Broadcasting Authority
ZERA	Zimbabwe Energy Regulatory Authority
ZIMASSET	Zimbabwe Agenda for Sustainable Socio Economic Transformation

ZIMDEF	Zimbabwe Manpower Development Fund
ZIMRA	Zimbabwe Revenue Authority
ZIMURA	Zimbabwe Music Rights Association
ZINARA	Zimbabwe National Road Authority
ZTA	Zimbabwe Tourism Authority

EXECUTIVE SUMMARY

E1. Purpose and scope of study

This report presents a baseline Inventory of Business Regulatory Laws, Procedures and Requirements in selected economic sectors in Zimbabwe. The report complements and supports the efforts by the Government of Zimbabwe in improving the country's Doing Business Environment which is being spearheaded by the Office of the President and Cabinet (OPC).

The scope of the study was limited to the four economic sectors. The main economic sectors selected for the study are agriculture, manufacturing, tourism and mining; two other sectors i.e. energy and financial services, were also partially covered.

E2. Findings from the study

The report identifies 163 (one hundred and sixty three) Regulatory Laws, Procedures and Requirements for selected economic/industrial sectors. The following observations and recommendations are made on specific sectors.

E2.1 Agriculture

Probably because of its dominance in the economy, Agriculture is the sector with the highest number of regulatory laws and provisions. Many of the laws are overdue for review and need to be aligned to the Constitution. The sector is affected by a plethora of Acts and Regulations which directly and indirectly impact on the day-to-day operations of the farmer.

The environmental regulations, administered by the Environmental Management Authority (EMA) are pervasive and, as in most other sectors, they also come under the spotlight in Agriculture.

The land tax or levy (currently \$3/hectare p.a.) is a significant but necessary regulatory requirement. However, the study recommends that the levy be set in relation to the agro-climatic region and type of agriculture activity. The rates for livestock and crop farming should be different since livestock requires more land per animal. The proposals on hand are that the Land Unit Tax for agro-climatic region IV and V be reduced to \$ 0.50 or less per hectare p.a. to maintain a viable livestock sector.

There is also need to offer **incentives for regulatory compliance**. For instance, current regulations tend to criminalize the whole beef processing value chain in that meat processing is considered an industry which generates effluent which pollutes the environment, and therefore has to pay compensation to society for that pollution. There is need for harmonisation of a number of Acts since many are overlapping resulting in the duplication of some procedures. Examples include AMA Act, GMB Act and the Warehousing System Act.

E2.2 Manufacturing

The major regulatory challenge in the manufacturing sector is the **multiplicity of licences and permits** required to operate a unit. While the licence fees for each activity that are charged may be small, the multiplicity of the licences required makes the overall cost of compliance prohibitive and affects the price competitiveness of products produced and services provided by the businesses.

Licence fees for business vehicles are higher than private vehicle while the services are the same. It is proposed that the licence fees should be the same. The licence fees were considered very prohibitive for businesses that have fleets of vehicles as they are payable per vehicle.

Pharmaceutical industry firms believe that some of the charges that they pay are not necessary, i.e. the payment to the Zimbabwe National Water Authority (“ZINWA”) for using underground water to which they resort to in order to avoid unreliable supplies for reticulated water. Pharmaceutical manufacturers raised a number of issues which made it difficult for them to comply with the regulations such as large number of regulators, Health Professions Procedures and the time intervals for meetings in regulatory authorities.

E2.3 Mining

Generally fees in the mining sector are considered pro-production considering that minerals are a depleting resource. In view of the international prices of minerals such as platinum and gold compared to domestic production costs, mining operations in Zimbabwe are considered a fairly rewarding business. Fees and licenses charged to operators are not considered prohibitive to investment.

However, there is **duplication of regulation** between EMA, NSSA, the Ministry of Mines and Mining Development’s (“MMMMD”), Mines Inspectorate. There is **need for regulatory coordination** i.e. the Ministry of Mines could inspect mines on behalf of NSSA and EMA. There is need for harmonisation on regulatory activities amongst the regulators in the industry. There is also a need for a dialogue between EMA and the Ministry of Mines to agree on the mechanics of collaboration in executing their regulatory mandate.

E2.4 Tourism

Duplication of regulatory requirements is one of the major challenges faced in the tourism industry. The most prohibitive charges relate to the environment (i.e. EMA), broadcasting (Transmedia/ZBA) and energy (ZESA), which makes these fixed costs because they are charged per room/unit regardless of whether the room/unit is occupied or used. For approval of new or expansion projects the EMA **administration fee of 1% of the expected project cost** is prohibitive and is mainly **for revenue generating purposes** as it is not related to the work that EMA will do in the approval process. This is more evident in multimillion dollar developments. The establishment of a “One-Stop Shop” concept for all licences is also recommended so as to reduce time and costs associated with the processes.

It is recommended that arrangements be made for a **single regulator to inspect the premises** and collect payment on behalf of all other relevant regulators to whom it will pass on the share of the fee. Thus, for example Municipalities could widen the scope of their health inspection of premises to incorporate the EMA requirements, and collect theirs and the EMA fee. They would then pass on the latter to EMA.

E3. Conclusions

The study confirms the findings from previous studies, in particular the “Cost Divers Study” that the cost of regulation contributes significantly to the cost of doing business, thus reducing the competitiveness of Zimbabwean products.

The main cause of concern derives from the principle of “**regulation for revenue**” which is being practiced by the regulatory bodies since they are not adequately funded by the Treasury. The regulators therefore rely on licence fees, levies and “penalties” for their operational revenue. This high cost of compliance is weighing down on the country’s regional competitiveness. For companies to survive they have to pass the burden to consumers; with the final product becoming expensive.

E4. Recommendations

Our recommendations to enhance the effectiveness of regulation are based on the recognition that there must be a rationale for regulation, and there is a need to enhance its effectiveness by the adoption of internationally recognised principles in regulation.

E4.1 The rationale for regulation

Regulation is necessary in many of the industries and business undertakings. Some of the broad objectives of regulation are:

- a. To bring about order in the conduct of business
- b. To ensure equal access to resources and or services
- c. The provision of safe and affordable goods and services to the consumer
- d. To ensure fair and effective competition.

E4.2 Regulatory principles

Because of the necessity for regulation it is important that this is effective i.e. that it achieves its objective without creating an unnecessary burden on the regulated entities. The adoption of the following principles would lead to regulatory effectiveness.

- a. **Legitimacy of purpose** – The purpose of regulation should be to ensure public safety, consumer protection, competition and fair trade.
- b. **Do no harm principle** – Regulation should not result in the creation of other problems in the process. For example, regulation should not result in loss of competitiveness.
- c. **User pays principle** – The user of a facility or service pays proportionately for the use that it enjoys.

- d. **Fair treatment** - Regulation should be fair and provide redress in the event of unfair treatment in the public good.
- e. **Facilitative** – Regulation should be facilitative to the conduct of business through reduction of the cost of doing business.

E4.3 The recommendations

It is therefore recommended that:

1. **One principal/lead regulator per industry** – The harmonisation of regulations that overlap in terms of licences, fees and permits. Where an industry regulator is present, all other regulatory bodies should liaise with that regulator. For example, in the mining industry the main regulator would be the Ministry of Mines which is the licencing authority. EMA, NSSA, etc. would be compelled to collaborate with the Ministry.
2. **Regulation for legitimate purpose** - Licencing should be used to serve legitimate regulatory purposes and not for revenue generating purposes i.e. public safety, consumer protection, competition and fair trade. Any laws, regulations or procedures that do not comply with the principles of regulation should be repealed or removed. There should be **no regulation for revenue purposes**.
3. **Use of electronic systems in regulation** - There should be coordination between government agencies, and the Government should invest in sufficient ICT solutions to integrate and streamline processes.
4. **Categorisation of licences** - Licences serving the same objective should be categorised under one category to pave way for assessing the relevance and impact of any licences or permits.
5. **Enactment of an Omnibus Business Facilitation Law** – This will encourage all regulators and public officers to expedite the regulatory and licencing processes, while criminalising and penalising anti-competitive behaviour.

INTRODUCTION

Purpose of Report

This report is an Inventory of Business Regulatory Laws, Procedures and Requirements (“the Inventory”) for selected economic/industrial sectors in Zimbabwe that were identified in a short-term exercise commissioned by USAID SERA in collaboration with the Ministry of Industry and Commerce (“MOIC”). The development of the Inventory is meant to facilitate the process of identifying laws and regulatory provisions and procedures which are outdated, unnecessary, duplicated or in other ways adding to the compliance burden and cost of doing business in Zimbabwe. The Inventory will be the basis for recommendations which, if adopted, will assist in easing the doing business experience in Zimbabwe.

The development of the Inventory complements and supports the efforts in improving the country’s Doing Business Environment aimed at enhancing Zimbabwe’s ranking on the World Bank Ease of Doing Business Index which is being spearheaded by the Office of the President and Cabinet. However, there are still major challenges in the business regulatory systems that require attention as they continue to adversely impact competitiveness. The Inventory is an attempt to identify the specific laws and procedures that regulate the conduct of business and thus have a potential to impact on competitiveness. The Inventory will thus be a basis for policy interventions to remedy the situation.

The Methodology

The information was gathered through consultative meetings with the Government Ministries, Regulatory Authorities, Business Associations and business entities using a template. The study was based mainly on four economic sectors (agriculture, tourism, mining and manufacturing). In manufacturing only three sub-sectors (furniture and timber, food processing and pharmaceuticals) were selected. However, the study also captured some aspects of the financial services sector (mainly banking) and the energy sector.

Scope of Report

The scope of the study was limited by the time and budget for the exercise. As a result the Inventory is not an all-inclusive, comprehensive compilation of all business regulatory laws and procedures. The laws and regulations in the Inventory are those that were identified in the study. There is therefore scope for further identification of business regulatory laws and procedures.

In the following tables, the last column (Comment) is based on the following descriptions:

Law/Regulations (LR)	Charges/Administration (C&Ad)
Necessary – The regulation is necessary and legitimate	Reasonable – The charges and compliance burden are reasonable i.e. not burdensome.
Multiplicity – There are too many regulations, imposing a cost and administrative burden	Prohibitive/Excessive – the charges are prohibitive and draconian leading to loss of viability and possible closure of business
Overlapping – Regulations are overlapping with other regulations from another Act, procedure or regulator	Centralisation – The administration of the regulation is centralised and increasing the access cost to business operators in outlying areas.
No rationale – There is no rationale for the regulation or procedure	Charges used for Revenue purposes/not used to address problem - The regulation is serving more as a source of revenue than a legitimate purpose of addressing identified risks.
Limited duration – The licences or permits are of limited duration and so the process is repetitive	Too Many processes – There are too many processes to go through in complying, imposing a cost and administrative burden

1. REGULATORY LAWS AND PROCEDURES IN THE AGRICULTURE SECTOR

1.1. Identified Laws and Procedures

Acts, Regulations, Procedures	Year of Adoption	Purpose serves	Act/Reg	Regulatory Agency/(ies)	Licence/ fees p.a. (\$)	Processing time (days)	Comments
1. Agricultural Finance Act [Chap 18:02]	1971	Regulates the financing of agricultural activities especially in contract farming		Ministry of Agriculture, Irrigation and Mechanization Development, Ministry of Finance and Economic Development (MOFED)	Not applicable	Not applicable	Observation: The regulation is necessary and charges are reasonable . The problem is Centralisation .
2. Tobacco Marketing Levy Act. Chap 18:20	1977	Regulates the functioning of TIMB and licences auction floors		Tobacco Industry and Marketing Authority (TIMB), Ministry of Agriculture, Irrigation and Mechanization Development	Fees are as specified in the specific Statutory Instrument	Not applicable	Observation: Regulation is necessary and charges reasonable .
3. Water Act	1998	Development and utilization of Water Resources in Zimbabwe. Charges for the use of water whether borehole or dam water		Zimbabwe National Water Authority (ZINWA), Agricultural and Rural Development Authority	Depends with usage	Monthly Invoices	Observation: The regulation is necessary but cost of irrigation water is excessive compared to what our counterparts are paying in Zambia .

<p>4. Storage of Hazards</p> <p>4.1. SI 12 of 2007: Hazardous Substances, Pesticides and Toxic Substances Regulations</p> <p>4.2. SI 5 of 2011: Hazardous Substances, Pesticides and Toxic Substances Regulations</p> <p>4.3. SI 7 of 2007: Environmental Impact Assessment and Ecosystems Protection Regulations</p>	2007	Registration fees for manufacturers, importers, storage and users of hazardous substances per facility: manufacturer, importer, seller of hazardous substances.	Environmental Management Agency (EMA)	<p>Manufacturer, user, importer, seller, storage, of hazardous substances/ products per plant, per person, per premise respectively per year Red-640.00 Amber-500.00 Green-340.00</p> <p>Issue a duplicate licence- 20.00</p> <p>Fees for appealing against the decision of the Agency- 10.00</p>	14 Days	Observation: The regulation is necessary , but the industry respondents considered the charges being prohibitive .
<p>5. Movement of fertilizers/ fuels</p> <p>5.1. SI 12 of 2007: Hazardous Substances, Pesticides and Toxic Substances Regulations</p>	2007	Especially ammonium nitrate and on fuels to comply with proper safety standards	Environmental Management Agency (EMA)	<p>Local transporter of hazardous substances/product s per vessel per year Red-1030.00 Amber-650.00 Green-430.00</p>	14 days	Observation: The regulation is necessary , but the respondents considered the fees excessive and they need to be adjusted.

