

CITY OF HARARE



SMALL AND MEDIUM ENTERPRISES POLICY

April 2023

COMMENCEMENT OF THIS POLICY

This policy came into effect on the 2nd of May 2023 when it was adopted by Full Council at its 1919th Ordinary Meeting.

INTERPRETATION OF THIS POLICY

All words contained in this policy shall have an ordinary meaning attached thereto, unless the definition of context indicates otherwise. Any dispute on interpretation of this Policy shall be declared in writing by any party concerned. The Town Clerk and Director of Housing and Community Services shall give a final interpretation of this policy in case of a written dispute.

PERMANENT OR TEMPORARY SUSPENSION OF THIS POLICY

This policy may be partly or wholly waived or suspended by Council on a temporary or permanent basis after consultation with Management and Stakeholders. No Council official may under any circumstances temporarily suspend this policy.

AMENDMENT OF THIS POLICY

This policy may be amended by the Town Clerk when it is deemed necessary and such amendments to be approved by Council.

COMPLIANCE AND ENFORCEMENT

Violation or non-compliance with this policy by City officials will give a just cause for disciplinary steps to be taken. All Micro, Small to Medium business operating outside the provision of this policy, shall be deemed illegal and appropriate enforcement measures will be taken.

ADOPTION AND APPROVAL BY COUNCIL ON

- *Approved by Small to Medium Enterprises Committee Minutes of 4th April 2023 Item 7 and adopted by full Council on the*

ENG H CHISANGO
TOWN CLERK

MR A NHEKAIRO
DIRECTOR DHCS

Policy Document Control

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Name	Title	Sign Off	Date
Mr A Nhekairo	Director of Housing & Community Services		
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Distribution (This Document has been distributed to :)			
Name	Company	Contact Details	
The Policy is a Public Document and shall be distributed to all stakeholders and will be available at all Council Offices, websites and Council Social Media Platforms.			
General Remarks	The Small to Medium Enterprise Policy Document, with other Council Policies, By-laws, National Policies and Acts of Parliament shall be the principal primary document that will guide the operations of the SMEs in Harare.		

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FOREWORD BY THE SMES CHAIRPERSON

The macroeconomic challenges experienced in Zimbabwe over the years, have changed the structure of the economy from formal to predominantly informal. The Informal Sector as commonly known has grown in leaps and bounds over recent years following the decline in performance of formal industry. This sector in Zimbabwe contributed an average of 61% towards the country's Gross Domestic Products over 1991 to 2019, making it one of largest in the region. The growth of this sector translates into increased demand for physical infrastructure and other business support services. In the case of Harare, the increased demand especially for physical infrastructure has not been matched by the supply side as the City Planning systems and Architectural Plans over the years have been unresponsive to the plight of the informal sector such that there has been very limited space planned for this sector, thus creating disequilibrium, leading to infrastructure shortages. Harare Central Business District has witnessed the subdivisions of shops and buildings into malls and stalls as demand for trading spaces by small to medium enterprises surpassed the infrastructure supply side.

The City of Harare in 2017, established a Small to Medium Enterprises Committee to specifically deal with issues affecting the informal business sector. The Council of 2018-2023, identified operational performance challenges experienced by the sector as well as the Policy gaps in regulating and transforming the Sector from Informal to Small to Medium Enterprises businesses in Harare. Council, through the SMEs Committee made a decision to put in place the Small to Medium Enterprises Policy aimed at closing legal framework gaps that regulate the operations of the sector as well as promoting a sustainable enabling environment.

The Policy on SMEs was approved by Council in April 2023 after consolidation and consideration of all stakeholder inputs. The main components of the policy include policy framework for SME support, SME financing, regulatory changes including licensing of informal businesses and provision of defined trading spaces and reserved trading areas and SMEs entrepreneurship business education and training. Council is convinced that this Policy has closed the policy gaps and addresses inconsistencies which have been hindering the development and transformation of SMEs businesses in Harare. The Policy is aimed at bringing order and sanity in the SMEs sector, formalising the SMEs business in Harare and providing policy guidelines for regulating the sector, foster economic participation, address political and social myth that has been affecting the growth and transformation of the sector into viable large businesses that contributes positively to the City and Government economic growth through taxes payments and promotion of economic diversification, creation of sustainable employment opportunities, encourage the development of a competitive and sustainable SME community.

The thrust of this Policy is also to promote infrastructure development, enhance social protection within the sector, regulating SMEs trading in Harare as well as empowering the Small to Medium Enterprises businesses. The Policy is aimed at creating an enabling environment in which SMEs will flourish and grow as well as providing an integrated approach to their development.

This Policy which is gender sensitive and supports SDG Goals of No to poverty, Industry Innovation and Infrastructure and Decent Work and Economic Growth is an expression of the City of Harare commitment to implementing a legitimate regulatory framework for the SME sector. I call upon all of us to embrace this Policy as the achievement of the Policy goals and objectives require a partnership among key stakeholders within the public and private sectors, and associations and/or organizations representing various SMEs operating in Harare.

PREAMBLE

The economic challenges experienced at the turn of the millennium saw the proliferation of SMEs businesses in Greater Harare. After realising the shift in the business sector, the Central Government of Zimbabwe in 2022, developed a Small, and Medium Enterprises Policy which aimed to promote the small to medium enterprises sector. The development of the small to medium enterprises sector became crucial for achievement of broader development objectives such as economic development, income generation, poverty alleviation and employment creation. Despite the formulation of the Policy and various government interventions to address the SMEs economy, the sector remained characterised with a myriad of challenges including lack of social protection, conflicting regulatory frameworks on SMEs businesses, lack of technological advancement, inadequate infrastructure and conflicts amongst traders.

