



ZIMBABWE



Tomlinson Flats



Completed Skyline
Chimanimani Curve 1



Women Small holder farmers: key
drivers for sustainable Production

ECONOMIC AND FISCAL REPORT FOR YEAR 2020

“2020 Annual Budget Review”

HARARE

May 2021



Zimbabwe

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FOREWORD

In 2018, Government embarked on an ambitious journey of undertaking structural reforms to put the economy on a sound footing for sustainable economic growth under the umbrella of the Transitional Stabilisation Programme (TSP). The year 2020 marked the end of the TSP and it is logical to reflect on the journey so far as we move towards Vision 2030 of a “*Prosperous & Empowered Upper Middle-Income Society by 2030*”.

Notwithstanding the difficult macroeconomic environment worsened by exogenous shocks related to recurring droughts, Cyclone Idai and the COVID-19 pandemic as well as limited external support, Government remained on course in implementing the necessary macro-fiscal reforms.

Government undertook fiscal and monetary reforms which have already started to bear fruit manifesting through price and exchange rate stability, critical requirements in attracting investment. Government also undertook structural reforms which have enabled the country to improve on the ease of doing business ranking.

Furthermore, despite pandemic negative consequences on the economy, Government remained on course in implementing the TSP and other relevant interventions to the extent that the economy was less severely affected as earlier predicted. As a result, the fiscal and current account balances are positive while inflation is retreating giving scope for sustainable stabilisation.

In consolidation of this success, a new economic blueprint the National Development Strategy 1 (NDS1) was launched in November 2020 and is set to guide the nation for the next five years. It is refreshing to note that the implementation of NDS1 has started on a sound footing owing to a relatively stable economic environment and the favorable 2020/21 rainfall season which should ensure the attainment of the 2021 National Budget targets. Furthermore, the roll out of the COVID-19 vaccination programme is expected to go a long way in ensuring better economic activity in 2021, and beyond. I also believe that the worst is behind us now and there can only be better prospects for our country.

Let me hasten to point out that the successes recorded so far are as a result of dedication and sacrifice by all stakeholders, especially the ordinary citizens and I call for the same

spirited efforts during the implementation of the NDS1 commencing with the 2021 National Budget for a better Zimbabwe we all yearn for.



Hon .Prof M. Ncube

Minister of Finance and Economic Development

6 May 2021

INTRODUCTION

1. The 2020 Economic and Fiscal Report provides an update to stakeholders on execution of the 2020 National Budget in compliance with Part III of the Public Finance Management (General) Regulations of 2019.

Overview

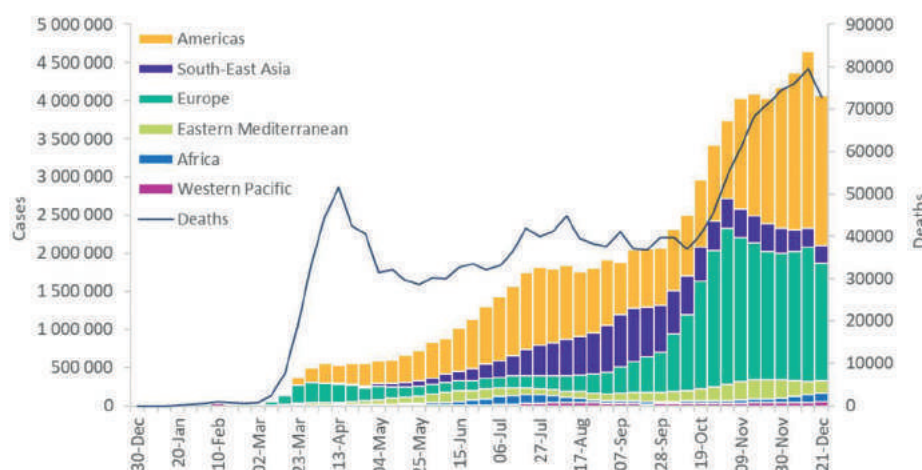
2. The 2020 National Budget was geared towards enhancing higher productivity, stimulating growth and job creation, and accordingly prioritised macro-fiscal consolidation, promoting competitiveness and export diversification for more sustainable and inclusive development in line with the Transitional Stabilisation Programme (TSP).
3. The economy was, therefore, originally projected to grow by 3%, premised on the following assumptions:
 - Expected better rainfall season;
 - Increased use of irrigation to sustain agricultural activities;
 - Better planning for agriculture production;
 - Improved electricity supply through imports and other alternative sources of energy e.g solar;
 - Improved macro-economic environment;
 - Fiscal incentives to various sectors of the economy; and
 - Improving investments by both public and private sector.
4. Implementation of the 2020 Budget, however, encountered a number of headwinds, particularly related to natural disasters such as drought and the