6. Agricultural Marketing Authority Act	2010	Regulate the participation in production, buying and processing of agric. products, proper marketing and fair pricing of agric. products	Agricultural Marketing Authority (AMA)	It's an Act- provides for the chargers of various licences	Not Applicable	Observation: Regulation is necessary and reasonable.
6.1. Merchant Licence		Allows traders to trade in many agricultural products	Agricultural Marketing Authority (AMA)	SI contains the fees for the specific licences	Information not available	Observation: The licence is necessary but licence is of Limited duration i.e. one year.
7. Cotton Marketing and Control Act – Chap 18:07 7.1. SI 263 of 2011: Cotton Marketing Regulations 7.2. SI 147 of 2012: Agricultural Marketing Authority Registration of Companies and Submission of Returns) Regulations 7.3. SI 140 of 2013:	1968	Registration of cotton traders – Cotton Merchant Licences. Provides the conditions in which the cotton merchants operate, fairness in the business, protection of the farmers	Agricultural Marketing Authority (AMA, Cotton Marketing Board, Ministry of Agriculture, Irrigation and Mechanization Development	USD \$20000	Not available	Observation: The regulation is necessary , but those interviewed view the charges as being prohibitive . Also there are Overlapping regulations in the sector.

7.4. SI 142 of 2012 (limits side marketing of cotton, chaos in marketing of cotton as well as control the quality of cotton)						
8. Competition Act [Chap 14:28]	1996, 1998, 2001	Ensures there is fair competition and pricing of agricultural products.	Competition and Tariff Commission (CTC)		Maximum of 60 days	Observation: The regulation is necessary and reasonable.
9. Income Tax Act 11.1 SI 126 of 2013: Income Tax (Exemption from Income Tax) Regulations	1967	To provide for the taxation of incomes and for other taxes; and to provide for matters incidental thereto.	Zimbabwe Revenue Authority (ZIMRA)	25% of the income	Instant deduction	Observation: The regulation is necessary. The challenge is that the process is Centralised and rates and penalties are viewed as being prohibitive by the respondents i.e. US\$30 per day up to a max. of 90 days thereafter 100% on the outstanding amount .
10. Permits & Licences						
10.1. Permit to move live stock		Provides for the proper licenced movement of	Department of Veterinary Services ("DVS")	Not available at time of writing the report.	Minimum of 3 days	Observation: There are too many processes that a

		livestock from one area to the other.				farmer has to go through.
10.2. Abattoir licences		Slaughter of livestock and disposal of its waste regulations	EMA, DVS	Not available at time of writing the report.	Not Fixed- it involves inspections	Observation: The license is overlapping with the waste disposal regulations and can be regarded as regulation for revenue .
11. Rural district council levy on cattle sales	Circular Number 7 of 2006	To support veterinary services and maintenance of infrastructure such as roads and dip tanks	RDC & Ministry of Local Government, Public Works and Urban Development	Buyers of cattle must pay 10.5% of the sales value of cattle to RDC.	Not fixed	Observation: There is regulation for revenue as the charges are not being used to address the problem and there is need for adjustments.
12. Land Tax/Land development tax Land Unit Tax			RDC & Ministry of Local Government, Public Works and Urban Development	\$2 per hectare per annum local authorities and \$1 for central government, or a total land unit tax of \$3/ha/annum for Region IV & V is \$2/ha/a		Observation: The regulation is necessary. Amount is reasonable as it discourages holding of unproductive land.
13. SI 122 of 2014: Agricultural Marketing Authority (Minimum Grain Producer Prices) Regulations		Set the price floors and ceiling for agric products	AMA, GMB, Min of Agriculture, Irrigation and Mechanization Development (MoAIMD)	Not applicable	Not applicable	Observation: There is no rationale for the regulation as prices should be determined by market forces of demand and supply.

14. Warehousing Receipt Act	2007	To provide for the establishment and registration of warehouses associated with the issuing of warehouse receipts and the licensing of warehousepersons; storage of agricultural commodities in registered warehouses; setting up of a system of inspection, grading and weighing of such agricultural commodities	(MoAIMD), EMA	Prescribed Annual fee	Maximum of 15 Days	Observation: The regulation is necessary and reasonable.
15. Standard Development Levy			Standards Association of Zimbabwe (SAZ), Zimbabwe Manpower Development Fund (ZIMDEF)	5% of wage bill	Instant Transaction	Observation: The levy is not used to solve the problem.
16. Employment Council: SI 36 of 2014: National Employment Council for Agricultural Industry of	2014	Representation of workers in farming industry on wages and security bargains	Min of Labour and Social Welfare, National Employment Council (NEC), Commercial Farmers Union (CFU), ALB,	\$1 employee & \$1 employer amounting to \$2 per month	Bargains – no time limit	Observation: The regulation is still necessary and the charges are not prohibitive. There is however poor representation.

Zimbabwe: Collective Bargaining Agreement			Zimbabwe Farmers Union (ZFU), General Agriculture Plantation Workers Union Of Zimbabwe (GAPWUZ), Horticulture and General Agricultural and Plantation Workers' Union of Zimbabwe HGAPWUZ			
17. Agriculture Rural Development Authority Act- Chap 18:01	1971	To plan, co-ordinate, implement, promote and assist agricultural development in Zimbabwe	MoAIMD, Agricultural & Rural Development Authority (ARDA)	Not applicable	Not applicable	Observation: There are some overlapping aspects with the RDCs
18. Agricultural Industry Act- Chap 18:03	1975	Employee Pension Scheme for employees in the agricultural industry and to provide for matters incidental to or connected with the foregoing	National Social Security Authority (NSSA)	7% of the monthly insurable earnings of up to \$700 p/m - 3.5% employer and 3.5% employee	Instant deduction on pay slips	Observation: the regulation is necessary although the retirement incomes are significantly low. The industry considered the regulation as prohibitive as most farmers earn below the insurable earnings level
19. Agricultural	1997	To establish a fund	Agricultural	Not available by	Not	Observation: There is

Products Act- Chap 18:22		for the development of the agricultural industry and the administration and disbursement of the moneys therein; to provide for the imposition and collection of levies on producers, buyers and processors of agricultural products; fixing of standards	Industry Fund, AMA, Cold Storage Commission (CSC), (MoAIMD)	time of writing the report.	applicable	no rationale and the charges are not used to address the problem.
20. Agricultural Research Act – Chap18:05	1970	To promote all aspects of agricultural research in Zimbabwe and in certain circumstances to carry out agricultural research;	Agriculture Research Council, MoAIMD, Research Council of Zimbabwe (RCZ)	Not applicable	Not applicable	Observation: The regulation is necessary
21. Animal Health Act – Chap 19:01	1960	To provide for the eradication and prevention of the spread of animal pests and diseases in Zimbabwe	MoAIMD, MCAZ, Veterinary Public Health	Quite a number of licences mentioned prior on-Transportation of livestock, Veterinary services licences	Not available at time of writing the report.	Observation: The regulation is not necessary as it is overlapping with other animal regulations.
22. Bees Act – Chap 19:02	1973	To provide for the control of disease in bees and the conservation of bees found in the wild; to regulate bee-keeping	Forestry Commission, RDCs, Natural Resources Board	Land owners are required to give 48 hours' notice to spray insecticides or herbicides.	No time frame	Observation: The regulation is necessary .

23. Cold Storage Commission Act - Chap 18:06	1960	To set up a Commission for the purpose of operating abattoirs. refrigerating works and factories; to control the export of chilled and frozen beef; to regulate the sale, distribution, consignment and delivery and to provide for the grading of the carcasses of certain livestock; for the fixing of the prices to be paid for livestock delivered to the commission	CSC, MoAIMD	Not available by time of writing the report.	Depends with compliance with regulations {abattoirs}	Observation: No Rationale – Production of meat should now be privatized and the Commission to facilitate/regulate export of meat.
24. Cold Storage Commission Debt Assumption Act [Chap 19]	1997	To enable the assumption by Government of the debt of the CSC.	CSC/MoAIMD	Not applicable	Not applicable	Observation: The Act was necessary but has now become of little relevance as the CSC is not functional.
25. Control of Goods Act – Chap 350	1993	Control of the distribution, disposal purchase and sale, and the wholesale and retail prices, of any manufactured or unmanufactured commodity or of any	Min of Industry & Commerce (“MOIC”) , MoAIMD	Not applicable	Not applicable	Observation: Necessary but needs review. Some adjustments being done now and then though there are questions on the GMOs imports and

		animal or poultry Import and Export of Agric Products regulations				leakages on borders the regulation is till necessary.
26. Dairy Act [Chap 18:08]	1937	Cream depots, creameries and factories; Sale of dairy produce; Registration of dairies, ice cream factories and milk depot; Regulations; Administration; Offences and penalties	RDCs	Not available by time of writing the report.	No fixed time- depends with compliance	Observation: The regulation is necessary and reasonable.
27. Dairy Marketing Board {Debt Assumption} Act [Chap 15]	1997	Takeover of Debts	Government	Not available by time of writing the report.	Not available	No longer Relevant due to RBZ Debt Assumption Bill
28. Environmental Management Act [Chapter 20:27]	2002	Regulate and monitor the collection, disposal, treatment and recycling of waste and the discharge or emission of any pollutant or hazardous substance into the environment.	Environmental Management Agency (EMA)	Fees available in specific Statutory Instruments.	The processing days are standard i.e. maximum 60 days	Observation: Multiplicity -There are multiple regulations which are also overlapping e.g. EMA regulations duplicate the Municipal Health Regulations, the Mines and Minerals (Inspection) Regulations.
28.1. SI 6 of 2007: Effluent and Solid	2007	Solid waste and effluent disposal regulations	EMA	Manufacturer, user, importer, seller, storage, of	14 days	Observation: The regulation is necessary but

Waste Disposal Regulations				<p>hazardous substances/ products per plant, per person, per premise respectively per year Red-640.00 Amber-500.00 Green-340.00</p> <p>Issue a duplicate licence- 20.00</p> <p>Fees for appealing against the decision of the Agency- 10.00</p>		prohibitive and penalizing.
28.2. SI 10 of 2007: Hazardous Waste Management Regulations	2007	Licensing for generation, storage, use, recycling, treatment, transportation or disposal of hazardous waste, importation and exportation of hazardous waste and waste oils	EMA	<p>Class – Red Annual Reg - \$47 Annual Monitoring - \$1165 5% Admin fee- 60.60 VAT- 190 Fee incl VAT- 1463.49</p> <p>Class – Amber Annual Reg - \$47 Annual Monitoring - \$585 5% Admin fee – 31.60 VAT-\$99.54 Fee Inc VAT- 763.14</p>	14 days	Observation: The industry observes that while the regulation is necessary , the fees are being used for revenue purposes i.e. firms classified under the red category are supposed to be closed, but once they pay the fines they are allowed to keep on operating.

				<p>Class – Green Annual Reg - \$47 Annual Monitoring- \$295 5% Admin fee- \$17.10 VAT- 53.87 Fee Inc VAT- 412. 97</p> <p>Class – Blue Annual Reg -\$47 Annual Monitoring - \$150 5% Admin fee – 9.85 VAT- 31.03 Fee Inc VAT- 237.88</p> <p>Class – Annual Reg Annual Monitoring 5% Admin fee VAT Fee Inc VAT</p>		
28.3. <i>SI 12 of 2007:</i> Hazardous Substances, Pesticides and Toxic Substances Regulations.	2007	Hazardous substance and pesticides management regulation	EMA	Local transporter of hazardous substances/product s per vessel per year Red-\$1030.00 Amber \$650.00 Green-\$430.00	14 days	Observation: The regulation is necessary and the industry observes that the fees are excessive and need to be adjusted. There is no

				Manufacturer, user, importer, seller, storage, of hazardous substances/ products per plant, per person, per premise respectively per year Red – \$640 Amber – \$500 Green – \$340		justification for a payment for Green Category (Minimal or no risk to the public).
28.4. SI 7 of 2007: Environmental Impact Assessment and Ecosystems Protection Regulations	2007	Ensure that proposed businesses and other establishments do not adversely affect the environment and to provide how any adverse developments would be addressed or minimised and Prohibits extraction, possession, transportation of sand and clay deposits for commercial purposes without a licence issued by the Agency.	EMA	Min US\$210,000 Max 1.2% of project costs	60 days	Observation: This is regulation for revenue and the charges are prohibitive i.e. an average of 1% of project cost. This leads to voluntary non-compliance, increases feasibility and pre-operating costs.
28.5. SI 72 of 2009: Atmospheric	2009	Provide for prevention, control and abatement of air	EMA	Not available by time of writing the report. <i>(fees depends</i>	14 days	Observation: There is regulation for revenue and the

air pollution regulations		pollution to ensure clean and healthy ambient air.		<i>on the nature or quality of pollution)</i>		respondents observed that the charges are prohibitive and penalizing.
28.6. SI 98 of 2010: Plastic Packaging and Plastic bottles regulation	2010	Provides for the use of Plastic Packaging and Plastic bottles regulation	EMA	Not available by time of writing the report.	14 days	Observation: There is regulation for revenue and the respondents observed that the charges are prohibitive and penalizing.
29. Farmers Licensing and Levy act [Chap 18:10]	1971	Licensing of farmers; to provide for the payment and collection of levies on certain agricultural products; establishment of levy accounts and the application of moneys therein	Farmers Unions, MoAIMD	Fees are as specified in the specific Statutory Instrument	Not available by time of writing the report.	Observation: There seems to be overlapping and or duplication with Dairy, CSC, RDCs, AMA, regulations mentioned in the comments
30. Farmers Stop Order Act [Chap 18:11]	1964	To provide for the registration by farmers of stop-orders and special stop orders binding their crops and the proceeds thereof; and for matters incidental thereto.	MoAIMD	Not applicable	Maximum of 3 days	Observation: The regulation is no longer necessary . The facilities of the stop order act are no longer accessible – stop order system no longer functional

31. Fertilizers, Farm seeds and Remedies Act – Chap 18:12	1952	To provide for the registration of fertilizers, farm feeds, sterilizing plants and certain remedies; to regulate and restrict the importation and sale of fertilizers, farm feeds and certain remedies, and substances of animal origin intended for the manufacture of fertilizers or farm feeds	MoAIMD, EMA	Not available by time of writing the report.	Not applicable	Observation: The regulation is still necessary and reasonable but there seems to be duplication with SI 10 of 2007 .
32. Food and Fruit Marketing Act – Chap 18:13	1966	To provide for the establishment and use of a national mark in relation to the marketing of specified types and to prescribe the requisite standards and requirements for the export of specified types of fruit grown in Zimbabwe	MoAIMD	Not available by time of writing the report.	Not available by time of writing the report.	Observation: Regulation still necessary but there seems to be some overlaps with standards regulations which need to be streamlined .