It is critical to understand that Harare contributes about 38 percent to the national GDP since 2016. In 2018, the overall Harare GDP at 2012 constant price was about US\$7.7 billion which fell to US\$7.1 billion in 2019. The contribution of the SMEs to these GDP statistics has been immense and estimated to be around 61% hence the need to further develop the sector. The SMEs sector is now a major contributor to the economy so much that it has become imperative and critical for Harare to integrate this sector into the City Development matrix. The formal economy is now relying on the SMEs sector in the supply of some critical raw materials as well as supply of finished products. The SMEs sector in Harare is now a key component of the whole formalised business sector value chain. Though the SME sector is a USD billion-dollar economy, much has not been realised in terms of revenue collection by both national government and Harare City due to challenges in the establishment of collection models as well as leakages.

Of late, most formerly registered businesses are channelling their finished products through the SMEs sector after realising the weakness in enforcement of taxation systems in this sector. SMEs sector traders from across the region have flocked to Harare over the past decade. This increase in demand for SMEs sector trading places as well as the activities undertaken brought some fundamental changes to the socio-economic environment and therefore need to be well managed in order to realise some economic benefit for the city and government.

The Ministry of Women Affairs, Community, Small and Medium Enterprise Development in 2011 conducted a survey on SMEs traders operating along the streets of Harare and established that **6,216** SMEs traders were operating in Harare and the number has increased to over **100,000** traders by 2022. This increase is across the trades due to increased economic depression and micro-economic crisis. The SMEs sector in Harare has not been adequately covered in the land management framework, resulting in them occupying every piece of identified open space for their businesses. To facilitate regulations and management of the SMEs sector in Harare, there is a need to develop infrastructure and formulate supportive policies and legal frameworks.

TABLE 1: SMES SECTOR IN HARARE KEY STATISTICS

TRADE	Current Registered (2020)		Post-Covid Projections-	
	No of Sites	No of Stalls	No of Sites	No of Stalls
SMES SECTOR STATISTICS				
Markets (Agriculture Produce)	112	7382	200	21000
Markets (Flea Markets)	31	1868	75	15600
Home Industry	15	1755	30	11700
Guarded Car Park	133	133 (142938M ²)	250	300 266248M ²
Mobile Network Booths	198	198	594	600
TOTALS	489	11 336	1149	49200
Deficits			660	37 814
CURRENT AND PROJECTED ECONOMIC CONTRIBUTIONS OF THE SMES SECTOR				
		Current	Projection	Gap
Number of Formal Sector Registered (i.e., paying licences)		15298	20000	4702
No of registered SMEs sector-		11336	+100 000	88664
Revenue Collected from SMEs Sector as at Dec 2020		7.1 Million	1 billion	992.9 Million

Source: City of Harare 2020 Data

SMEs employment is characterised by low productivity, low incomes, high poverty, no social protection, and lack of workers' representation among others. High levels of SMEsity implies that Harare has abundant resources that are not being fully and productively utilised. The growth in SMEsity translates into increased demand for physical infrastructure and other business support services. The increased demand especially for physical infrastructure has not been matched by the supply side thus creating disequilibrium, leading to infrastructure shortages. The growing contribution of the SMEs sector demands that Harare invest in developing this sector with an overall objective of transforming it to a well modelled business sector which is well regulated and managed. The Pillars that support the SMEs Sector Transformation include Infrastructure,

Enforcement and Investment. This policy therefore provides a legal framework to enable infrastructure development, enhance enforcement and creates a conducive environment for investment in the Sector.

ACRONYMS

DHCS- Department of Housing and Community Services

DHS - Department of Health Services

DOW- Department of Works

SMEs - Small to Medium Enterprises

MSMEs- Micro, Small to Medium Enterprises

NSSA- National Social Security Authority

COH- City of Harare

SHEQ- Safety, Health, Environment and Quality

1. DEFINITIONS OF KEY TERMS.

- 1) **MSME trading-** The non-registered, non-accounting, non-tax paying, grassroots based individuals/ group of household members whose businesses practices are based on street vending/hawking but not limited to selling small quantities of goods and services to both defined and undefined market to earn a living
- 2) **The MSMEs sector-** Consists of activities that have market value but are not formally registered. Additionally, it includes businesses operating at both low or higher levels in the production of goods and services with the primary objective of earning a living.
- 3) **Micro Small to medium Enterprise (MSMEs)-** definition of MSME is derived from the Small and Medium Enterprises Act (Chapter 24:12). The act defines an MSME as a legal business entity whose categorisation is in terms of being Micro, Small and Medium taking into account a combination of the following variables (1) sector (2) size or class (3) number of full time paid employees (4) total annual turn-over and (5) maximum gross value of assets. In terms of this Policy, the SMEs is categorised as follows:

Sector or sub sector of the Economy	Size or Class	Maximum total number of full-time paid employees
Agriculture, Mining, Manufacturing, Gas, Electricity, Water and Construction	Medium: Small: Micro:	100 50 5
Retail and Motor Trade and Repair Services, Tourism, Art and Craft, Fisheries, Wholesale Trade, Commercial Agents and Allied Services, Catering, Accommodation and Other Trade, Transport, Storage and Communications, Finance and Business Services Community, Social and Personal Services:	Medium: Small: Micro:	50 30 5

Adapted from: NATIONAL MSME POLICY 2020-2024

- 4) For the purpose of this Policy, SMEs in simpler terms include all legal business entities that are independent provided that it will not be a subsidiary, branch or associate of a large business organization, has workers and is registered.

