The Friends of Zimbabwe met in Tunis at the invitation of the African Development Bank on 23rd March, 2012. The meeting was attended by a Zimbabwe Government delegation led by Finance Minister Tendai Biti.

Also in attendance were Australia, Belgium, Canada, People’s Republic of China, Czech Republic, Denmark, France, Finland, Germany, Italy, Japan, The Netherlands, Norway, Portugal, South Africa, Sweden, Switzerland, United Kingdom, United States of America, European Union, European Investment Bank, United Nations Development Programme, International Fund for Agricultural Development, International Monetary Fund, Paris Club and the World Bank.

The aim was to deepen dialogue with Zimbabwe, assess progress on political and economic developments and determine how best to deepen engagement. The discussions were frank and engaged. Finance Minister Tendai Biti’s candid assessment of the economy and the Global Political Agreement (GPA) and his strong call for a much more robust international engagement to support the progress made so far was much appreciated.

It was noted that Zimbabwe has a huge development potential and the ultimate objective was to help in unlocking this potential.

The meeting commended the remarkable macroeconomic stabilization achieved since 2009 and the re-establishment of basic social services. The Government’s efforts to improve fiscal management and to improve transparency and accountability in the management of human resources was acknowledged. Participants called for policy predictability and reduction of uncertainties whose perception hampers domestic and foreign investment. In particular, the Government was encouraged to clarify its indigenization laws and to achieve greater transparency in the diamond sector. Participants also encouraged continued efforts to reform the public financial management system.

Participants recognized that important progress has been made in the implementation of the GPA. However, concerns remain relating not only to the full implementation of the GPA but also to issues of governance, human rights, and the rule of law. The Government of Zimbabwe was encouraged to work towards an expeditious implementation of the outstanding issues on the GPA. Equally, SADC was urged to remain strongly engaged in the process.

The Zimbabwe Accelerated Arrears, Debt and Development Strategy (ZAADDAS) was welcome as a useful framework to address the external debt issue, noting the significant progress that has been made in implementing the ZAADDAS.

Views were exchanged on the likelihood of deepening engagement through an International Monetary Fund Staff Monitored Programme (SMP). Participants encouraged further progress in the discussions between Zimbabwe and the IMF. There was a general concern about Zimbabwe’s unsustainable external debt arrears and a call for a coordinated approach with the multilateral institutions to resolve this problem.

The Friends of Zimbabwe further welcomed the support, technical and financial, provided by several countries in the group who committed to continue to provide such support to the country.

The meeting acknowledged the important role the Zimbabwe Multi-Donor Trust Fund is playing in the rehabilitation of key infrastructure and thank the African Development Bank for its management of the Fund. Participants welcomed the additional contribution of a total of USD 25 million by the United Kingdom and Australia.

Participants noted that Zimbabwe has come a long way since the advent of the GPA and much progress has been made. However, the country has much ground still to cover. The Friends of Zimbabwe saw the need for consolidating the achievements to lay the foundation for stronger international support. They agreed to deepen their dialogue in the coming months on those issues and conditions that would make it possible for all of the international development community to do so.

The Friends of Zimbabwe agreed to reconvene this year on the margin of key international events.