33. Grain Marketing Act – Chap 18:14	1966	To regulate and control the prices and marketing of certain agricultural products and their derivatives;	GMB	Not applicable	Not applicable	Observation: The regulation is necessary and is duplication with the Price Controls Act. Unnecessary regulation of exports.
34. Hippo Valley Agreement Act – Chap 20:08	1964	Purchase of Land an agreement between the Government and Hippo Valley Estates Limited	MoAIMD, Ministry of Local Government, Urban and National Housing (MoLGUNH)	£286,425 in respect of 14321.25 acres of irrigable land calculated at the rate of £20 per acre	Not applicable	Observation: No longer necessary , repealed by Land Acquisition Act of 2004
35. Inner Bank Titles Act – Chap 20:09	1914	To alter and amend the boundaries of certain lands	BSAC, Ministry of Lands and Resettlement (MLR)	Not applicable	Not applicable	Observation: Necessary in the context of ongoing Land Reform and compensation.
36. Locusts Control Act – Chap 19:06	1971	to provide for the control of locust	MoAIMD	Free of Charge for permission and apparatus	Permission to destroy locusts given upon request	Observation: Necessary , amended in 1982 but sometimes the Government cannot provide the apparatus
37. Noxious Weeds Act - Chap 19:07	1926	To make provision for the eradication of noxious weed	MoAIMD, Local Authorities	Fines and penalties, specified in ZW\$	Notices for eradication to be acted upon receipt	Observation: The regulation is necessary but the charges need to be specified in US dollars.
38. Pig Industry Act – Chap 18:15	1959	To provide for the imposition and collection of levies on	MoAIMD	Fees are as prescribed in the specific Statutory	Not available by time of writing the	Observation: the regulation is necessary but the

		pigs produced and to provide for the development of the pig industry in Zimbabwe		Instruments	report.	charges are not used for the intended purposes.
39. Plant Breeders Rights Act – Chap 18:06	1973	For registration of plant breeders rights in respect of certain varieties of plants and the protection of the rights of persons who are registered as the holders of such rights	MoAIMD	Fees are as prescribed in the specific Statutory Instruments	Not available by time of writing the report.	Observation: The law is necessary and should be included in proposed law for intellectual property (“IP”) rights
40. Plant Pests and Diseases Act – Chap 19:09	1959	provide for the eradication and prevention of the spread of plant pests and diseases in Zimbabwe for the prevention of the introduction into Zimbabwe of plant pests and diseases, and for matters incidental thereto	MoAIMD	Fees are as prescribed in the specific Statutory Instruments	Not available by time of writing the report.	Observation: The regulation is necessary and it is too centralized.
41. Produce Export Act – Chap 18:07	1921	Provide for the grading of agricultural produce and any such processed produce which is to be exported from	MoAIMD	Fees are as prescribed in the specific Statutory Instruments	Not available	Observation: The regulation is still necessary and reasonable. Overlapping with standards regulations

		Zimbabwe for the purpose of sale, for prohibition and regulation of the methods of processing produce, for the prohibition and regulation of the export of such produce and for matters incidental to the foregoing.				
42. Public Health Act – Chap 15:09		To provide for the safeguarding of public health by regulating the slaughter of animals through Abattoir and Slaughter Regulations	EMA, Local Authorities.	Fees are as prescribed in the specific Statutory Instruments	Not available	Observation: the regulation is necessary but there are overlapping aspects with EMA, Local Authorities through Abattoir licence. This can be termed regulation for revenue.
43. Quelea Bird Control Act – Chap 19:10	1972	To provide for the control of quelea birds and for matters incidental thereto and connected therewith	National Parks and Wild Life Management, EMA	Not available by time of writing the report.	Not available by time of writing the report.	Observation: The regulation is necessary and there is duplication of aspects between EMA and Parks and Wildlife.
44. Registration of Pedigree Farm Livestock Act – Chap 19:11	1982	To confer certain rights on the association known as the Zimbabwe Herd Book and on certain	Ministry of Agriculture, Irrigation and Mechanization Development	Not available by time of writing the report.	Not available by time of writing the report.	Observation: The regulation is necessary and reasonable.

		breed societies, to fix the conditions governing such rights, and to provide for the registration and publication of records of the pedigrees of farm livestock; and to provide for matters incidental to or connected with the foregoing				
45. Scientific Experiments on Animals Act – Chap 19:12	1963	To make provision with respect to the performance, for the purposes of scientific research and higher education, of painful experiments on living vertebrate animals and to provide for matters incidental thereto	Department of Veterinary Services, MoAIMD	Not available by time of writing the report.	Not available by time of writing the report.	Observation: the regulation is still necessary .
46. Seed Act – Chap 19:14	1971	To provide for the registration of sellers of seed and seed testing laboratories; to regulate the importation, exportation and sale of seed; to provide	Ministry of Agriculture, Irrigation and Mechanization Development	Not available by time of writing the report.	Not available by time of writing the report.	Observation: The regulation is necessary and could be linked to the IP law .

		for the testing, certification and inspection of seed; and to provide for other matters connected with the foregoing				
47. Sericulture Act – Chap 18:18	1989	Regulate and control the production, breeding, rearing, reeling, twisting and marketing of silkworm seed, cocoons and raw silk; and to provide for matters connected with or incidental to the foregoing	Ministry of Agriculture, Irrigation and Mechanization Development	Not available by time of writing the report.	Not available by time of writing the report.	Observation: The regulation is necessary .
48. Stock Trespass Act – Chap 19:4	1991	To provide for the protection of land and property against trespass by stock; to provide for the impoundment of trespassing stock and the disposal of stock that has been impounded; and to provide for matters connected with or incidental to the foregoing	Ministry of Agriculture, Irrigation and Mechanization Development	Not available by time of writing the report.	Not available by time of writing the report.	Observation: The regulation is necessary .
49. Tobacco Marketing and Levy Act –	2001	To provide for the control and	Ministry of Agriculture,	The levy was reduced from 1.5%	Not available by time of	Observation: The regulation is

Chap 18:20		regulation of the tobacco industry in Zimbabwe, the promotion of the export of tobacco from Zimbabwe and the imposition of a levy on tobacco grown or sold in Zimbabwe; to control the use of agricultural remedies on tobacco and tobacco plants or lands; to provide for the establishment of the Tobacco Industry and Marketing Board and to prescribe its functions and powers; and to provide for matters incidental to or connected with the foregoing	Irrigation and Mechanization Development	to 0.75% of individual growers earnings from tobacco in 2016	writing the report.	necessary and the levy is reasonable .
50. Tobacco Research Act – Chap 18:22	1955	To make provision for the direction and maintenance of research in connection with tobacco and to provide for matters incidental thereto	Ministry of Agriculture, Irrigation and Mechanization Development	Not available by time of writing the report.	Not available by time of writing the report.	Observation: The regulation is necessary and the charges reasonable .

51. Veterinary Surgeons Act – Chap 27:15	1974	Consolidates and amend the law regulating the practice of the profession of veterinary surgery and medicine in Zimbabwe; and to provide for matters incidental to or connected with the foregoing	Ministry of Agriculture, Irrigation and Mechanization Development	Not available by time of writing the report.	Not available by time of writing the report.	Observation: The regulation is reasonable and it is still necessary .
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1.2. Comments on Regulatory Procedures in the Agriculture Sector

The following comments and observations apply in relation to the regulation of the agriculture sector.

1.2.1. Multiplicity of laws and regulations

Most probably because of its dominance in the economy, Agriculture is the sector with the highest number of regulatory laws and provisions. The sector is affected by a plethora of Acts and Regulations which directly and indirectly impact on the day-to-day operations of the farmer. As in other sectors, it is however, the way in which the laws are administered that adversely impacts agricultural operations.

1.2.2. Relevance of the laws

Many of the laws are overdue for review to align to the Constitution and the new operational environment brought about by the Land Reform Programme.

1.2.3. Standardisation of RDC charges

There is no uniformity of the charges under the Rural District Councils Act [29:13]. The charges (for the same activity) vary from one Rural District Council (“RDC”) to the next. There is need for a standard levy to apply in all districts for a specified activity e.g. livestock production, slaughter or trading.

1.2.4. EMA Regulations is an issue

EMA regulations are pervasive and, as in most other sectors, the institution also comes under the spotlight in Agriculture. One area is in the payment for discharge of cattle and pig waste, even if this is fed as manure on to the fields. It appears the levy is on an industrial scale, which would make farming very uncompetitive.

1.2.5. Other regulatory challenges

- i. The absence of standardised time periods for getting a licence, permit or completing a procedure.
- ii. Capacity constraints on the part of many regulators, which would also affect the speed with which licence applications are processed.
- iii. Many procedures cannot be done under one roof or at Ward level. Farmers often have to visit the District or Provincial centres for some of the procedures.
- iv. The sector is over regulated as evidenced by the number of regulators who collect levies and fees from the farmers; this has a negative effect on the farmer who then passes the burden to the customer, thus affecting the competitiveness of the agricultural products. The regulations distort the whole value chain process.
- v. Regulation is necessary but it should be administered in a way that drives the economy forward since Zimbabwe is an agro-based economy.

- vi. The demise of the Cold Storage Company and the rise in independent meet traders has worsened the returns to farmers as the “5th quarter” (offals) are no longer paid for. The price of the beast is now 80% of its value.

1.3. Recommendations

- i. The Ministry for Local Government should provide for standard levies that RDCs should charge for each activity.
- ii. There is need for harmonisation of a number of Acts since many are overlapping resulting in the duplication of some procedures. Examples include AMA Act, GMB Act and the Warehousing System Act.
- iii. Regulation should be primarily for safety, market creation or stability and not for revenue collection.
- iv. **The CSC should revert to a national neat marketing agency (without regulatory control).**
- v. The land tax or levy (currently \$3/hectare p.a.) should be set in relation to the agro-climatic region and type of agriculture activity – the rates for livestock and crop farming should be different since livestock requires more land per animal. The Proposals on hand are that the Land Unit Tax for agro-climatic region IV be reduced to \$ 0.50 or less per hectare p.a. to maintain a viable livestock sector. The Land Unit Tax for agro-climatic region V would be scrapped as livestock production in this region is only marginally viable. This would reduce the cost structure for the livestock business, increase profitability and ease compliance.
- vi. Offer Incentives for regulatory compliance. Current regulations tend to criminalize the whole beef processing function in that meat processing generates effluent which pollutes the environment and so has to pay compensation to society for pollution. The regulatory stance leads to high cost for abattoirs without leading to reduction in pollution. A win-win solution would be to reward better recycling of wastes from production processes which lead to lower taxes for waste elimination or reduction and benefits society through pollution reduction, a key objective of EMA.

2. REGULATORY LAWS AND PROCEDURES IN THE MANUFACTURING SECTOR

2.1. Identified laws and regulations

Acts, Regulations, Procedures	Year of adoption	Purpose of Act/Reg serves	Regulatory Agency/(ies)	Licence/fees p.a. (\$)	Processing Days	Law/Reg still relevant?
1. Bonus Prohibition Act [Chapter 14:03]	1888 2001	An agreement to give bonus at sales by public auction illegal and void, but contracts of sale not invalidated by offer of bonus.	Ministry of industry and Commerce	Not applicable	Not applicable	Observation: The regulation is necessary but seems to be losing its rationale.
2. Commercial Premises (Lease Control) Act [Chapter 14:04]	1983 2001	To provide for regulating and controlling the leasing of commercial, industrial and business premises	Ministry of Industry and Commerce	Not available by time of writing the report.	Not available by time of writing the report.	Observation: The regulation is necessary and reasonable. This Overlaps with the provisions of the Rent Board.
3. Competition Act [Chapter 14:28] (Act No. 7 of 1996)	1998 2001	To promote and maintain competition in the economy of Zimbabwe. To provide for the prevention and control of restrictive practices, the regulation of mergers, the prevention and	Ministry of Industry and Commerce, CTC	Notification fee for a merger: Min: USD10, 000 Max: USD50, 000	The Commission takes an average of 60 days.	Observation: The regulation is necessary and the fees are not prohibitive in relation to the merger threshold. Industry observes that there are overlapping responsibilities between CTC and ZimTrade i.e. Export development and promotion is the realm for ZimTrade.

		control of monopoly situations and the prohibition of unfair trade practices				Competition and Tariff Commission collects revenue from Trade Surcharge. The revenue is not used to promote exports.
4. Consumer Contracts Acts [Chapter 8:03]	1994.	To provide relief to parties to consumer contracts where the contracts are unfair or contain unfair provisions or where the exercise or non-exercise of a power, right or discretion under such a contract is or would be unfair;	Ministry of Industry and Commerce, Consumer Council of Zimbabwe, CZI, ZNCC	Not applicable	Not applicable	Observation: The regulation is necessary and reasonable.
5. Control of Goods Act [Chapter 14:05]	1954 2002	To provide for the control of the distribution, disposal, purchase and sale, and the wholesale and retail prices, of any manufactured or unmanufactured commodity or of any animal or poultry specified by the President by order or of any class of any such	Ministry of Industry and Commerce	Fees are as per the specific Statutory Instrument	The period depends on the adequacy of information supplied by the applicant	Observation: Industry says while control of movement of hazardous goods is necessary, there is no justification for Government to have control over distribution of ALL Goods.

		commodity, animal or poultry, for the control of imports into and exports from Zimbabwe				
6. Export Credit Reinsurance Act [<i>Chapter 14:06</i>]	1965	To make provision for the promotion of trade with countries outside Zimbabwe by providing for the reinsurance with the State of insurance contracts in connection with export transactions and loans or similar facilities connected with such transactions.	Ministry of Industry and Commerce	Not applicable	Not applicable	Observation: The regulation is not necessary but reasonable . State has no reinsurance vehicle. Also the private sector has adequate capacity.
7. Industrial Development Corporation [<i>Chapter 14:10</i>]	1963 1990	To constitute a corporation the object of which shall be to promote the establishment of new industries and industrial undertakings and the development of existing industries and industrial undertakings ; for contributions by certain members of the staff of the	Industrial Development Corporation of Zimbabwe, Ministry of Industry and Commerce, Registrar of Companies	Not available by time of writing the report.	Not available by time of writing the report.	Observation: The regulation is not necessary but reasonable. IDC is not working as a facilitator of industrial development. IDC is duplicating and competing with the private sector.

		corporation to the Consolidated Revenue Fund for the purpose of pensions and other benefits				
8. Iron and Steel Industry [Chapter 14:11]	1942 1983	To establish the Rhodesian Iron and Steel Commission and to prescribe its powers; to authorize and to confirm and give effect to certain agreements to which the State is a party	Rhodesian Iron and Steel Commission, Ministry of Industry and Commerce	Not available by time of writing the report.	Not available by time of writing the report.	Observation: The regulation is no longer necessary and obsolete. The entity is being privatized.
9. Merchandise Marks Act [Chapter 14:13]	1974, 2001	To prohibit the application to goods of false trade descriptions, the sale of goods to which a false trade description is applied; the importation, sale or distribution of certain goods unless they bear an indication of the origin thereof; for the imposition of controls or restrictions on the marking of goods	Ministry of Industry and Commerce	Not available by time of writing the report.	Not available by time of writing the report.	Observation: The regulation is necessary and reasonable. Overlaps and duplicate the Trade Marks Act.