- 5) **Enforcement Process-** Refers to the process of ensuring compliance with the policy provision, council regulations and Council by-laws.

2. THE POLICY

- 2.1 The Small to Medium Enterprises Policy for City of Harare, outlines the framework and sets out strategies for implementation, coordination, monitoring and evaluation to enhance development and growth of the SMEs sector in Harare.
- 2.2 The Policy Guides the City of Harare in the management and transformation of the SMEs Sector in Harare into enterprises that would contribute meaningfully to economic growth and creation of sustainable employment.
- 2.3 This policy shall be read together with relevant council policies, regulations, by-laws, Master Plan, Local Plans and Schemes and statutes.
- 2.4 This Policy supersedes the operative SMEs Sector Policy of 2016.
- 2.5 All SMEs business, among others, tuck-shops, salons and barber shops are subject to this policy, by-laws and regulations within the City of Harare.

3. POLICY OBJECTIVES

The broad objective of this policy is to transform the SMEs sector economy into modern and sustainable small to medium enterprises moving towards fully fledged businesses for sustainable economic growth and development. The specific objectives are:

- 3.1 To improve economic participation of the SMEs sector business through improved and coordinated business activities.
- 3.2 To strengthen the involvement of key stakeholders in creating an enabling environment for SMEs business to develop, grow and enhance its contribution to the national economy.
- 3.3 To promote gender equality in small to medium enterprises and SMEs trading particularly vending activities.

- 3.4 To stimulate/improve Harare`s Gross Domestic Product(GDP) .
- 3.5 To promote the provision of requisite SMEs infrastructure.
- 3.6 To promote mixed use of market activities.
- 3.7 To create capacity development for SMEs sector businesses, sustainable employment opportunities and poverty reduction.
- 3.8 To create an enabling sustainable environment for entrepreneurial development.
- 3.9 To promote compliance to SHEQ (Safety Health, Environment and Quality) practices among the SMEs
- 3.10 To formalise the SMEs Sector and transform its operations for economic growth.
- 3.11 To enhance and promote compliance with regulatory frameworks.

4. POLICY SCOPE

- 4.1 This Policy shall apply to all SMEs businesses operating in Harare.
- 4.2 This policy shall be applicable to all forms of SMEs trading at the following places:
 - 4.2.1 Designated trading/vending sites.
 - 4.2.2 All shopping centres, Shopping Malls and Stalls owned by Council and private players.
 - 4.2.3 All public institutions inclusive of churches, hospitals, stadia, recreational areas.
 - 4.2.4 In and around residential areas
 - 4.2.5 Major roads intersections and servitudes where applicable subject to lease arrangements with Council.
 - 4.2.6 Any other spaces determined by Council.

5 ADMINISTRATION OF THE POLICY

- 5.1 This Policy shall be primarily administered by the Department of Housing and Community Services in consultation with other departments of Council.
- 5.2 The Small to Medium Enterprise Committee shall oversee the implementation of the policy.

6 COUNCIL INTERFACE WITH SMEs

- 6.1 Council shall be responsible for the regulation and management of all SMEs sectors business operating in Harare.
- 6.2 Council shall establish Database for SME Activities in Harare.

6.3 Council shall hold engagements meeting with SMEs stakeholders from time to time.

6.4 Council shall establish a database of SMEs Associations at various levels for various business sectors for improved interaction and coordination of the sector development.

6.5 Council shall, from time to time, post information related to SMEs on its website, social media and other platforms.

7 POLICY LEVERS

The Policy is designed to give impetus to sustainable urban management where Council should be able to accommodate trading at designated trading sites and develop the SMEs sector. This policy framework is geared to ensure that Council promotes the creation of job opportunities and diverse economic and trading opportunities. The four key levers for desired change are Planning, Registration, Allocation and Rentals Management.

7.1 Planning for SMEs

7.1.1 All new markets and trading facilities shall be properly planned and regulated bearing in mind the economic needs of traders to match international best practices.

7.1.2 Mixed SMEs business activities at Council commercial and social services buildings, shall be promoted and replanned for SMEs trading to promote mixed business use.

7.1.3 Council shall identify and plan for temporary trading spaces for SMEs to utilise after hours, for weekends and public holiday trading.

7.1.4 All existing Council Markets and Home Industries shall be remodelled in line with international best practices.

7.1.5 New market developments shall be linked to emerging patterns of trade in the areas they serve.

7.1.6 Council shall identify, plan, approve, survey and allocate land where there is suitable land for the establishment of markets, home industries and guarded car park sites.

7.1.7 Council shall demarcate stalls/stands of various sizes informed by the nature of trading activities to be undertaken at any particular site.

7.1.8 Council shall consult its various stakeholders in the planning of SMEs. In this regard, Council shall take cognisance of the existence of various associations representing the SMEs sector to make use of the institutions for proper and inclusive planning.