COVID-19 pandemic. The two exogenous shocks posed immense risks to human lives and stifled economic activity in most sectors of the economy with manufacturing, construction, financial sector, electricity generation, education and tourism as well as the informal sector being the most affected. These emerging challenges were on the back of a fragile economy emerging from the 2018/19 drought and the aftermath of Cyclone Idai compounded by other macroeconomic vulnerabilities.

Covid-19 Pandemic

5. The most severe threat to both human life and the economy was posed by the COVID-19 pandemic, which emerged in late 2019, and caused a worldwide humanitarian crisis that disrupted supply chains and restrictions of movements of people and goods.
6. Throughout 2020, the pandemic damaged nations, spreading to 216 countries and territories around the world, with over 82.4 million cumulative confirmed cases and about 1,802,748 deaths globally, by end of December 2020.

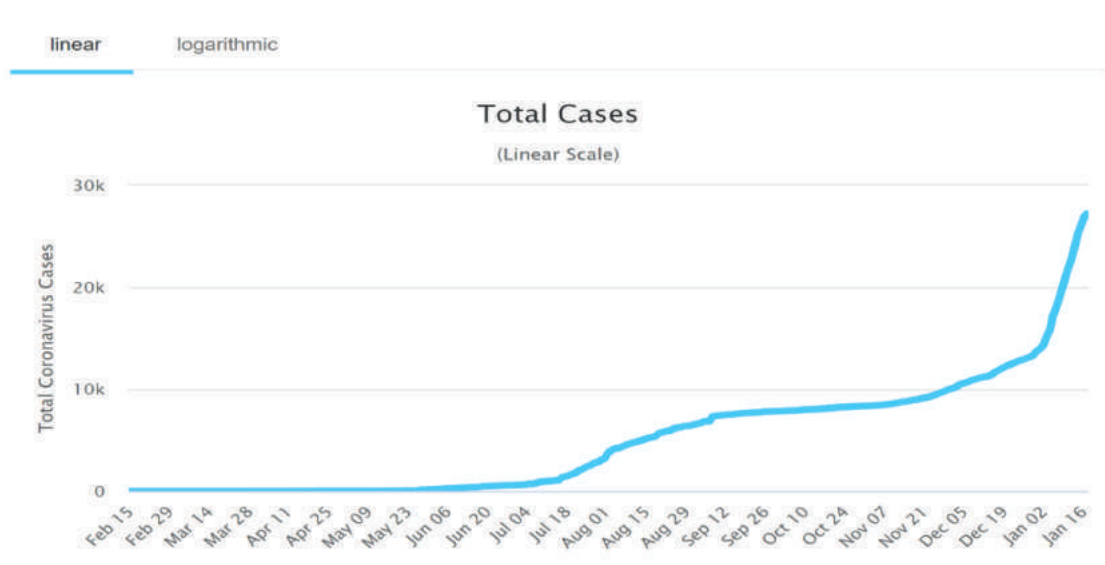
Figure 1: Global COVID-19 Monthly Cases and Deaths



Source: WHO, <https://COVID19.who.int/>

7. In Zimbabwe, the first case was reported on 21 March 2020 in the resort town of Victoria Falls and by 31 March, 7 more people tested positive, with one reported death. There was a steady increase in the number of cases through April to August, rising to 5378 by mid-August 2020 with 141 reported COVID-19–related deaths. By end of December 2020, COVID-19 cases stood at 13 625 with 360 fatalities deaths.
8. Like most countries, resources were channelled towards strengthening the country’s health systems, containment and recovery efforts.

Figure 2: Zimbabwe COVID-19 Cases



Source: Worldometer

9. The COVID-19 impact was uneven throughout the country’s provinces, with Harare, Bulawayo, and Matabeleland South provinces being the most affected.