10. National Incomes and Pricing Commission Act [<i>Chapter 14:32</i>]	2007 2010	Regulate incomes and pricing.	National Incomes and Pricing Board, Ministry of Industry and Commerce	Not available by time of writing the report.	Not available by time of writing the report.	Observation: The regulation is no longer necessary as it has been incorporated into the National Competitive Act.
11. One Stop Border Post Control Act [<i>Chapter 3:04</i>]	2007	To provide for the conclusion of one or more agreements with one or more adjoining States on the establishment and implementation of one-stop border posts and to give effect to certain provisions of the agreements; to authorize pursuant to such agreements extra-territorial application of the laws of Zimbabwe in one or more adjoining States and to enable the laws of one or more adjoining States to have similar effect inside Zimbabwe	Ministry of Industry and Commerce	Not available by time of writing the report.	Not applicable	Observation: The regulation is necessary but seems it has lost its rationale as people are still going through many processes at border posts.
12. Produce Export Act [<i>Chapter 18:17</i>]	1921 2002	Provide for the grading of agricultural produce and any such	MAIMD, Ministry of Industry and Commerce	The fees are as per the specific Statutory Instrument.	Not available by time of writing the report.	Observation: The regulation is necessary for conforming to standards and quality and

		processed produce which is to be exported from Zimbabwe for the purpose of sale, for the prohibition and regulation of the methods of processing produce, for the prohibition and regulation of the export of such produce				reasonable. Industry observes that the regulation is prohibitive to exports in the sense that the processes to go through are cumbersome.
13. Standards Development Fund Act [Chapter 14:19]	1987 2001	To provide for the establishment of a fund to develop and promote the standardization of commodities and services and for other related purposes; to provide for the imposition of a levy upon employers or classes of employers for the benefit of the fund; to provide for the recovery of such levy from such employers or classes of employer	Ministry of Industry and Commerce, SAZ	Fees are as prescribed in the specific Statutory Instrument.	Not available by time of writing the report.	Observation: The regulation is necessary but it is not clear if the fees are being used for the intended purpose.

14. Sugar Production Control Act[Chapter 18:19]	1964 1973	To provide for the control and regulation of the manufacture of sugar and the delivery of sugar cane for manufacture in Zimbabwe; to fix the price to be paid for sugar cane	Zimbabwe Sugar Association, Ministry of Industry and Commerce	Not available by time of writing the report.	Not available by time of writing the report.	Observation: The regulation was necessary since it was adopted when sugar was considered a staple item and country was under sanctions and it could not be imported easily. Therefore the Act has not lost its rationale. The act should be used to encourage local production of sugar.
15. Tariff Commission Act [Chapter 14:29]	1998 2001	To promote and maintain competition in the economy of Zimbabwe; to establish an Industry and Trade Competition Commission to provide for the prevention and control of restrictive practices, the regulation of mergers, the prevention and control of monopoly situations and the prohibition of unfair trade practices	Ministry of Industry and Commerce, CTC	The fees are as prescribed in the specific Statutory Instruments.	Not available by time of writing the report.	Observation: The regulation is necessary and reasonable but the fees/charges are not used to resolve the problem.
16. Trade Coupons Act	1964 2001	To prohibit the sale or exchange of trade	Ministry of Industry and	Not available by time of writing the report.	Not available by time of writing the report.	Observation: The regulation is necessary and

[Chapter 14:21]		coupons in certain circumstances	Commerce			reasonable.
17. Trade Development Surcharge Act [Chapter 14:22]	1991 2001	To provide for the raising of funds to promote the export trade of Zimbabwe	Ministry of Industry and Commerce, CTC, MMCZ	The fees are as per the specific Statutory Instrument.	Not available by time of writing the report.	Observation: The regulation is necessary and the charges are reasonable .
18. Trade Measures Act [Chapter 14:23]	1973 2001	To define and authorize the units of measurement which may be used in trade; to provide for the uniformity of measuring equipment; to permit the establishment of the Trade Measures Board and the assignment of functions thereto; to provide for the assizing and re-assizing of measuring equipment; to confer powers on certain officials; to provide for the protection of the public in relation to the sale of articles and other transactions by measurement or number	Trade Measures Board, Ministry of Industry and Commerce	Not available by time of writing the report.	Not available by time of writing the report.	Observation: The regulation is necessary and reasonable.

19. White Phosphorous Act [Chapter 14:25]	1912 2001	To prohibit the manufacture, importation or sale of matches containing white phosphorus	Ministry of Industry and Commerce	Fines are as specified in the Statutory Instrument.	Not available by time of writing the report.	Observation: The regulation is necessary
20. Zimbabwe Development Corporation Act [Chapter 24:15]	1984 2001	To establish the Zimbabwe Development Corporation; to confer functions and powers on such Corporation to monitor, co-ordinate and guide the activities of the parastatal sector, and to direct, guide and approve the capital investment of various subsidiaries and to provide for the transfer of the whole or part of the financial interest in those subsidiaries to such Corporation	Zimbabwe Development Corporation, Ministry of Industry and Commerce	Not available by time of writing the report.	Not available by time of writing the report.	Observation: The regulation is not necessary . It duplicates the roles of the IDC and Urban Councils.
21. Zimbabwe International Trade Fair Act [Chapter 14:26]	1963 2001	To make special provision with respect to certain trading licences in connection with a certain trade fair which is held	Ministry of Industry and Commerce, Ministry of Local Government, Rural and Urban	Fees are as prescribed in the specific Statutory Instrument.	Not available by time of writing the report.	Observation: The regulation is necessary and reasonable as companies that want to exhibit are the ones that must pay the fees.

		annually at Bulawayo and to confer on the Minister certain powers which it is expedient he should be enabled to exercise for purposes connected with such fair	Development			
22. Zimbabwe State Trading Corporation Act [Chapter 14:27]	1986 1990	To establish the Zimbabwe State Trading Corporation and to confer functions and powers thereon; to provide for the constitution, functions and powers of the State Trading Board; to provide for trading by the Corporation on behalf of the State or on its own account inside or outside Zimbabwe	Zimbabwe State Trading Corporation, Ministry of Industry and Commerce	Not available by time of writing the report.	Not available by time of writing the report.	Observation: The regulation is not necessary . In line with the principle of Subsidiarity, the trading should be left to the private sector.

2.2. Radiation Authority of Zimbabwe fees

Activity	Fee
Treatment and purification, ceramics and building materials	\$1500
Medium scale miners and mineral processing facilities	\$15 000
Large scale miners and mineral processing facilities	\$40 000
Diamond Sorting whole body scanning	\$50 000
import licence	\$1000
Scrap Processors and scrap smelters	\$2000
Well logging and tracing portal monitoring industrial gamma radiography	\$40 000
medical diagnostic and interventional radiology	\$500
Industrial gauging, language scanners, industrial x ray generators -	\$1000
Veterinary radiography dental radiography academic and research	\$300
Fertilizer Producers	\$10 000
ACCREDITATION OF SERVICE PROVIDERS	
I. Trainers (per trainer)	\$200,00
2Maintenance, Installations and repair	\$2000,00
Suppliers of Industrial equipment	\$2 000,00
installations only medical equipment	\$500,00
Installations only Industrial equipment	\$1 000,00
Radiation protection consultancy	\$500,00
Application fee	\$20,00
Dosimeter security Deposit (per pair)	\$70,00

2.3. General Comments on Regulation of the Manufacturing Sector

The observations from a study of the laws and regulations identified in the manufacturing sectors are presented below.

2.3.1. Radio licences

Licence fees for business vehicles are higher than private vehicle while the services are the same. The higher fees for business owned vehicles are probably intended to boost revenues by the BAZ/ZBC. Suggestions are that, the licence fees should be the same. There is a complaint that the fees are payable regardless of whether one tunes in to the local radio stations. Technology has advanced so as to enable the broadcaster to shut out any subscriber who does not subscribe for viewership or listenership. The reluctance to adopt the technology while compelling all radio and TV owners to licence is akin to forcing them to pay for a service that they do not enjoy. The licence fees

were considered very prohibitive for businesses that have fleets of vehicles as they are payable per vehicle. For households, one licence fee is payable.

2.3.2. Multiplicity of regulatory licences

While the licence fees for each activity that are charged may be small, the multiplicity of the licences required makes the overall cost of compliance prohibitive and affects the price competitiveness of products produced and services provided by the businesses. This has partly emerged from the unbundling of some of the parastatal bodies in the interests of strategic re-alignment. Thus, for example where one licence was needed and issued by the then one ZBC before the unbundling which created Transmedia and the Broadcasting Authority, some businesses may have to pay a licence to all three units that arose from the unbundling i.e. radio and TV licences to ZBC, radio transmission licences to the BAZ and transmission fees to Transmedia.

2.3.3. High levels of involuntary noncompliance

As a result of the high costs of compliance many companies only pay when the authorities visit them on inspection. The current scenario disadvantages the MSMEs, which are considered the most important driver of economic growth. The licence fees and processes should relate to the potential impact on public health or environment as determined by size, and scale of the business. This would ensure that companies pay fees commensurate with their scale and/or potential impact on public health and environment. However, to minimize the chances of the system being abused through underestimation of size, there ought to be a maximum of say 3 categories. With modern technology it should be possible to put in measures to ensure that the big companies do not abuse the lower fees for smaller companies.

2.3.4. The rationale for versus the effectiveness of regulation

Generally, respondents to the interviews did not question the rationale for regulation. The complaints are to do with the effectiveness of the administration of the regulation. The view is that regulation is necessary but it should not be counterproductive. Industry lobbied for regulation that facilitates growth of the economy. For such regulation the regulated and the consumer will gladly share the cost. For example, while taxation rates are considered high, it is the administration of the taxation regime that is particularly irksome. Some industry experts estimate that company overheads increased by as much as 5% as a result of the punitive, heavy handed administration of taxation and this has a negative impact on the country's competitiveness.

2.4. Frequency of License Renewals in the Food and Processing Industry

Considering the sensitivity of the food processing industry, the frequency of the inspection is not considered a burden by the operators. The subsector is regulated by many regulatory agencies and they seem not to be cooperating among themselves. Every process in the subsector is standardised for hygienic purposes. The table below shows the frequency of licence renewal in the industry:

Food Processing Industry		
Regulatory Agency	Licence/requirement	Frequency of Compliance activities
Agricultural Research and Extension Services (Agritex)	Safety of Crops	Seed quality control i.e. 3 times in a season.
Veterinary Services Department (VSD)	Safety of Animal Products	Certification or registration of livestock for vaccination given and done at specified time period which varies with region
Standards Association of Zimbabwe	Standards Certification System	For scientific testing and quality control of foods produced and imported for foods not recognised by SAZ, the tests are carried as per client request. For foods recognised by SAZ, surveillance tests are carried out 3 times a year.
Food Standards Advisory Board	Food Standards Certification and Inspection	Sanitary certificate for food to be renewed annually but inspections are conducted all year round with prior notice
	Premises Regulations	Sanitary certificate for the premises issued and renewed yearly but inspections done all year round
	Quality of Water	This account for the inspection of water sources at the food processing industry, inspections are done all year round

2.5. Furniture and Timber Industry

The Forestry Commission is generally the sector regulator overseeing the timber manufacturing business. The regulator regulates trade in timber products, which also includes the import and export of such products. Licences that are relevant for the manufacturing firms include a trader's licence, timber movement permit as well as an export permit, which are all issued by the Forestry Commission. The fees, charged by the regulator for these licences as detailed under the Forestry Act include the following:

Licence fees for the timber industry

Licence	Amount charged
Application fee for timber trader's licence	\$20
Trader's licence	\$100
Application fee for renewal	\$20
Trader's licence renewal	\$100 (The licence valid for for a period of a year or part of a year ending on 31 st December of the year in which the applicant received the licence, and can be renewed)
Timber movement permit fee	\$20 per load
Export permit	1% of export value or \$100 whichever is higher

Statutory Instrument 116 of 2012 and submissions from Forestry Commission

It is apparent that regulatory compliance requirements for timber manufacturers are generally very minimal and can hardly be considered a significant contribution to total costs. The Forestry Commission submits that these fees are very minimal and the amount they collect is hardly sufficient for them to efficiently perform their regulatory roles due to the limit on the number of officers they can engage for the process. As a result, this also affects the smooth operation of timber manufacturers, whose truck loads cannot move without the timber movement licence. The regulatory authority is thus understaffed, given the need to inspect every truck transporting timber.