7.2 Registration of SMEs Sector Traders

- 7.2.1** All SMEs Traders in Harare shall be registered with Council for them to operate their business in Harare.
- 7.2.2** A nominal annual registration fee payable shall be gazetted by Council by way of resolution.
- 7.2.3** Council shall keep a database of all SMEs business operating in Harare and shall not issue trading spaces to unregistered traders.
- 7.2.4** Data on registration shall be kept in the centralized inter-departmental information system, which links where the traders are, the sectors they work in, registration, rent-paying status, environmental health and the enforcement function.
- 7.2.5** All unlicensed SMEs sector businesses shall be considered operating illegally and will be subjected to enforcement by Council.
- 7.2.6** Business Fees payments and or renewal for SMEs operating in council premises and land shall be issued subject to compliance with requirements of this Policy, Council Premises Rental Policy and compliance to lease agreements terms and conditions.
- 7.2.7** Business fees payments for SMEs or renewal for those operating in private business premises shall be issued subject to compliance with the registration requirements of this Policy and other related policies.
- 7.2.8** A Certificate of Registration shall be issued to all registered traders by the City of Harare.

7.3 Allocations of trading space within Council land

- 7.3.1** Allocations of trading space on Council premises and land shall be based on database.
- 7.3.2** Council shall set allocation criteria which shall be reviewed from time to time depending on the prevailing economic and social trends.
- 7.3.3** Allocations of trading space within Council shall be inclusive to cater for all groups in the society including women, the youth, and people living with disability.
- 7.3.4** Local community members shall be prioritised in terms of allocation of trading space and Council shall reserve sixty (60) percent for the local community.
- 7.3.5** Council shall also set aside 10% of available trading space for Council employees. Employees in the retirement category shall be given preference under this category.
- 7.3.6** Council through the SMEs Committee will be solely responsible for the allocation of trading spaces at trading sites.

7.4 Rentals on trading on Council premises and land

- 7.4.1** Allottees shall be liable to pay monthly rentals to Council as shall be determined by Council.
- 7.4.2** Rentals shall be determined by the site size, prevailing rates, desirability of location and type of services.
- 7.4.3** The tariff and rentals to be paid shall be determined by the Valuations and Estates Management in consultation with the SMEs Committee.

8 STRATEGIC POLICY PILLARS

The following are the critical pillars for SME growth and development in terms of this Policy.

8.1 Legal and Regulatory Environment

- 8.1.1** Council shall strive to harmonise all regulatory and compliance requirements to promote ease of doing business in the SMEs Sector.
- 8.1.2** This Policy shall be implemented together with other National and Council Policies, By-laws and legislations.

8.2 Enforcement Framework

- 8.2.1** All SMEs traders are encouraged to comply with the provision of the Policy as non-compliance shall attract fines.
- 8.2.2** Council, through the Municipal Police, Development Control Officer, Markets Officers, Enforcement Agency and or any other person (s) authorised by Council shall enforce for compliance to this Policy and other policies and legislation of direct concern to Council.
- 8.2.3** Council Municipal Police and State Agency shall enforce discipline and order in all markets and SMEs sectors business.
- 8.2.4** Council, through the Development Control Arm, shall demolish all illegal SMEs and SMEs Sector Infrastructures and penalise the offenders.
- 8.2.5** Council shall establish a mechanism for prevention and response to Gender based violence in all our markets and SMEs businesses.

8.2.6 Council shall establish a referral pathway for gender based violence victims within its MSMEs sector.

8.3 Tariff Modelling

8.3.1 Council shall determine tariffs to be paid as monthly rental fees, registration fees, trading fees and any other fees to be paid by SMEs Traders.

8.3.2 No-payment or late payment of Council fees shall attract a fine to be determined by Council and such a fine shall be reviewed from time to time.

8.3.3 Tariffs shall also be determined considering the business sector, business activities and geographical location of the markets.

8.3.4 Council through the SME Committee shall consult its critical stakeholders in setting up tariffs and penalties for non-compliance.

8.4 Lease Issuance and Management

8.4.1 All SMEs operating within Council Buildings and or land shall be given leases.

8.4.2 All SMEs leases shall be issued by the Department responsible for SMEs and ratified by Council through Small to Medium Enterprise Committee.

8.4.3 All leases for SMEs holders shall be administered by the Director of Housing and Community Services.

8.4.4 Temporary leases shall be issued by the Director responsible for SMEs through District Officers or officers designated to issue such leases.

8.4.5 Lease validity shall be determined by Council and will vary from sector to sector.

8.4.6 Council shall set conditions for lease management and renewal.

8.4.7 Leaseholders not complying with Council Policies, by-laws shall not have their leases renewed.

8.4.8 Termination of lease shall be due to non-payment of monthly rentals, subletting, trading in other business other than the one allocated for the area and or each party giving notice of termination.

8.4.9 Any person found subletting shall have her/his trading licence and or lease terminated forthwith.

8.5 Entrepreneurship Development

The policy seeks to strengthen and foster a culture of entrepreneurship among the residents of Harare. In order for Council to inculcate a culture of entrepreneurship, Council shall;

- 8.5.1** Collaborate with a number of stakeholders along the education/academics value chain to ensure that entrepreneurship is mainstreamed in curriculum. This will be compounded by the infusion of entrepreneurship in Vocational Training Centres (VTC). These educational institutions will be used as launch pads for entrepreneurship skills development.
- 8.5.2** Utilise the VTCs, create innovation hubs which will be used to develop start-ups.
- 8.5.3** Aim to develop and nurture entrepreneurial skills mainly targeting the youths, women, physically disadvantaged, school leavers and the unemployed.
- 8.5.4** Re-design its curriculum at the Vocational Training College(s) to ensure that all the skills set(s) needed in the SMEs sector is included.
- 8.5.5** Further design mechanisms to further ensure effective viability of the VTCs. Marketing of VTCs courses on offer shall be done and those in the SMEs will be the main target. Curriculum for the SMEs to include, inter-alia; Business management (Business planning, financial management, marketing, ICT, paralegal training, Corporate governance (Business ethics), Innovation and Technical skills (trade based).
- 8.5.6** Council shall collaborate and establish linkages with both the public and private sector for the effective capacity development and/or strengthening across all sector of the economy. Thus Council will establish a database of facilitators from both the private and public sector to provide capacity development/strengthening for the SMEs sector. **These capacity building will further include mentorship programmes.**
- 8.5.7** Council shall make deliberate efforts to capacitate all SMEs sector business owners with skills and knowledge to manage their retirement.