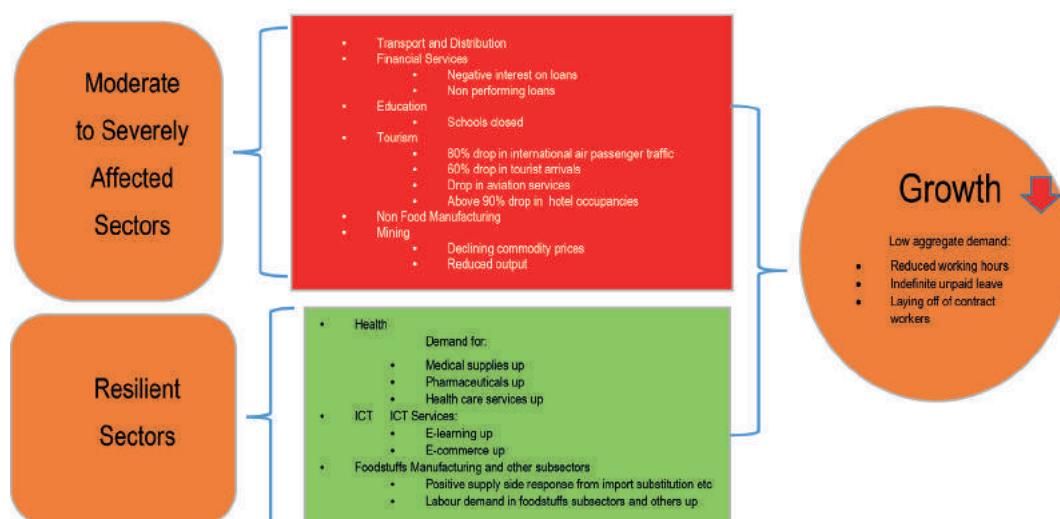
Table 1: COVID-19 Updates as at 30 December 2020

Province	PCR Tests	Cum Cases	Recovered Cases	Active Cases	Deaths
Bulawayo	589	3 381	2 985	301	95
Harare	1 401	3 816	3 154	506	156
Manicaland	112	939	671	229	39
Mash Cent	0	410	284	121	5
Mash East	61	691	583	95	13
Mash West	12	723	628	81	14
Midlands	31	1049	917	121	11
Masvingo	38	626	504	110	12
Mat North	10	544	438	103	3
Mat south	208	1446	990	444	12
Total	2 462	13 625	11 154	2 111	360

Impact on the Economy

- The impact of the pandemic was mixed, being severe on sectors such as tourism, education, health, transport, trade and international commodity prices and less severe on agriculture, mining and manufacturing.

Figure 3: Impact of COVID-19 on Economy



- Inspite of lockdown measures introduced both domestically and internationally, Government allowed free movement of goods across borders, with restrictions

only on passenger traffic. This, therefore, limited severe impact on merchandise trade flows.

12. During the third and fourth quarter of 2020, further relaxation of trade restrictions saw exports picking up, driven by both firming of international commodity prices and volumes. Firming of most mineral prices such as gold, platinum, palladium and nickel resulted in increased revenues from merchandise exports, which increased by 3%, from US\$4.28 billion in 2019 to US\$4.39 billion in 2020. Similarly, merchandise imports grew by 4% to US\$4.98 billion in 2020, from US\$4.79 billion in 2019. Imports were driven by food and electricity imports.
13. As a result, the country's external sector position improved, with the current account recording a surplus in 2020, preliminary estimated at US\$1.1 billion against US\$0.9 billion recorded in 2019.

Travel Across Borders

14. During the second quarter of 2020, Zimbabwe imposed travel restrictions to contain the spread of the disease. As a result, tourism activity came to a standstill with occupancy rates falling below 10%. Signs of economic activity were only witnessed during the third quarter when the sector was allowed to gradually reopen.

Other sectors

15. Notwithstanding the pandemic and effected restrictions, a number of companies in the manufacturing sector took advantage of the environment and increased their average capacity utilization and hence volumes. Such companies included

food manufacturers and producers of PPEs and other medical products required in the fight against the pandemic.

16. The health sector also benefitted from increased demand for medical services both in terms of human capital and consumables. Similarly, the demand for communication activities increased due to remote working and travel restrictions.
17. Impact on agriculture was less severe as the sector was classified as essential services and hence, activities were less disrupted.