2.6. Regulatory Challenges in the Pharmaceutical Industry

Comments on specific regulatory requirements in the pharmaceutical industry are presented below.

2.6.1. Unnecessary charges

Pharmaceutical industry firms believe that some of the charges that they pay are not necessary, such as the payment to the Zimbabwe National Water Authority (ZINWA) for using underground water to which they resort to in order to address unreliable supplies of reticulated water.

2.6.2. Cumulative cost of regulation

Pharmaceutical industry sources indicate that companies spend an average of about US\$25,000 each per annum in licence fees as well as offences related to regulatory compliance. On average, regulation costs constituted about 1.25% of the total costs of production for pharmaceutical industry firms. The range was from 0.82% to 1.80%. (ZEPARU 2014)

That regulatory compliance constitutes about 1.25% of the total production costs in the pharmaceutical sector is a cause for concern. Reducing the costs of regulation is, therefore, something that ought to be looked into urgently, focusing on identifying areas where possible savings could be made. There is need to relate the costs of regulation to what it costs to administer the regulation and avoid the dangerous objective of “regulation for revenue purposes”. In short, the regulatory charges should seek to ensure break-even by the regulator.

2.6.3. Challenges in regulatory compliance

Pharmaceutical manufacturers raised a number of issues which made it difficult for them to comply with the regulations. These are:

- **The large number of regulators** who have to be approached separately for the same type of licences. Examples include the licences for professionals i.e. pharmacists, dentists and nurses, which are separately issued by Medical Control Authority of Zimbabwe (MCAZ), Health Professions Authority (HPA) and the respective professional councils. Manufacturers propose that such licences be centralised so that manufacturers would deal with one regulator, who would also involve other regulators in the process, to lessen the burden of moving from one office to another by the manufacturers. Pharmaceutical manufacturing firms believe that there are minor differences between the mandates of some of the regulators, which would make it easier for them to co-ordinate their regulatory activities.

- **Health Professions Procedures:** According to the Health Professions Procedures administered by the Health Professions Authority, a premise should be licensed at a fee of \$1,150 upon registration and this has to be renewed after a year upon payment of \$575 renewal fee.
- **Time intervals for regulatory meetings:** Pharmaceutical firms experience challenges relating to the frequency of regulatory approval meetings, especially at MCAZ. To register a new drug can take long, especially since the MCAZ Licensing Committee meets only once a month. If an application is not discussed in the meeting, then it has to wait another month to come back onto the agenda. This affects production, especially where a query is raised which would only be attended to in the following meeting. A major challenge is that where MCAZ deems it necessary to assess their manufacturers' partners who are in other countries, the local firm would incur all the travel and associated costs for the MCAZ officials. The regulator passes all costs to the applicant, with no portion being born by the regulator. The justification for the licence fee thus becomes diminished.

2.6.4. Frequency of licence renewal for pharmaceutical Industry

The table below shows the frequency of licence renewals for the pharmaceutical industry.

Pharmaceutical Industry		
	Licence/requirement	Frequency of Compliance activities
Medicines Control Authority of Zimbabwe	Premise Licence(manufacturing licence and wholesale licence)	The licence expires on the 31st of December of the year in which the licence was issued, thus it has to be renewed annually
	Persons licence	Practicing certificates are valid for a period of one year or part of a year ending 31 December of the year in which the licence was issued, thus it has to be renewed annually.
	Medicine/Drug Registration	Payment of an annual retention fee.
	Import Permit	Required and issued whenever precursor substances that can be abused are to be imported into the country.
	Inspection	Inspection of premises within a period of at most two years.
Pharmacist Council of Zimbabwe	Persons licence	Practicing certificates are valid for a period of one year or part of a year ending 31 December of the year in which the licence was issued, thus it has to be renewed annually.
Health Professions Authority of Zimbabwe	Premise Licence	Once the factory is registered and issued with a licence by the Health Professions Authority, the licence expires on the 31st of December of the year in which the licence was issued, thus it has to be renewed annually
	Inspection of premises	Inspection of premises once a year
	Persons licence(\$60 renewal fee for nurse)	Practicing certificates are valid for a period of one year or part of a year ending 31 December of the year in which the licence was issued, thus it has to be renewed annually.

3. REGULATORY LAWS AND PROCEDURES IN THE MINING SECTOR

3.1. Identified laws and regulations

Acts, Regulations, Procedures	Year of Adoption	Purpose of Act/Reg serves	Regulatory Agency/(ies)	Licence/ fees p.a. (\$)	Processing time (days)	Comments
1. Indigenization and Economic Empowerment Act 1.1. Indigenization Compliance Certificate	2007	Provide for support measures for the further indigenization of the economy; to provide for support measures for the economic empowerment of indigenous Zimbabweans to provide for the establishment of the National Indigenisation and Economic Empowerment Board and its functions and management; to provide for the establishment of the National Indigenisation and Economic Empowerment Fund;	Min Youth Indigenisation and Economic Empowerment, Ministry of Transport and Infrastructural Development.	USD1000 for Indigenous owned companies for two years and USD500 for renewal USD2000 for companies that are owned 51/49 for two years and USD1000 for renewal.	Depends with the adequacy of information supplied by the applicant.	Observation: Law requires amendment. Provisions of the law are at variance with the Policy announced by the President in April 2016.

		to provide for the National Indigenisation and Empowerment Charter; and to provide for matters connected with or incidental to the foregoing				
2. The Mines and Minerals Act Chap 21.05 as amended	1961	Administering the mining sector	Ministry of Mines and Mining Development	Licence fees are as prescribed in the specific Statutory Instruments	Not available by time of writing the report.	Observation: The regulation is necessary and reasonable
3. Charter for the Zimbabwe School of Mines	1994	Regulate the school of mines	Ministry of Mines and Mining Dev, Zimbabwe School of Mines		Not available by time of writing the report.	Observation: The regulation is necessary and reasonable
4. Base Mineral and Export Control Act Chap:21.01	1949	To prohibit or regulate and control the export of base minerals from Zimbabwe.	Min of Mines	Licence fees are as prescribed in the specific Statutory Instruments	Not available by time of writing the report.	Observation: The regulation is necessary and reasonable
5. Gold Trade Act Chap 21.03	1940	To prohibit the possession of gold by unauthorized persons and to regulate dealings in gold	Min of Mines	Licence fees are as prescribed in the specific Statutory Instruments	Not available by time of writing the report.	Observation: The regulation is necessary and reasonable
6. Precious Stones Trade Act Chap 21.06	1978	to regulate the possession of and dealings in precious stones; administer	Min of Mines, MMCZ	Licence fees are as prescribed in the specific Statutory	Not available by time of writing the report.	Observation: The regulation is necessary and reasonable

		trade of precious stones		Instruments		
7. Gold Custom Milling Regulations	2005	Regulate custom milling plants	Min of Mines	Licence fees are as prescribed in the specific Statutory Instruments	Not available by time of writing the report.	Observation: The regulation is necessary and reasonable
8. Mineral Marketing Corporation Act Chap 21.04	1982	An ACT to establish the Minerals Marketing Corporation of Zimbabwe and to provide for the functions, powers and duties thereof; to provide for the constitution, functions, powers and duties of the Minerals Marketing Board; to provide for the control and regulation of the export, sale and stockpiling of minerals; and to provide for matters incidental to or connected with the foregoing.	Min of Mines, MMCZ	Not available by time of writing the report.	Not available by time of writing the report.	Observation: The regulation is necessary and reasonable
9. ZMDC Act Chap 21.08	1982	To facilitate government mining investments	ZMDC, Min of Mines		Not available by time of writing the	Observation: The regulation is necessary and reasonable

					report.	
10. Roasting Plant Cooperation Act Chap 21.07	1991	Regulates the process of refractory ores	Roasting Cooperation Board, Min of Mines	Licence fees are as prescribed in the specific Statutory Instruments	Not available by time of writing the report.	Observation: The regulation is necessary and reasonable
10.1. Mining {General} Regulations 10.2. Gold Trade (Gold Buying Permits for concession Areas) Regulations 10.3. Mines and Minerals (Custom Milling Plants) Regulations <i>SI 239 of 2002</i> 10.4. Mines and Minerals (Contracted Inspectors) Regulations <i>SI 249 of 2006</i> 10.5. Mines and Minerals (Minerals Unit) Regulations <i>SI 82 of 200</i> 11. Mines and Minerals (Declaration of Minerals) Notice <i>SI 91 of 1990</i>	1977	To regulate the mining sector	ZMDC, Min of Mines	The fees are as prescribed in the specific Statutory Instruments	Not available by time of writing the report.	Observation: The regulation is necessary and reasonable as they have been amended in 2016
12. The Mining	1995	To regulate safety	Min of Mines,	Licence fees are	Not available	Observation: The regulations are

Management and Safety Regulations		issues in the mining sector	EMA	as prescribed in the specific Statutory Instruments	by time of writing the report.	necessary and reasonable.
12.1. Mining (Health and Sanitation) Regulations <i>SI 182 of 1995</i>	1995	To regulate health and Sanitation issues in the mining sector	Min of Mines	Licence fees are as prescribed in the specific Statutory Instruments	Not available by time of writing the report.	Observation: The regulation is necessary and reasonable although there is some duplication with other health regulations from NSSA
13. Zimbabwe Explosive Act Chap 10.8	1961	Regulate the use of explosives in the mining sector. To make provision for regulating and controlling the possession, purchase, acquisition, delivery, manufacture, storage, use, conveyance and handling of explosives	Min of Mines, EMA	Licence fees are as prescribed in the specific Statutory Instruments	Not available by time of writing the report.	Observation: The regulation is necessary and reasonable although there are some overlapping aspects with EMA regulations.
14. Mining Health and Sanitation Regulations <i>SI 185 of 1995</i>	1990	Regulation of health and sanitation issues	Min of Mines, EMA	Licence fees are as prescribed in the specific Statutory Instruments	Not available by time of writing the report.	Observation: The regulation is necessary although there is some duplication with EMA regulations.
15. The mines and minerals {Minerals Unit} <i>SI 82 of 2008</i>	2008	Regulates the use of Explosives in the mining sector	Min of Mines, MMCZ	Licence fees are as prescribed in the specific Statutory Instruments	Not available by time of writing the report.	Observation: The regulation is necessary and reasonable.
16. Gold Buying	2005	Regulate the sale	Min of Mines	Licence fees are	Not available	Observation: The regulation is no

Regulations <i>SI 328 of 2005</i>		and Purchase of Gold in Zimbabwe		as prescribed in the specific Statutory Instruments	by time of writing the report.	longer necessary as it has been repealed by the Finance Act.
17. Elution Plant Regulations <i>SI 63 of 2006</i>	2006	Regulate operation of elution plants in Zimbabwe	Ministry of Mines and Mining Development	Not available by time of writing the report.	Not available by time of writing the report.	Observation: The regulation is necessary but there are some overlapping aspects with EMA regulations.

3.2. Mining Industry Fee schedule

The table below summarises the prescribed fees according to the provision of the Mining (General Amendment) Regulations 2016, (No 19)

Provision of the Act	Subject Matter	Fees US\$
Section 15(1)(c)	Registration of an approved prospector paid every 5 years	4000
Section 20(1)	<ul style="list-style-type: none"> • Special Prospecting license per mining district: • Special prospecting license for the whole country 	750 2 500
Section 299	<ul style="list-style-type: none"> • Registration for special mining grant Part XX • Renewal for Mining Special Grant Part XX 	100 000 10 000
Section 293	<ul style="list-style-type: none"> • Application for mining license Special Grant Part: XIX • Renewal of mining license Part XIX • Rental for special grant per hectare 	1 000 1 000 20/hectare/year
Section 45(1)	<ul style="list-style-type: none"> • Application fee for Platinum Special P/L • Registration fee for Platinum Special block 	500 000 750 000
Section 379	Export permits valid for 3 months except diamonds: <ol style="list-style-type: none"> 1. Platinum group concentrate 2. Cut and Polished diamonds 3. Uncut diamonds per shipment 	12 500 50 10 000

3.3. Comments on Regulation in the Mining Sector

Based on interactions with regulators and players in the mining sector the following observations and recommendations are made.

3.3.1. Mining fees and licenses

Government is committed to the beneficiation and value addition of minerals. In terms of Section 371 of the Mining (General Amendment) Regulations, 2016 (No. 19), the permit to export cut and polished diamonds is \$50 per shipment and \$10 000 for uncut diamonds. The permit is valid for 3 months only. After application and registration, the Ministry of Mines and Mining Development inspects the claims. The cost of inspection is \$100 per 10 hectares for gold claims while for base claims it is \$50/10 hectares. General application fees, according to SI 10 of 2016, are pegged at \$100 unless specified. In addition, the fee to register to deal in precious stones is pegged at \$20 000 for 10 years.

In terms of section 371 of the Mines and Mineral Act regulations, miners with a miller on site are required to have a custom milling licence which is currently pegged at \$500 per year. Over and above the milling license, if they transport ores that contain carbon, they should also have a carbon movement permit which is pegged at \$500 per year.

3.3.2. Pro-production fees

Generally fees in the mining sector are pro-production considering that minerals are a depleting resource. Also considering the strong prices of minerals such as platinum and gold on the international market, mining operations in Zimbabwe are considered a lucrative business. Fees and licenses charged to operators are not considered prohibitive to investment. For an entrepreneur to start buying gold in Zimbabwe, he must have a gold buying license issued by the Ministry of Mines and Mining Development issued at \$50,000 regardless of quantities bought. The fee is designed to ensure that serious buyers with the necessary capacity are licenced.