8.6 Social Protection

- 8.6.1** Council, shall engage government arms and all relevant stakeholders on establishment of framework to safeguards the interests of SMEs employees.
- 8.6.2** City of Harare shall work closely with NSSA and reputable insurance companies to offer social protection to SMEs.
- 8.6.3** All SMEs registered by Council shall be required to comply with NSSA regulations
- 8.6.4** Council shall work closely with financial institutions and development partners to offer financial services to SMEs for growth and expansion.

9 SMES SECTOR INFRASTRUCTURE

Council has an obligation to religiously review and implement its SMEs Sector Infrastructure Development Plan. The *SMEs Sector Infrastructure Development Plan*, entails upgrading and constructing appropriate infrastructure for the various SMEs activities across the City including the attendant service delivery infrastructure. This infrastructure will be complemented by the uplifted social services infrastructure and the Traffic and Transportation infrastructure which includes transport hubs and business centers. The implementation of the plan is done in conjunction with Ministries of Local Government and Public Works; Women Affairs, Small to Medium Enterprises Development; National Housing and Social Amenities; Finance and Economic Development (ZIMRA), Lands, Agriculture, Water and Rural Resettlement; Industry and Commerce. The Plan entails development of General and Smart Markets Infrastructure.

- Decongesting existing facilities in line with the City's Decentralization Strategy.
- Implementation of a reliable revenue management system from the MSMs sector.
- Rehabilitation of the existing SMEs infrastructure.
- Strengthening the involvement of key stakeholders in the SMEs sector business for infrastructure development.
- Construction of integrated transport hubs (local, intercity and regional) which incorporate business and shopping facilities.

9.1 General Infrastructure

- 9.1.1** Council shall use the SMEs fund, Council Budget, Devolution funds, Donor funds and Development Partners support for markets infrastructure development and maintenance.
- 9.1.2** Council shall develop and implement an SMEs Infrastructure Development Plan.
- 9.1.3** Council shall facilitate Public Private Partnership (PPPs) for market development.
- 9.1.4** Council shall put in place measures to attract private investors to develop markets workspace for SMEs under different arrangements such as Build Operate and Transfer (BOT), Build Own Operate and Transfer (BOOT) arrangements.
- 9.1.5** Council, through its decentralization drive, shall put in place markets for the SMEs sector in every Ward and Major Economic activity places.

- 9.1.6** Council through its Valuations and Estate Management, shall avail suitable land for SMEs Sector Development in every Ward and in all strategic business areas.
- 9.1.7** Council shall not enter into any private partnership arrangement which is not beneficial to Council for the development of Markets Infrastructure.
- 9.1.8** Council shall continue to upgrade its existing market infrastructure to meet World class standards.
- 9.1.9** Council may either rent out the land to eligible individuals or enter into smart partnership deals with companies or organisations, for the provision of basic market infrastructure.
- 9.1.10** Council shall promote the development of SMEs business incubators, cold chain facilities, warehouses, commercial hives, industrial parks, factory shells and innovation hubs.

9.2 Safe Markets Infrastructure

- 9.2.1** Council shall endeavour to develop safe markets to cater for women, children and persons living with disabilities.
- 9.2.2** Council shall establish a safe market at each Ward whose construction timelines shall be as per SMEs Sector Infrastructure Development Plan.
- 9.2.3** Council shall develop a Standard Operating Procedure for all Safe Markets Infrastructure.
- 9.2.4** Council shall partner Development Partners in the establishment of Safe Markets.
- 9.2.5** Council shall provide all necessary sanitary services at all its established safe markets.
- 9.2.6** Council shall provide gender sensitive ablution facilities at all its trading/ vending sites.

9.3 Investment in SMEs

- 9.3.1** Council shall put in place a mechanism to attract business investment in SME.
- 9.3.2** Council shall work closely with relevant Government Departments to create a conducive environment that will foster and promote investment in the SME sector.
- 9.3.3** Council will promote diversification and innovation by SME.
- 9.3.4** Council shall guarantee security to SMEs investors and value property rights.
- 9.3.5** Council will eliminate all space barons, land barons and urban mafias in SME business.
- 9.3.6** Council shall not politicise the management of SME business.
- 9.3.7** Council will not work through middle men, agencies and or political parties in the management and allocation of Council land for SME.

9.4 SME Memorandum of Agreement

- 9.4.1** Council shall enter into Memorandum of Agreements for the Development of SME infrastructure
- 9.4.2** All partnerships and agreements on SME shall be entered by Council through the Small to Medium Enterprise Committee.
- 9.4.3** All leases for SMEs holders shall be issued and administered by the Director of Housing and Community Services.