Public Finances

18. The COVID-19 pandemic impacted on revenue collections whilst also increasing expenditure demands. Low economic activity and travel restrictions constrained revenue collection from informal activities through intermediated money transfer tax and customs duty. IMTT collections decreased from an annual average of 10% to 7%, while customs duty taxes declined by 2% .
19. With respect to expenditure, Government had to contend with additional expenditures for health provision including hiring of additional 4 713 health personnel, leading to additional expenditure of ZWL\$204.3 million by year end whilst an additional 3 000 teachers were hired from 1 June 2020, requiring ZWL\$66.5 million by year end.

Government Response

Emergency Response Measures

20. In response to the COVID-19 pandemic, Government introduced containment and mitigatory measures including total lockdown which was introduced from

31 March 2020 and was extended until the end of the first half of 2020 when gradual re-opening was introduced. The lockdown was gradually eased towards year end until a second wave emerged in December 2020 going into 2021, heightened by the second wave of the virus.

Stimulus Package

21. A Stimulus Package, equivalent to 9% of GDP (ZWL\$ 18.2 billion) was also instituted to support the economy from the pandemic fallout.
22. By end of 2020, Government had disbursed a total of ZWL\$21.8 billion under the ZWL\$18.2 billion COVID-19 Economic Recovery and Stimulus Package. The support covered economic sectors, health, tourism, agriculture, mining and social protection.
23. Substantial resources were spent on establishment of isolation and quarantine centres, recruitment of more personnel in health and education sectors, procurement of PPEs and other medical consumables and for increased social safety nets, among others.

Table 2: Stimulus Package Disbursements

Sector	Allocation (ZWL\$ Millions)	Amount Disbursed (ZWL\$ Millions)
Agriculture Support Sector	6100	5899.6
Working Capital Fund for Industry	6500	6440.4
SME Support Fund	500	77
Health Sector Support Fund	2500	9123.9
Covid-19 Cash Transfer	2400	217.8
Art and Sport Grant	200	21.5
TOTAL	18200	21 780.4

24. The Reserve Bank initially availed ZWL\$2.5 billion revolving fund to sustainably support industry with the Medium-Term Bank Accommodation Facility being

accessed at interest rates of around 25%. By end of 2020, about ZWL\$2.6 billion was accessed by industry and the remainder is still with the banks. Since then, the revolving facility has been increased to ZWL\$3 billion to adequately meet growing demands of productive sectors.

Development Partner Support towards COVID-19

25. COVID-19 support from Development Partners complemented Government's efforts in fighting the pandemic with pledges of US\$239 million, of which US\$118 million was disbursed in 2020.
26. This support was channelled towards strengthening of public health response, procurement of medical equipment and Personal Protective Equipment (PPEs) as well as provision of Test Kits
27. Furthermore, Development Partner interventions assisted in the rehabilitation of Wilkins Hospital and boreholes across the country as well as capacity development of essential staff involved in the implementation of COVID-19 interventions.

*Gross **Domestic Product (GDP)***

28. Government interventions, with support from private players and development partners managed the COVID-19 pandemic and the drought situation and hence saved both lives and the economy.
29. GDP is estimated to have contracted less severely at -4.1%. This was against the 2020 estimated global output contraction of -3.3%, Sub Saharan Africa and SADC average output losses of -1.9 % and -3.1%, respectively.

Table 3: Zimbabwe and Global Economic Growths (%)

Country Group Name	2018	2019	2020*	2021*
World	3.6	2.9	-3.3	6.0
Advanced Economies	2.2	1.7	-4.7	5.1
United States	2.9	2.3	-3.5	6.4
Euro Area	1.9	1.3	-6.6	4.4
United Kingdom	1.3	1.4	-9.9	5.3
Other Advanced Economies (excluding G7)	2.7	1.7	-2.1	4.4
Emerging Market and Developing Economies	4.5	3.7	-2.2	6.7
Emerging and Developing Asia	6.3	5.5	-1.0	8.6
China	6.7	6.1	2.3	8.4
India	6.1	4.2	-10.3	8.8
Emerging and Developing Europe	3.2	2.1	-2.0	4.0
Latin America and the Caribbean	1.1	0.1	-7.0	4.6
Middle East and Central Asia	1.8	1.0	-2.9	3.7
Sub-Saharan Africa	3.2	3.2	-1.9	3.4
Nigeria	1.9	2.2	-1.8	2.5
South Africa	0.8	0.2	-8.0	3.0
Zimbabwe	4.4	-6.0	-4.1	7.5
SADC	1.8	1.2	-4.9	2.7

Source: IMF World Economic Outlook, April 2021 * Projection, MOFED

30. In terms of expenditure, household final consumption is estimated to have contracted by 12.8%, as a result of reduced disposable incomes due to effects of COVID-19 which saw most companies shutting down for some time during the year, save for those deemed essential services. As a result, the economy experienced both job and income losses in both formal and informal sectors.