3.3.3. Duplication of regulation

There is duplication of regulation between EMA, NSSA and the Ministry of Mines and Mining Development's ("MMMD"), Mines Inspectorate. There is need for coordination on implementation of some regulations i.e. the Ministry of Mines could inspect mines on behalf of NSSA and EMA. The absence of interaction between the regulators is a major factor in the duplication of activities. An arrangement can easily be made where EMA would limit itself to areas outside the mines instead of going into mines.

3.3.4. The Way forward

There is need for harmonisation on regulatory activities amongst the regulators in the industry. There is also a need for a dialogue between EMA and the Ministry of Mines with a neutral arbitrator.

4. REGULATORY PROCEDURES IN THE TOURISM SECTOR

4.1. Identified laws and regulations

Acts, Regulations, Procedures	Year of Adoption	Purpose serves	Act/Reg	Regulatory Agency/(ies)	Licence/ fees p.a. (\$)	Processing time (days)	Comment
1. Tourism Act	1996	To provide for the designation, registration and grading of tourist facilities and for the licensing of persons who provide services connected with tourism, imposition and collection of levies in respect of designated tourist facilities		Ministry of Tourism and Hospitality (MoTH), Zimbabwe Tourism Authority (ZTA)	Minimum of \$1 000 to a maximum of \$ 4 800 annual registration fee per registered facility depending on star rating/ grading PLUS 2% of revenue as tourism levy paid monthly	30 days	Observation: The regulation is necessary and reasonable.
2. Tourism Policy Document	2013	To facilitate the delivery of high quality, sustainable tourism products that contribute to economic development of Zimbabwe		Ministry of Tourism and Hospitality (MoTH), Zimbabwe Tourism Authority (ZTA)	Not applicable	Policy targeted 2018 as a year to measure the growth and quality of tourism services	Observation: The Policy is necessary as it will promote and guide the growth of the tourism sector.
3. Liquor Act Ch. 14:12	1985	To provide for the control of the sale and supply of liquor; to authorize the sale of refreshments and other		Liquor Licensing Board	1) Health inspection \$200 to \$400 2) Liquor Licences Board \$420 (Depends on the size of the bar or hotel stars)	30 to 90 days	Observation: The regulation is necessary but there are too many processes

		articles; to regulate the conduct of licenced premises; to provide for restrictions on the recovery of debts related to the supply of liquor.		3) Council (endorsement) \$690 to \$700		to go through. Licence is of limited duration .
4. Environmental Management Act	2002.	For the sustainable management of natural resources and protection of the environment; the prevention of pollution and environmental degradation, safety of the facilities	Environmental Management Agency (EMA), Min of Environment Water and Climate, National Environment Council	Health Inspection for facilities is free of charge and if you have a waste disposal area, fees will be charged in relation to the type of emission and fees are as per the SI. Project approval fee 1% of expected project cost (Not related to the work EMA will do in approving project)	No time limit depends with compliance	Observation: The regulation is necessary . The respondents interviewed view the fees/ charges as prohibitive and they are not being used for the intended purpose .
5. Broadcasting Services Act [Chapter 12:06]	2001	For the planning, management, allocation, regulation and protection of the broadcasting frequency spectrum and the regulation and licensing of broadcasting services and systems; to regulate and licence signal carriers	Broadcasting Authority of Zimbabwe (BAZ), Ministry of Information Communication Technology, Postal and Courier Services (MICTPCS)	Basic Licences Fee for 1 year: (i) Five-Star Hotels : US\$10 000 per annum (ii) Four-Star Hotels: US\$ 6 000 per annum (iii) Three-Star Hotels: US\$ 4 000 per annum (iv) Two-Star Hotels: US\$ 2 000 per annum (v) Other Hotels And Lodges: US\$ 1000 p.a. TV Licences	Maximum of 30 Days	Observation: The regulation has lost its rationale as players are subscribing to DStv channels at which ZBC TV is on DStv. The player will be double paying for the same service.
6. Copyright Act Chap 26:01	1/1/1967	Protection of literary, dramatic or musical works as well as respect of records of	Zimbabwe Music Rights Association (ZIMURA)	\$1 200 to \$3 900 per annum depending on hotel size	7 days	Observation: The regulation is necessary and reasonable.

		musical works. Specifically for tourism facilities such as hotels & lodges it is for the protection of the rights of musicians under the copyright law.				
7. Operating Licences		For establishment of a tourism business and the annual subscriptions to maintain the licence	Zimbabwe Tourism Authority (ZTA), Ministry of Tourism and Hospitality, Parks and Wildlife, EMA, Min of Transport and Infrastructural Development	Hunting Operators Licence: Big game- \$1500 & small game \$1000. Accommodation and Restaurant Facilities - \$300 Boats and House Boats permits - \$500 Car Hire and Tour Operators Permits - \$ 300 Visitor Attractions Permit - \$500 External tour operators permit - \$3000 Travel agents Permit - \$ 200	3 - 30 days	Observation: The licences re necessary but too centralized . The charges are prohibitive and there are too many processes to go through.
8. Indigenization and Economic Empowerment Act 8.1 Indigenization Compliance Certificate	2007	Provide for support measures for the further indigenization of the economy; to provide for support measures for the economic empowerment of indigenous Zimbabweans; to provide for the establishment of the National Indigenisation and Economic	Min Youth Indigenisation and Economic Empowerment , Ministry of Transport and Infrastructural Development.	USD1000 for Indigenous owned companies for two years and USD500 for renewal USD2000 for companies that are owned 51/49 for two years and USD1000 for renewal.	It depends with the information supplied by the applicant	Observation: Law requires amendment . Provisions of the law are at variance with the Policy announced by the President in April 2016.

		Empowerment Board and its functions and management; to provide for the establishment of the National Indigenisation and Economic Empowerment Fund; to provide for the National Indigenisation and Empowerment Charter; and to provide for matters connected with or incidental to the foregoing				
9. Public Finance Management Act	1999	To secure transparency, accountability, & sound management of the revenue, expenditure, assets and liabilities of the institutions to which this Act applies.	Ministry of Finance and Economic Development (MOFED)	Not applicable	Not applicable	Observation: The regulation is necessary and reasonable.
10. Value Added Tax Act [Chapter 23:12]. Finance Act 2015	2002	To secure that VAT is levied on the supply of goods and services as well as on the importation and exportation of goods and/or services.	Zimbabwe Revenue Authority (ZIMRA), Ministry of Finance and Economic Development	15% VAT on tourism service	20 working days	Observation: The regulation is not necessary as it making the country's tourism sector very uncompetitive.
11. Shop Licences Act Chap 14:17;	10/22/1976	All premises where selling of goods takes place have to be licenced.	City / Municipal/ Rural District Council	2) Council (endorsement) \$690 to \$700 3) Shop licence \$100 to \$300	7 days	Observation: The regulation requires amendment. It is archaic. The fees

						are still considered prohibitive while there are too many processes to go through.
12. Food and Food Standards Act	1971	To provide for the sale, importation and manufacture for sale of food in a pure state; to prohibit the sale, importation and manufacture for sale of food which is title is falsely described; and to provide for the fixing of standards relating to food	Min of Health and Child Welfare (MOHCW), SAZ	Licence fees are as prescribed in the specific Statutory Instruments	Not available by time of writing the report	Observation: The regulation is necessary and reasonable.
13. Public Health Act Chap 15:09	1924	To make provision for the public health, hygiene of facilities and medical exams of food handlers		1) Health inspection \$200 to \$400	7 days	Observation: The regulation is necessary and reasonable.

4.2. Comments on Regulation of the Tourism Sector

The following comments and observations on the regulation of the tourism sector were made by stakeholders.

4.2.1. Fees reasonable, cumbersome processes

Interactions with operators in the tourism sector indicate that, apart from the project approval fees and various inspection and penalties payable to the Environmental Management Authority (“EMA”) the operating licence fees are not considered as a major issue; the cumbersome processes involved are the major issues that impact on cost of regulation and doing business.

Duplication of regulatory requirements because of the multiplicity of regulators is one of the major challenges faced in the industry. For example, the health inspections of the hotel facilities in urban areas are a duplication of the EMA processes.

The Public Finance Management Act which in 2016 re-introduced 15% VAT on tourism services will negatively impact the growth of the sector. This will increase the price of tourism services and, as the burden is transferred to the tourists, the country’s tourism sector becomes very uncompetitive, particularly as the sector’s prices are denominated in a strong currency, the US\$.

4.2.2. EMA charges the most expensive

The most prohibitive charges relate to EMA. For approval of new or expansion projects the administration fee of 1% of the expected project cost is prohibitive and is not related to the work that EMA will do in the approval process. This is more evident in multimillion dollar developments. To ensure that the regulation would not be used for revenue purposes we would propose a capped fee structure in line with the project’s potential impact on the environment and public health. There would be no more than three categories i.e. Green (Minimal impact), Orange (Significant) and Red (Major impact).

4.2.3. Harmonisation of regulation is necessary

The following recommendations are made.

- The establishment of a “One Stop Shop” concept for all licences so as to reduce time and costs associated with the processes.
- As an interim measure arrangements can be made for a single regulator inspecting the premises and collecting payment on behalf of all other relevant regulators to whom it will pass on the share of the fee. Thus, for example Municipalities could widen the scope of their health inspection of premises to incorporate the EMA requirements, and collect theirs and the EMA fee. They would then pass on the latter to EMA.
- Since the tourism sector is competing with operators in other regional countries the price competitiveness of the sector’s products and services is critical. It is recommended to have lower tariffs for utilities and VAT for the tourism sector, particularly as the sector’s US\$ denominated pricing system makes the country very expensive.

5. REGULATORY LAWS AND PROCEDURES IN THE BANKING SECTOR

5.1. Identified laws and regulations

Counter	Acts, Regulations, Procedures	Year of Adoption	Purpose serves	Act/Reg	Regulatory Agency/(ies)	Licence/ fees p.a. (\$)	Processing time (days)	Comments
1.	Reserve Bank Act [Chapter 22:15]	1999	Sets up the Reserve Bank of Zimbabwe as a statutory body and sets out the functions and powers of the Reserve Bank		The Reserve Bank	Not applicable	There are no timelines. The Governor expected in terms of section 46 of the Act to present the Monetary Policy in June and December of each year. In terms of section 63 of the Act any person who registers a company under a restricted term will be required to rectify within a period of six weeks from the date of the written order or any such longer period the Registrar may allow.	Observation: The regulation is necessary and it is currently being amended
2.	The Banking Act [Chapter 24:20] & Banking Regulations <i>S.I. 205 of 2000</i>	2000	To provide for the registration, supervision and regulation of persons conducting banking business and financial activities in Zimbabwe.		The Reserve Bank	A Licensing fee payable in terms of section 8 of the Banking Act. This currently pegged at	The period in which the Registrar is required to consider an application for licensing of a banking institution shall not exceed 6 months. In terms of section 14 of	Observation: The regulation is necessary and it is currently being amended

Counter	Acts, Regulations, Procedures	Year of Adoption	Purpose serves	Act/Reg	Regulatory Agency/(ies)	Licence/ fees p.a. (\$)	Processing time (days)	Comments
						<p>\$2000</p> <p>An annual fee is payable by registered banking institutions in arrears in March of each year. The fee differs depending on the banking institution's asset base. A fee of 1000 is payable on lodging an application for acquisition of a significant interest in terms of section 26 of the Act.</p>	<p>the Act, the Registrar is required to give a 30 day notice period when intending to cancel a licence unless if the licence holder consents to the cancellation.</p> <p>In terms of section 25 of the Act, an application to the Minister for amalgamation or transfer of business requires the publication of the application in the Gazette for a period not less than 21 days.</p> <p>In terms of section 26, the Registrar is required to consider an application for significant interest within ten days after reaching his decision.</p> <p>In terms of section 48 of the Banking Act, the Registrar is required to give notice of intention in respect of any intended supervisory action. The supervised entity should be given opportunity to make representation.</p>	

Counter	Acts, Regulations, Procedures	Year of Adoption	Purpose serves	Act/Reg	Regulatory Agency/(ies)	Licence/ fees p.a. (\$)	Processing time (days)	Comments
						<p>Section 27 of the Act may call for a prescribed fee on the establishment of a branch outside Zimbabwe. Section 28 may call for a prescribed fee on an application to the Registrar for the establishment of a representative office</p>	<p>There is also need for the Registrar to consult with the Deposit Protection Corporation. In terms of section 53 of the Act, a banking institution can be placed under curatorship for a definite or indefinite period. In terms of section 56 (2), a curator may freeze for a period not exceeding one year, all of the amounts deposited or invested in a banking institution. In terms of section 57 of the Act, the Reserve Bank can apply for an institution to be placed under judicial management or to be wound up or liquidated. This is a long and prolonged court process which may stretch for periods of up to four years (e.g. Royal Bank was closed in 2012 and is under liquidation.) In terms of section 73, any person aggrieved by a</p>	

Counter	Acts, Regulations, Procedures	Year of Adoption	Purpose serves	Act/Reg	Regulatory Agency/(ies)	Licence/ fees p.a. (\$)	Processing time (days)	Comments
							decision of the Registrar may lodge an appeal to the Minister of Finance within 30 days of notification of the decision. There is no timeline stipulated in which the Minister may hand down a judgment. Any person aggrieved by the decision of the Minister may appeal to the Administrative Court. The court may confirm, vary or set aside the decision being appealed against. This is another long drawn court process which could run for a couple of years.	
3.	The Building Societies Act [Chapter 24:02] & Building Societies Regulations, 1973	1965	This is an Act which provides for the establishment, registration, management and control of building societies.		Reserve Bank	A licensing fee of 2000 is currently payable on licensing of a building society	In terms of section 14 of the Act, the Registrar may cancel a licence on 30 days notification. In terms of section 17, a building society may acquire or retain the ownership of land, provided that buildings are erected and sold within five years of	Observation: The regulation is necessary and reasonable.