10 FARMERS MARKET ACCOMMODATION

- 10.1** Council shall endeavour to construct affordable Overnight Accommodation Facilities for farmers who supply products to the Farmers Markets.
- 10.2** Farmers Overnight Accommodation shall be managed by the Director of Housing and Community Services.
- 10.3** The Overnight Accommodation shall be provided in all Major Farmers markets that the City of Harare operates.

11 SMALL TO MEDIUM ENTERPRISE UTILITY

- 11.1** Council shall create an SME Utility, which is 100% owned by Council.
- 11.2** The purpose of the Utility will be to manage SME Infrastructure Development and revolving fund for SME traders.
- 11.3** The Utility shall be under the purview of the Small to Medium Enterprise Committee and administratively managed by the City Business Development Unit of the Office of the Town Clerk and Department of Housing and Community Services.
- 11.4** The Utility shall be responsible for the creation of an enabling environment for SME Infrastructure development amongst many other responsibilities that shall be assigned to it by Council.
- 11.5** The Utility shall be responsible for registering all SMEs in Harare.

12 SMALL TO MEDIUM ENTERPRISE FUND

- 12.1** Council shall create a Small to Medium Enterprises fund.

- 12.2** The fund shall be used for SME infrastructure development, maintenance and for the Revolving Fund for SME registered traders.
- 12.3** Council shall use 90% of the SMES fund for Infrastructure Development, and 10% shall be used for the administration of the fund.
- 12.4** Council shall devise a mechanism that promotes accountability and transparency in the management of the SME fund.

13 SMEs REVOLVING FUND

- 13.1** Subject to the Micro- Finance Act (Chapter 24:19), Council, through its SME utility shall establish an SME Revolving Fund to finance SME business activities.
- 13.2** The fund shall be used for SMEs infrastructure development, maintenance and the Revolving Fund for SMEs registered traders.
- 13.3** Partnerships and linkages will be developed with commercial banks, Merchant Banks, Buildings Societies, Saving Banks, Credit organisations, Micro-Finance Institutions (MFIs) and Development Financial Institution (DFIs).

14 UTILISATION OF MARKETS RETENTION FUND

- 14.1** Council shall retain 30% of monies paid through SMEs Business
- 14.2** Of the retained funds, 80% shall be deposited into the SME Fund and 20% remained at the centre to be utilised as petty cash for routine and general maintenance.
- 14.3** The retained fund shall be used in terms of the Retention Policy and PRAZ regulations.
- 14.4** Council shall establish a Development Committee comprised of the District Officer, Local Councillor, Markets Officer and traders at each market/ home industry and or council trading sites whose agenda is to spearhead infrastructure maintenance and development using the retention funds
- 14.5** The Development Committee shall be chaired by the District Office of the area deputised by Local Councillor.
- 14.6** All the development activities to be reported to Council through the Small to Medium Enterprises Committee and other relevant committees of Council.

15 SMES MANAGEMENT

- i. All businesses in this category shall be charged using the tariff as determined by Council. In the event of defaulting payment by lease holders, council shall repossess and reallocate the trading space.
- ii. All SMEs Business Traders working hours shall be determined by Council after engaging all relevant stakeholders.
- iii. SMEs Sector working hours shall vary from sector to sector as shall be determined by Council.

15.1 Overnight Guarded Car Parks

- 15.1.1** Council shall create and maintain a database of all overnight guarded car parks.
- 15.1.2** Council shall promote the mixed use of small to medium enterprise activities.
- 15.1.3** Allocation of the guarded car parks shall be done by the Director of Housing and Community Services.
- 15.1.4** The beneficiaries shall operate on a one-year renewable lease.
- 15.1.5** All guarded car parks shall be required to be compliant with public health regulations.

15.2 Home Industries

- 15.2.1** Council shall maintain a database of all Home Industries.
- 15.2.2** Council in its endeavour to support indigenous entrepreneurs to manufacture home grown products shall continue to establish sites for home industries.
- 15.2.3** Allocation of home industries shall be done by Director Housing and Community Services.
- 15.2.4** The beneficiaries shall operate on a one-year renewable lease.
- 15.2.5** All Home Industries shall be required to be compliant with public health regulations.

15.3 Malls and Stalls

- 15.3.1** Council shall cause each stall holder in a shopping mall to be registered as an SME and pay registration fee to the respective department.
- 15.3.2** All SMEs operating in Malls and are stallholders to pay relevant fees in terms of the Council by-laws and regulatory framework.
- 15.3.3** All Malls to provide traders with adequate bins for waste as shall be determined by Council.

15.3.4 Shop owners where SMEs are operating from, to pay appropriate extra fees to Council for the management of extra generated waste.

15.4 Fruit and Vegetable Markets (Retail)

15.4.1 Council shall maintain a database of all Fruit and Vegetable Markets.

15.4.2 Allocation of trading stalls shall be done by the Director of Housing and Community Services.

15.4.3 Operators shall be given one-year renewable leases and shall pay monthly charges to council.

15.4.4 Operating hours shall be determined by Council considering the prevailing operating business environment.

15.4.5 All Fruit and Vegetable markets shall be required to be compliant with public health regulations.

15.5 Farmers Market (Wholesale Market)

15.5.1 Council shall establish farmers' markets in identified areas across the City.

15.5.2 Farmers supplying products to the market shall be registered by Council.

15.5.3 Council shall provide Farmers with security for their goods delivered to the market.

15.5.4 Council shall regulate the operations of all Farmers Markets.

15.5.5 All Potas operating in Farmers market shall be registered by Council for them to operate and a database of the same kept by Council.