Table 4: 2020 GDP Growth Rates by Expenditure (%)

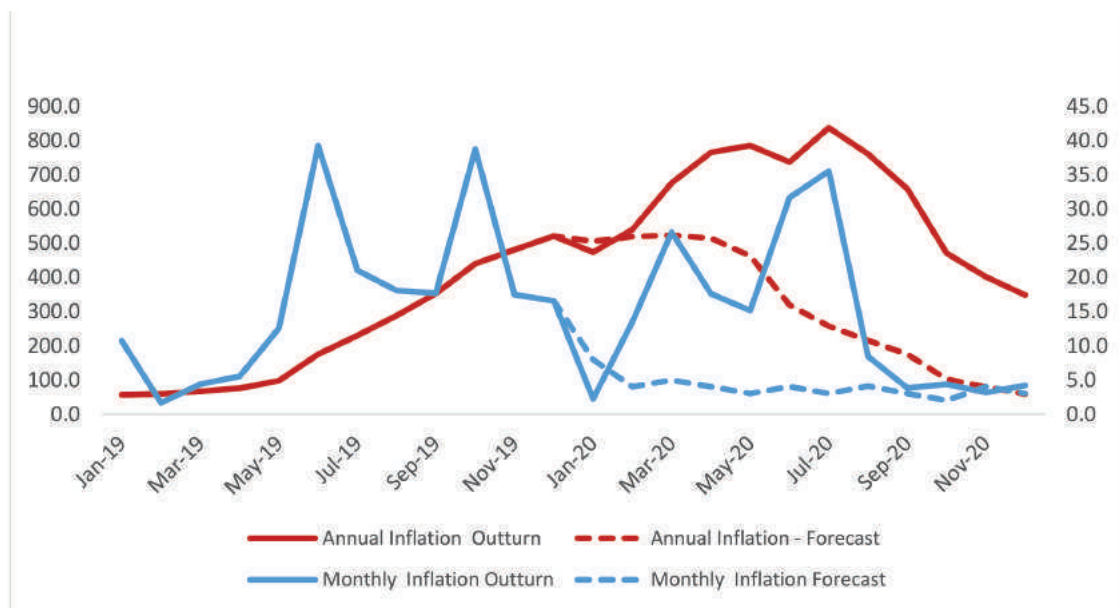
	2016	2017	2018	2019	2020 Proj.
GDP by expenditure, constant prices	0.8	4.7	5.5	-6.0	-4.1
Final consumption	-8.1	2.2	0.3	-19.5	-12.2
Household	-10.5	0.9	0.8	-19.4	-12.8
Government	2.5	3.1	-2.1	0.1	0.6
NPISH	-0.2	0.3	-0.5	-0.1	-0.1
Gross capital formation	0.1	2.6	-3.1	1.9	7.1
Gross fixed capital formation	0.1	2.7	-3.1	1.9	7.1
Government	3.5	3.4	-4.6	-1.0	7.5
Other sectors	-3.5	-0.7	1.5	2.9	-0.4
Changes in inventories	0.0	0.0	0.0	0.0	0.0
Trade balance	8.8	-0.1	8.2	11.5	1.0
Exports of goods and services	6.8	1.9	-11.7	0.4	-2.2
Imports of goods and services	-2.1	2.0	-19.9	-11.1	-3.1

Source: MoFED, RBZ, ZIMSTAT

Prices

31. Inflationary pressures during the first half of the year saw annual inflation peaking at 837.5% and month-on-month at 35.5% in July 2020, driven mainly by high parallel market exchange rate premiums, adverse expectations, financial sector indiscipline and high money supply growth.
32. Government responded by tightening money supply and introducing a foreign currency market auction system in June 2020. This was complemented by fiscal discipline and financial sector regulation resulting in sustained deceleration of inflation during the last half of the year to close at 348.6% for year on year and 4.2% on monthly inflation in December 2020.