Counter	Acts, Regulations, Procedures	Year of Adoption	Purpose serves	Act/Reg	Regulatory Agency/(ies)	Licence/ fees p.a. (\$)	Processing time (days)	Comments
							<p>acquisition.</p> <p>In terms of section 60 of the Act, where two or societies intend to amalgamate, notice of the intention to amalgamate or transfer must be sent to the Registrar not less than 28 days before the date of a special general meeting. An appeal may be lodged in 30 days in terms of section 68 of the Act.</p> <p>In terms of section 61 of the Act, a building society may be wound up.</p> <p>In terms of section 64 of the Act, an application for the judicial management of a building society can be made to court.</p> <p>In terms of section 68 of the Act, an appeal may be lodged within 30 days of being notified of the decision to the Minister in respect of any decision by the Registrar.</p>	
4.	Microfinance Act [Chapter	2013	The Act provides for the registration,		Reserve Bank	The Act calls for an	The period within which the Registrar considers an	Observation: The regulation is necessary

Counter	Acts, Regulations, Procedures	Year of Adoption	Purpose serves	Act/Reg	Regulatory Agency/(ies)	Licence/ fees p.a. (\$)	Processing time (days)	Comments
	24:29]		supervision and regulation of persons conducting microfinance business in Zimbabwe			<p>application fee at registration of a credit only or deposit taking MFI. Currently the licence fee is pegged at \$300. A renewal of registration fee of \$300 is also payable. Minimum Capital of \$5M</p>	<p>application within section 7 of the Act may not exceed 60 days unless the Applicant concedes to a further extension.</p> <p>In terms of section 10 of the Act registration is valid for a period of one year.</p> <p>In terms of section 12 of the Act, the Registrar is required to give a 30 notice of intention to cancel a licence.</p> <p>In terms of section 37 of the Act, the Registrar is required to give notice of intention to take supervisory action and shall provide the microfinancier adequate opportunity to make representations.</p> <p>In terms of section 50 of the Act, anyone aggrieved by a decision, action or proposal by the Registrar may appeal within 30</p>	and it is currently being amended

Counter	Acts, Regulations, Procedures	Year of Adoption	Purpose serves	Act/Reg	Regulatory Agency/(ies)	Licence/ fees p.a. (\$)	Processing time (days)	Comments
							days after being notified. There is no time limit set for the Minister in which to make a determination. In terms of section 51 of the Act, the Registrar may extend any of the timelines provided in the Act at the request of a microfinancier.	
5.	Money lending and Rates of Interest Act [Chapter 14:14] & Money lending and Rates of Interest Regulations	1930	An Act to register and set interest rates for moneylenders.		Reserve Bank	A licensing fee of 300 is currently payable	Not applicable	Observation: the regulation is not necessary . There is however a proposal to repeal the Act through the proposed amendments to the MFI Act.
6.	Deposit Protection Act [Chapter 24:29]	2012	To establish a Deposit Protection Corporation and to provide for its management, functions and powers; to establish a Deposit Protection Fund for the compensation of depositors in the event of financial		Deposit Protection Corporation	A contributor who has been served with a notice to contribute should pay out in 21 days. The contribution payable is a	Not applicable	Observation: The regulation is not necessary . There is no meaningful benefit to the depositor. This duplicates /should be function of the Reserve Bank.

Counter	Acts, Regulations, Procedures	Year of Adoption	Purpose serves	Act/Reg	Regulatory Agency/(ies)	Licence/ fees p.a. (\$)	Processing time (days)	Comments
			institutions becoming insolvent, and to provide for the administration and application of the Fund			function of the institution's deposit liabilities. It is been recommended that the turnaround time in paying out to depositors be reduced.		
7.	Exchange Control Act [Chapter 22:05] & Regulations	1965	The Act confers powers and imposes duties and restrictions in relation to gold, currency, securities, exchange transactions, payments and debts, and the import, export, transfer and settlement of property.		Reserve Bank	Not applicable	Not applicable	Observation: the regulation is necessary to regulate the flow of currency into and out of the country.
8.	National Payments Act [Chapter 24:23]	2001	The Act provides for the recognition, operation, regulation		Reserve Bank	Not applicable	In terms of section 16 of the Act, where a participant is placed	Observation: The regulation is necessary . The advances in

Counter	Acts, Regulations, Procedures	Year of Adoption	Purpose serves	Act/Reg	Regulatory Agency/(ies)	Licence/ fees p.a. (\$)	Processing time (days)	Comments
			and supervision of systems for the clearing of payment instructions between financial institutions, for the netting or other settlement of obligations arising from such clearing and the discharge of indebtedness arising from such netting or settlement; and also makes provision for the finality of payments and settlements made in accordance with such systems.				under curatorship, judicial management or wound up, the curator, judicial manager or liquidator are bound by the rules of the payment system. The placing of such a participant under judicial management or provisional judicial management, shall not affect the finality or irrevocability of any payment or transfer which became final and irrevocable before the copy of the relevant order was lodged with the Reserve Bank.	technology and mobile money make it even more desirable to regulate the payment systems.
9.	Bank Use Promotion & Suppression of Money Laundering Act [Chapter 24:24]	Part IV came into effect on 1 September 2004, The remainder of the	The Act promotes the use and suppresses the abuse of the banking system. It enables unlawful proceeds of all serious crime including drug trafficking to be		Reserve Bank of Zimbabwe	Not applicable	In terms of section 7 of the Act, the Director, in consultation with the Governor may issue a directive and financial institutions which fail to comply with the directive within a stipulated time shall be guilty of an offence. Any institution aggrieved by a directive	Observation: The regulation is necessary and reasonable but should be amended so as to make reference to financial services providers (“FSPs”) and not just banks.

Counter	Acts, Regulations, Procedures	Year of Adoption	Purpose serves	Act/Reg	Regulatory Agency/(ies)	Licence/ fees p.a. (\$)	Processing time (days)	Comments
		Act came into effect on 17 February 2004 and Part VI came into effect on 15 July 2004.	identified, traced, frozen, seized and eventually confiscated. It requires financial institutions and cash dealers to take prudential measures to help combat money laundering.				may apply to a judge in chambers. There are no timelines. In terms of section 25, a designated institution is required to keep records for a period of five years. Suspicious transactions are required to be reported no later than 3 days after or before a transaction are carried out. In terms of section 30 of the Act, a Director may issue a compliance order of an intention to issue a compliance order and give the designated institution a reasonable opportunity to make representations. An appeal to a judge in chambers may also lie.	

Counter	Acts, Regulations, Procedures	Year of Adoption	Purpose Act/Reg serves	Regulatory Agency/(ies)	Licence/ fees p.a. (\$)	Processing time (days)	Comments
10.	Money Laundering and Proceeds of Crime Act [Chapter 9:24]	2013	This Act provides for suppressing of the abuse of the financial system. It enables the unlawful proceeds of all serious crime and terrorist acts to be identified, traced, frozen, seized and eventually confiscated.	Not applicable	In terms of section 28, failure to comply with Part II of Chapter 3 and attracts a penalty of 100 000 dollars	Not applicable	Observation: the regulation is overlapping with the Bank Use Promotion & Suppression of Money Laundering Act [Chapter 24:24]. It is necessary as money laundering is a serious matter which must be regulated against. The penalty fees are excessive.
11.	Troubled Financial Institutions (Resolution Act) [Chapter 24:28]	2005	The Act provides for the administration of troubled financial institutions; and provides for the formulation and implementation of schemes of resolution in respect of such institutions.	Reserve Bank		The Act allows for a banking institution to be declared troubled through the publication of a declaration order in the Gazette. The institution is thereafter placed under an Administrator who will have the powers of a Curator.	Observation: The regulation is no longer necessary since it was specific and time bound. It will be repealed in terms of the Banking Amendment Bill, 2016

5.2. Comments on Banking Sector

5.2.1. Justification for regulation

The banking sector is one area where there is a strong justification for regulation. The regulation has to be strict and effective to ensure the stability of the country's financial system. The financial system is integrated into the Global financial system and of necessity has to be regulated using international best standards.

5.2.2. Effectiveness of the regulation

The regulation of the banking sector appears effective and as there is a constant review and upgrade of the systems. The regulations have embraced technological developments that have led to new financial products. The Banking Amendment Bill which is currently (2016) in Parliament seeks to bring the regulatory provisions up to date with developments in technology, digital finance and international best practices. The Bill also seeks to repeal laws that have outlived their purpose.

5.2.3. The cost of regulation

The cost of regulation in the banking sector is reasonable. Application/renewal fees of the order of \$300 (for Microfinance) are not prohibitive to the development of the financial sector. What are rigorous – and justifiably so – are the minimum capital adequacy thresholds. However, these provide a range of categories of banks depending on the services that they can provide i.e. Category A: Microfinance banks which offer savings and loans only; (\$5 million capital); Category B: Local commercial banks which offer savings, loans and foreign currency services but not mortgage lending (\$30 Million); and Category C: International Banks and Local Banks offering the full range of commercial banking and mortgage services (\$100 million).

6. REGULATORY LAWS AND PROCEDURES IN THE ENERGY SECTOR - ZERA

6.1. Identified laws and regulations

Acts, Regulations, Procedures	Year of Adoption	Purpose serves	Act/Reg	Regulatory Agency/(ies)	Licence/ fees p.a. (\$)	Processing time (days)	Comments
1. Energy Regulation Authority Act. Chap 13:23	2011	To provide for the establishment of energy regulatory authority {ZERA} and outline its functions		Ministry of Energy and Manpower Development (MOEMD), Zimbabwe Energy Regulatory Authority (ZERA)	Not applicable	Not applicable	Observations: The regulation is necessary , but there are still gaps/shortcomings/insufficiency in regulations that need to be covered Regulation for Revenue
2. Petroleum Act Chap 13:22	2006	It is read together with the energy regulation act- provides the rules and regulations for liquid fuels: provides for a level playing field in the energy sector		ZERA	LP Gas Retailer - US\$115 for 2 years.	14 days	Observation: The regulation is necessary and reasonable as it wipes out any monopolistic behavior in the industry.
3. Petroleum {Fuel Pricing) Regulations 3.1. Amendment No 1 SI 20 of 2015 3.2. Amendment	2014	Provides for the price ceilings and floors for fuels		ZERA	Licence fees are as specified in the specific Statutory Instrument.	Not available by time of writing the report	Observation: The regulation is necessary and reasonable.

No 2 SI 100:2015						
4. Mandatory Blending Regulations 4.1. Amendment No 1 SI 147A:2013 4.2. Amendment No2 SI 81 of 2015 4.3. Amendment No 3 SI 125:2015	2013	Enforce the blending of fuels for all operators	Independent Body in Mozambique, ZERA and SAZ	Not available by time of writing the report	20 Minutes with ZERA, 4-5 Days with SAZ and 7 days with EMA on the same sample	Observation: The regulation is not necessary . This interferes with the operation of market forces and builds cost inefficiencies.
5. Electricity Act Chap 13:19	2002	To provide for the licensing and regulation of the generation, transmission, distribution and supply of electricity;	ZERA, MOEMD	Licence- 1% of projected revenue	Not available by time of writing the report	Observation: The interviewed respondents observed that the regulation is necessary but the fees are prohibitive .
6. Electricity Licensing Regulations, 103 of 208 Amendment No 1 SI 55	2015	Issuing licences for electric power generation, solar etc.	ZERA, EMA, City Council/RDCs	1) Primary Electricity Generation Licences Application fee – \$2500 – Green Field* \$2000 - Brown Field* 2) Primary Electricity Generation Licences 1-10 MW -\$10 000 11 MW and above \$20000 fixed + \$10000 per 25MW above 3) Primary Electricity Transmission	Up to 3 months depending with compliance with requirements	Observation: The industry observes that while the licences are necessary, they are excessive and too centralized .

				Licences Application fee- \$2500 4) Primary Electricity Distribution Licences Application fee- \$2500 Primary Electricity Distribution Licences \$20000 fixed + \$10000 per GWh Bulk Supply Licence Application fee - \$2 500 Bulk Supply Licence fee- \$120 000 Licence compliance return - \$10		
Secondary Acts						
7. Public Finance Management Act [Chap 22:19]	2009	Management and auditing of public funds- licence fees etc.	Auditor and Controller General, Min of Finance	Not applicable	Not applicable	Observation: The regulation and necessary and reasonable for transparency reasons.
8. Indigenisation and Economic Empowerment Act [Chap 14:33]	2007	Business operations/ ownership laws	Min of Youth, Indigenization & Economic Empowerment	Fees are as prescribed in the Indigenisation regulations.	Depends on the adequacy of information supplied by the applicant.	Observation: The regulation is requires amendment to align with Policy.
9. Rural Electrification Fund Act [Chap 22:14]	2001	The process, funding , execution and logistics of rural	Min OF Energy, ZERA	Not available by time of writing the report	Not available by time of writing the	Observation: The regulation is necessary and

		electrification			report	reasonable.
10. Pipeline Act	1970	To authorize the Minister to grant authority for the construction and operation of pipelines for the conveyance of goods within Zimbabwe; to confer and impose certain rights, powers and obligations upon the person to whom authority for the construction and operation of such a pipeline is granted; and to provide for matters connected with or incidental to the foregoing.	Ministry of Energy and Power Development, Ministry of Transport and Infrastructure Development	Not available by time of writing the report	Not available by time of writing the report	Observation: The regulation is necessary and reasonable. Duplicates Feruka Pipeline Act.
11. Mozambique-Feruka Pipeline Act [Chap 13:7]	1962	Transportation of fuels regulations, costs, time frame and safety measures	Min of Energy	Not applicable	Not applicable	Observation: The regulation is necessary and reasonable. Duplicates Pipeline Act.
12. Value Added Tax [Chap 23:12]	2010	Excise tax on fuels per sale	ZIMRA	Not available by time of writing the report	20 working days	Observation: The regulation is necessary and reasonable.