15.5.6 All Potas shall pay a registration fee to Council and renew their operations every six months.

15.5.7 Allocations of trading space shall be done by Council on a daily basis.

15.5.8 Farmers Markets shall operate from 0300 hrs in the morning and close at 1300 hrs in the afternoon.

15.5.9 Delivery of goods and services shall be from 1400 hrs in the afternoon to 0200 hrs in the morning of the following day.

15.6 Flea Markets

15.6.1 Council shall keep a database of traders in both Council and privately owned Flea Markets

- 15.6.2** Traders in privately owned Flea Markets shall be registered with Council at a fee.
- 15.6.3** Allocation shall be done by District Officer and Markets Officer.
- 15.6.4** Operators in Council owned markets shall be one-year renewable lease holders who pay monthly charges to council.
- 15.6.5** Council owned flea markets shall operate as per Council stipulated time.

15.7 Tuckshop, Corner Shops and Containers Business

- 15.7.1** Council shall provide a standard design for tuckshop.
- 15.7.2** All tuck shops built without compliance with the standard plan, regulations and model provided by council shall be deemed to be illegal and council will have the right to demolish such developments.
- 15.7.3** Tuckshops, Corner Shops and Containers shall be registered with Council after complying with the following:
- 1) Town planning and modern building by-laws in terms of space.
 - 2) Payment of property tax and Council bills.
 - 3) A residential stand shall not operate more than two tuckshops.
 - 4) Number of tuck shops per street shall be established according to town planning standards.
 - 5) Connershops, Tuckshops and Containers shall be required to register with the city and are bound with this policy.
- 15.7.4** All tuckshops shall be required to be compliant to public health regulations therefore all tuckshops shall be required to obtain a health certificate.
- 15.7.5** All tuck shops built without compliance with the standard plan, regulations and model provided by council shall be deemed to be illegal and council will have the right to demolish such developments.

15.8 Backyard Business

- 15.8.1** Council shall regulate the operations of all SMEs and SMEs business operating in the backyard of their houses.

- 15.8.2** Council shall register all SMEs and SMEs traders operating in the backyard of their houses.
- 15.8.3** Council shall issue temporary operating permits valid for one year for registered SMEs business and SMEs operating in the backyards of houses.
- 15.8.4** All registered SMEs Traders and SMEs shall pay monthly fees to Council. The fee shall be determined by Council and reviewed quarterly.
- 15.8.5** All unregistered SMEs operating in the backyard of their houses shall be treated as illegal and enforcement procedure will be duly followed.
- 15.8.6** Confiscated goods will be released upon payment of penalty fees and other chargeable fees as shall be determined by the Council.

15.9 Food Vendors and Hawkers

- 15.9.1** Food vendors shall be registered with the Council.
- 15.9.2** For mobile food vendors, the Vendors By-Law will be applied whilst the Hawkers By-law would be applied to Hawkers.
- 15.9.3** Static food vendors should trade at a designated area by Council.
- 15.9.4** All food vendors shall be required to be compliant to public health regulations.

16 TRANSFORMATION OF THE SMES SECTOR.

- 16.1** All informal Sector Businesses are encouraged to transform from being informal to SMEs.
- 16.2** All SMEs are encouraged to transform to big business corporations
- 16.3** Council shall put in place a mechanism that promotes transition of informal businesses to formal SMEs Business.
- 16.4** Council through its Vocational Training Centres, Ministry responsible for SMEs and through the participation of development partners, shall equip SMEs business with relevant skills and capacities for them to grow into big corporates.
- 16.5** Council shall work closely with Confederation of Small to medium Enterprises Organisation as well as the Confederation of Zimbabwe Industries in assisting the growth of the SMEs sector.
- 16.6** Council shall promote the Annual Exhibition of SMEs products as a broad marketing and transformation strategy for the Sector.

17 CROSS CUTTING ISSUES

The implementation of this Policy will take into account a number of cross cutting issues which include gender dimensions, youth development, disability, safety and health, research and development and environmental issues.

17.1 Gender and Disability Considerations

17.1.1 Council will continue mainstreaming issues of gender and disadvantaged groups in all initiatives pertaining to SME development.

17.1.2 Development and implementation of programmes and projects to promote and support women entrepreneurs will take into consideration the different roles and responsibilities of men, women, boys and girls.

17.1.3 The policy takes into consideration the gender and disability aspect of groups with special needs in the planning process.

17.1.4 There shall be Gender and disability disaggregated registers to indicate the number of men against women owning market stalls.

17.1.5 The policy shall aim to empower vulnerable women traders and people with disabilities to ensure recovery and resilience from socio economic shocks, through effective participation in safe, inclusive and violence free markets.

17.1.6 10 % of trading stalls shall be reserved for people with disabilities when allocating trading space. Council will ensure that all services and support provided to SMEs will be sensitive to and accommodate the needs of people living with disabilities.

17.1.7 Access to support will be afforded to all and special arrangements will be made for people living with disabilities to ensure equal access to support from Council, development agencies and the private sector.

17.2 Youth Development

A deliberate strategy to create an entrepreneurial culture and to prepare youths for self-employment will continue to be pursued.

17.3 Health and Safety Issues

- 17.3.1** Council shall continue to encourage the development, implementation and review of the SME Health and Safety policies to ensure the observance of best practices in occupational safety and health (OSH) in the sector.
- 17.3.2** A vendor/ stallholder who has been allocated a stand or stall shall keep such stand or stall and its immediate environs in a clean and hygienic state.
- 17.3.3** A vendor/stallholder of foodstuff in a market, home industry or business market must ensure compliance with all the health regulations as stipulated in the Health Act and the relevant Health By-Laws and regulations. In terms of Health and Safety, the NSSA Act provisions shall apply.

17.4 Research and Development

- 17.4.1** Council shall continue to support and strengthen the capacity to carry out Research and Development (R&D) and will use research information for the development of appropriate policies, programmes and schemes for the benefit of the SMEs sector.
- 17.4.2** Council collaboration with research institutions and universities will facilitate access to innovative technology, markets and information by SMEs to enhance productivity, quality and competitiveness of their products and services.
- 17.4.3** To give effect to these continuing policy provisions, Council will accelerate the development of a formal programme of linkages between SMEs and tertiary institutions especially State Universities and other research institutions for SMEs to tap into facilities at innovation hubs as well as research and development outputs. This will enable SMEs to be the breeding ground for new innovations.

18 VACATION OF MARKETS, HOME INDUSTRY & GUARDED CAR PARKS

- 18.1.1** A stall/stand holder shall immediately vacate such stand/stall upon the expiry of his/her permit or Lease Agreement unless the permit/lease agreement has been renewed.
- 18.1.2** Vacation shall also be enforced on defaulters or those found subletting Council Market, Home Industry and Overnight Guarded Car Park facilities or breaching the prevailing by-laws or policy provisions.
- 18.1.3** In situations of death or serious incapacitation of the stallholder the lease shall automatically be terminated by Council and re-allocated to those on the waiting list.

18.1.4 Council, through the Director of Housing and Community Services who shall have the prerogative to consider the retention or removal of certain stallholders on circumstantial or humanitarian grounds.

19 SITES MANAGEMENT

19.1 All sites shall have Management Committees established by Council and Traders

19.2 The role of Site Management Committee shall be to represent traders' interests and provide the link between City of Harare and Traders.

19.3 These committees will do the organizational activities of getting the traders together to accomplish desired goals and objectives using available resources efficiently and effectively.

19.4 The desired goals and objectives being to:

19.4.1 Maintain cleanliness of sites and the toilets every time

19.4.2 Promote orderly trading and harmony at their sites

19.4.3 Maintain a record of their membership daily

19.4.4 Liaise with the Director of Housing & Community Services on any challenges faced by traders at their sites.

19.4.5 Ensure that their members are up to date with their rental and licences payment

19.4.6 Prohibit residence in/at any Markets, Home Industry, guarded car park or any related facility.

20 TIED CONDITIONS

20.1 Council shall not allow middle(makoronyera) to operate in all markets.

20.2 Council Enforcement to demolish all illegal structures and confiscate all the goods.

20.3 Council Municipal Police to find all businesses operating without requisite Council compliant certificates in their business premises.

20.4 Where demolitions are done on a private property, Council shall penalise and bill the owner of the property together with the illegal business operator/trader

20.5 Council strictly prohibits vending activities at all unauthorized places in the City.

20.6 Enforcement action shall be taken against traders operating on unauthorized sites that include street garaging, maize roasting and illegal vendors

20.7 In the vent of death of leaseholder, family members shall continue with the lease

21 ACTION PLAN, IMPLEMENTATION STRATEGY

21.1 The implementation of this Policy Framework is based on an Action Plan and the SMEs Sector Implementation Strategy, as well as a Monitoring and Evaluation (M&E) Framework.

21.2 The responsibility to ensure that the SMEs sector policy framework is implemented, monitored and evaluated to achieve the desired results lies with the Office of the Town Clerk.

22 INDEMNITY

Council shall be indemnified against any liability, loss claim, damage or proceedings in respect of personal injury or death of any person or any injury or damage to any property arising out of use of the council site by any stall/stand holder.

APPENDIX

List of Participants (Officials)

Name	Position
1. Engineer M P Moyo	A/Town Clerk
2. Mr I Sithole	A/Director of Housing and Community Services
3. Eng N Karidza	A/Director of Works
4. Eng V.Z Musikavanhu	A/Director Harare Water
5. Mr G Kusangaya	A/Director of Finance
6. Mr W Chiwawa	A/Chamber Secretary
7. Dr Vere	A/Director of Health Services
8. Mr B Chikwekwete	Chief Human Capital Officer
9. C.E Dhedheya	A/Principal M&E - Housing and Community Services
10. A.Muguti	A/Principal M&E Works
11. J Murimi	A/Principal M&E Chamber Secretary
12. L Mukumba	A/Principal M&E Health Services
13. Mr Banda	Principal Markets Officer
14. Mr Tambala	Business Development Officer
15. Mr Tigere	Business Development Officer
16. K Mamvura	Markets Officer
17. A Masuku	Principal Accountant
18. Mudimu	Accountant
19. L Gumbie	City Architect
20. DS Mavolwane	A/M&E Manager
21. J Mujegu	A/Town Planner
22. W Makananzi	Housing Senior Administrator

1. List of Stakeholders and their contact details

Organisation Name	Focal Person	Phone number	Email Address
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Harare Residents' Trust	P Shumba	0772869294	
Combined Harare Residents' Association	R Akili	0774731770	
Vendors initiative for social and Economic Transformation. (VISET)	S Wadzai	0772968307	awadzai@visetonline.org
ZCIEA	W Malaya	0772361905	
Ministry of Women Affairs, Community, Small to Medium Enterprises			