						However, industry observes that the administrative processes are excessive and prohibitive. .
13. Statutory Instruments						
13.1. Petroleum {Liquid Petroleum Gas} Regulations, <i>SI 57:2014</i>	2014	Provides for the conditions, prices and operations of fuels service facilities	ZEAR-SAZ	Not available by time of writing the report	Not available by time of writing the report	Observation: The regulation is necessary and reasonable.
13.2. Fire Licences		Fire prevention mechanisms or facilities		\$900 p/a	Not available by time of writing the report	Observation: The regulation is necessary and reasonable.
13.3. Trading Licence		Certificate to trade as a company or energy firm		\$500 p/a	Not available by time of writing the report	Observation: The regulation is necessary and reasonable. Limited duration/Repetitive.
14. Environmental Management Act	2002	Environment Protection, transportation of fuels and safety measures	EMA	\$500 p/a	No limit depends with compliance	Observation: The regulation is necessary and the fees/charges are prohibitive. The fees are not being used for the intended purpose.
15. Environmental Compliance Certificate		To protect the environment from pollution	EMA	\$500 p/a	No limit depends with compliance	Observation: The regulation is necessary but has limited duration.

						The interviewed respondents observed that the fees charged are prohibitive as compared to our counterparts.
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6.2. Comments on Regulatory Procedures in the Energy Sector

6.3. Relevance of regulation

The mandate of the Zimbabwe Energy Regulatory Authority (“ZERA”) is to allow and/or establish a level playing field in the energy sector, and to promote safety and standards in the energy business. The Authority is still young being only 4 years old so all the regulations, acts and statutory instruments are considered still very relevant. It is felt there are still gaps in regulation which require more regulations to be put in place. The purpose of the ZERA regulations is to provide for efficiency and competition in energy generation, import and distribution in Zimbabwe in order to lower the cost of energy.

6.4. Impact of the regulations

The energy sector is dominated by larger corporations which can afford the costs associated with regulations. In addition, the world over the energy sector is a highly regulated sector.

The inefficient production, distribution systems and unreliable supply of electricity as a result of the monopolistic nature of the sector is negatively affecting the competitiveness of locally manufactured goods. It has been noted that there lacks transparency in the pricing system of electricity. This has led to the high tariffs which affect the competitiveness of the economy as a whole. Zimbabwe’s cost of producing electricity is very high compared to the SADC region leading to a high charge per kilowatt. At 10.0c/kilowatt the production cost of Zimbabwe’s electricity is relatively high compared to the majority of SADC countries such as South Africa where it costs 6.2c/kilowatt, Zambia, 6.0c/kilowatt and Mozambique, 8.15c/kilowatt. Not surprisingly, the electricity tariffs for Zimbabwe (even though they are below ZESA’s production cost) are still high when the world prices are falling.

7. OVERALL COMMENTS ON THE BUSINESS REGULATORY LAWS AND PROCEDURES

7.1. Purpose of the Inventory compilation

Like any other developing country, Zimbabwe's legal and regulatory regime is cited as one of the biggest challenges constraining private sector development. Some of the critical business regulation burden currently faced by Zimbabwe is emanating from the multiplicity and overlapping of business regulatory procedures, fees and permits at national level. Therefore reducing the regulatory burden can lead to a better business environment that encourages both local and foreign direct investment. For this reason, the exercise seek to develop an Inventory of Regulations, Laws, Procedures and Licences as well as evaluating areas where there is duplication and identify laws or regulations that are no longer serving their purposes.

7.2. Main observations

The main observations are summarised below.

REGULATORS

7.2.1. Pervasiveness of EMA – “polluter pays” principle

The exercise establishes that the Environmental Management Agency (“EMA”) regulations cut across all the four sectors under review i.e. mining, agriculture, manufacturing and tourism. EMA administers the Environmental Management Agency Act which seeks to provide for the sustainable management of natural resources and protection of the environment, and the prevention of pollution and environmental degradation. Levies on the transportation of hazardous substances and emission of gasses weigh heavily upon agriculture, mining and manufacturing through the transportation of fertilizers, fuels and chemicals, while the environmental protection regulations like the Environmental Impact Assessment (EIA) and land conservation are also all-encompassing. The pervasiveness of EMA regulations and procedures makes EMA a highly visible major regulatory authority in all the sectors.

EMA uses the “polluter pays” principle. This is based on the principle of punishment and thus does not focus on effective incentives for observance of sound environmental practices. It is not a coincidence that in all the sectors interviewed EMA charges and penalties are cited as a major impediment and cost to business. This demands that the execution of regulatory procedures by EMA should be efficient, effective and be designed to promote the successful, sustainable accomplishment of the business objectives. It is our contention that an incentive based approach would encourage compliant behaviour and achieve EMA's objectives at a fraction of the current costs to both EMA and the business community.

For tourism and other projects requiring EMA approval of the environmental impact assessments, the upfront approval fees which are a percentage of the estimated project cost, have the effect of increasing the project cost, while the operating and permit licence fees effectively raise the fixed costs of business.

Overall Observation: Many of the EMA regulations have a legitimate origin in the need to ensure protection of the environment in the conduct of business. However, the indiscriminate application of the regulatory procedures and various user charges and licence fees detract from the noble objective.

7.2.2. Broadcasting licences also dominate

Licences issued by ZBC and Transmedia are administered through the Broadcasting Services Act by the Broadcasting Authority of Zimbabwe (BAZ). Zimbabwe Music Rights Association (ZIMURA) licences are administered through the Copy Right Law with the purpose of protecting the rights of musicians. These licences are a major burden, through “the fixed cost effect”, particularly to the tourism sector, as they are applied on a “per room” or per unit basis, regardless of occupancy or utilisation of the room or unit. Other sectors such as manufacturing and mining, due to their vehicle fleet have to pay the radio licences. The sector feels that they should not be compelled and the licence fee should be at the same level with the domestic fee.

Overall Observation: Many of the Broadcasting licenses sampled are necessary but excessive as it is leading to voluntary non-compliance.

7.2.3. Municipal licences

Local government and Municipal regulations also cut across all the sectors under review. Many businesses require premises or other infrastructure that need to be inspected and licensed for business operations. Some of the licenses such as Factory shop licenses, liquor licence, and shop licences are renewed on an annual basis and cannot be renewed electronically. The applicant would actually have to physically visit the municipal/local government offices. In the agriculture sector, the land tax is the one of the most visible and has hitherto been administered by the Rural District Councils (RDC) as is the sale and slaughter of livestock. Local governments and municipalities are also visible in tourism, mining and manufacturing where businesses often have to acquire operating space. The adverse impacts of the municipal and local government regulations on business premises are more on the slow and cumbersome processes involved rather than on the actual costs of the licences.

Overall Observation: Many of the municipal licences sampled are necessary but centralized and too many in numbers.

SECTORS

7.2.4. Agriculture the most affected

Because of its dominance in the economy, Agriculture is the sector which is mostly affected by the regulatory framework as well having the highest number of regulatory laws and provisions. The sector is affected by a plethora of Acts and Regulations which directly and indirectly impact on the day-to-day operations of the farmer. As in other sectors, it is however, the way in which the laws are administered that adversely impacts agricultural operations.

Overall Observation: Agriculture sector is mostly affected by the regulatory framework and many of the laws and charges sampled are overlapping or no longer necessary.

7.2.5. Tourism – the impact of regulatory “fixed costs”

In the tourism sector, the main regulator impacts are exerted by the environmental regulations from EMA and the fees associated with permits from Transmedia/ZBA, ZINWA and ZESA Act. Many of these fees are levied per room/facility regardless of occupancy. This makes them a fixed cost of the business.

An additional impact that has emerged is from the reintroduction of VAT (at 15%) in 2016 which is exacerbating the competitiveness of Zimbabwe in the regional tourism market, which has already been adversely affected by the strengthening of the US\$, Zimbabwe’s main currency. The effect of these regulations is that the ratio of regulatory cost to the entire cost of doing business in the Tourism sector is very high and prices out the country. International tour operators are thus redirecting tourists to other countries in the region.

Overall Observation: EMA is the main regulator impacting the tourism business. Many of the laws and charges sampled are unnecessary, duplicative, and excessive.

7.2.6. Manufacturing – the pharmaceutical sector

The pharmaceutical industry is one area where regulation is necessary in order to ensure and safeguard public health at an affordable price by adherence to international safety, health, and competition and quality standards. However, the compliance requirements and licence costs that are required to start a new pharmaceutical business are too complex and discourage new entrants. This discourages competition and results in high costs to the consumer.

Overall Observation: Many of the laws and charges sampled are necessary but excessive and too many.

7.3. The adverse impact of regulatory procedures

7.3.1. “Regulation for revenue” purposes

The cost of regulation now contributes significantly to the cost of doing business in Zimbabwe. Even in situations where individual cost items may be minute the multiplicity of these regulations makes the cumulative effect on cost very significant. The time lost in application for the licences also translate to money and opportunities lost. The main cause is for this situation derives from “regulation for revenue” which has been brought about by the establishment of regulatory bodies which are not adequately funded by the Treasury; the regulators therefore rely on licence fees, levies and “penalties” for their operational revenue. Thus the objective of regulation is lost. It leads in principle, to the perpetuation of adverse practices and non-compliance, as long as the offenders pay penalties or fees.

7.3.2. Impact on regulatory compliance

The cost of regulation is the major hindrance to compliance. In most cases there is a negative opportunity cost to full compliance that will be the collapse of the company due to high cost of

operations. Therefore, the One Stop Shop (OSS) concept for harmonisation of regulations and procedures is recommended to ease the processing of licences, reduce the costs and encourage compliance. Reducing the cost of compliance will result in higher levels of compliance, thus obviating the objectives of regulation.

7.3.3. Impact on Regional Competitiveness

High cost of compliance is weighing down on the country's regional competitiveness because it increases the cost of doing business and for companies to survive, they have to share the burden with the consumers; the final product becomes expensive. In the goods market we lose out on price competition to such an extent that importing commodities becomes cheaper than purchasing those manufactured locally. In the services sector, for example, tourism whose competition is at regional level, the cost of services can easily shift the attention of clients to other countries in the region. Therefore regulations in the key sectors of the economy must follow regional benchmarks in relation to the local economic circumstances.

7.3.4. Lack of uniformity

The licence and regulatory fees for industries in the same sectors should be uniform across all regions except in the case of Special Economic Zones, which are yet to be established in Zimbabwe. Exceptions would be in agriculture where the land tax would differ with region and definition of the land. In addition there should be standardised periods of getting the licences and permits across all the regions.

7.4. Recommendations

Our recommendations to enhance the effectiveness of regulation are based on the recognition of the rationale for regulation and the need to enhance its effectiveness by the adoption of internationally recognised principles in regulation.

7.4.1. The rationale for regulation

Regulation is necessary in many of the industries and business undertakings. Some of the broad objectives of regulation are:

- a. To bring about order in the conduct of business
- b. To ensure equal access to resources and or services
- c. To ensure the provision of safe and affordable goods and services to the consumer
- d. To ensure fair and effective competition in order to provide benefits to the consumer

7.4.2. Regulatory principles

When a regulation is necessary it is also important that the regulation is effective i.e. that it achieves its objective without creating an unnecessary burden on the regulated entities. The adoption of the following principles would lead to regulatory effectiveness.

- a. **Legitimacy of purpose** – regulation to ensure public safety, consumer protection, competition and fair trade
- b. **Do no harm principle** – Regulation should not result in the creation of other problems in the process. For example, regulation should not result in loss of competitiveness.

- c. **User pays principle** – The user of a facility or service pays proportionately for the use that it enjoys.
- d. **Fair treatment** – Regulation should be fair and provide redress in the event of unfair treatment in the public good.
- e. **Facilitative** – Regulation should be facilitative to the conduct of business through reduction of the cost of doing business.

7.4.3. The recommendations

We now recommend the following:

1. **One principal/lead regulator per industry** - The harmonisation of regulations that overlap in terms of licences, fees and permits. Where an industry regulator is present, all other regulatory bodies should liaise with that regulator. For example, in the mining industry the main regulator would be the Ministry of Mines which is the licencing authority. EMA, NSSA, etc. would be compelled to collaborate with the Ministry.
2. **Regulation for legitimate purpose** - Licencing should be used to serve legitimate regulatory purposes and not for revenue generating purposes i.e. public safety, consumer protection, competition and fair trade. Any laws, regulations or procedures that do not comply with the principles of regulation should be repealed or removed. There should be no regulation for revenue purposes.
3. **Use of electronic systems in regulation** - There should be coordination between government agencies and the Government should invest in sufficient ICT solutions to integrate and streamline processes.
4. **Categorisation of licences** - Licences serving the same objective should be categorised under one category to pave way for assessing the relevance and impact of any licences or permits e.g. City of Harare charges various fees depending on actual activity undertaken e.g. Business Consultancy (US\$200), Accounting Firms (US\$500), Legal Firms (US\$500). The Categorisation would provide for fixed fees for example professional services, medical services, Beauty services etc.
5. **Enactment of Business Facilitation Law** – The Government is actively involved in the Ease of Doing Business programme. Some of the measures will require changes to the law. However, many such changes do not require a change in the law but a change in attitude. To foster a change in attitude, it would be necessary to pass a Business Facilitation Law which provides a basis for regulators to adopt pro-business attitudes even though the laws that govern them are yet to be amended. In addition such a law will make it clear and mandatory that regulation should be efficient and facilitative. Minimum service standards will be adopted with clear penalties for failure to observe the set service standards. Mauritius is an example of a country that has adopted such a law. This will encourage all regulators and public officers to expedite the regulatory and licencing processes, while criminalising and penalising anti-competitive behaviour.