Figure 4: Inflation Developments (%)



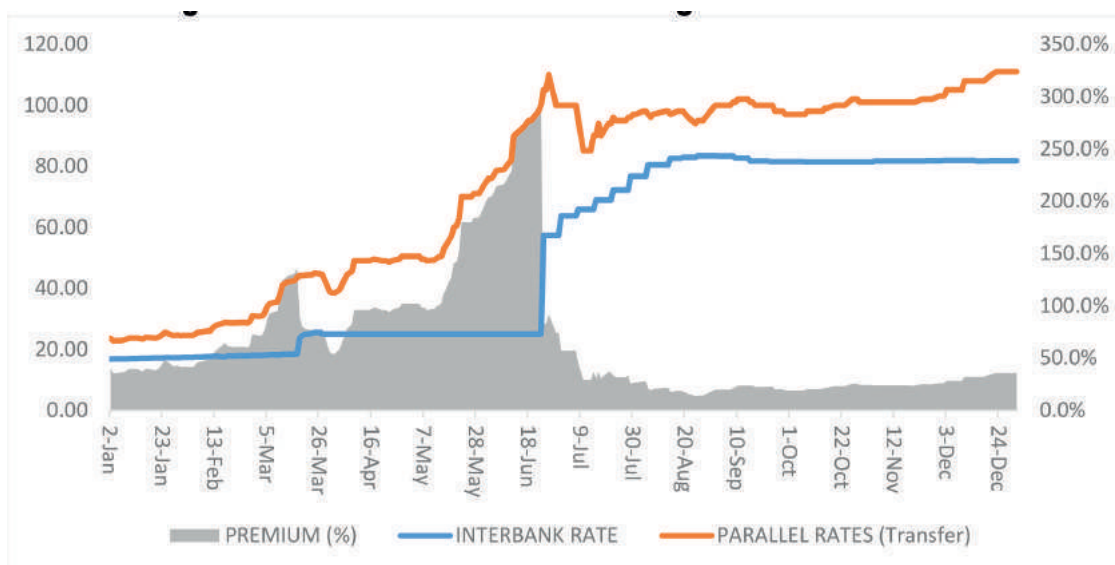
Source: ZIMSTAT

33. The deceleration is expected to be sustained throughout the year 2021 to a monthly inflation single digit target.

Exchange Rate Market

34. The volatility in the foreign exchange market during the first half was largely addressed by the introduction of the auction system in June which restored stability and premiums that had grown beyond 300% went down to around 20% by year end.

Figure 5: Official and Parallel Exchange Rate Movements



35. Consequently, the parallel rate stabilized around US\$1:ZWL\$100 while the official rate oscillated around US\$1:ZWL\$81, during the last half of 2020.
36. In summary, reforms and mitigatory measures had the following outcome:

Table 5: 2020 Milestones

FISCAL POLICY	
<i>Fiscus</i>	<i>Public Debt</i>
<ul style="list-style-type: none"> ✓ Budget surplus of ZWL\$20 billion was realised; ✓ Public Wage Bill below 40% of total expenditures and 41% of revenues respectively; ✓ PFMS controls rolled to all departments and local levels; ✓ Removal of subsidies including on fuel and electricity with the remaining being targeted subsidies, accommodated in the Budget; ✓ Commenced migration of the Public Service Pension scheme from Pay-As-You-Go- Pension to Defined Benefit Pension Scheme. An amount of ZWL\$ 289 million was allocated as seed money; 	<ul style="list-style-type: none"> ✓ Public debt as at end of December 2020 was ZWL\$14.8 billion (78% of GDP); ✓ Zero recourse to Central Bank financing window including overdraft; ✓ Secured two loans amounting to US\$320 million for the repowering of Hwange 1-6 Thermal Power Station and for the procurement of Personal Protective Equipment (PPE) & laboratory equipment towards COVID-19 Pandemic. ✓ Issued guarantees amounting to US\$15.18 million (equivalent of ZWL\$ 1.3 billion) as part of the US\$18 billion Stimulus Package; ✓ Signed the Global Compensation Deed; ✓ Stopped issuance of Treasury bills for ZAMCO;

MONETARY POLICY	
<p>Exchange rate</p> <ul style="list-style-type: none"> ✓ Introduced the foreign currency auction system on 23 June 2020; ✓ Instituted disciplinary measures to remove speculative activities; ✓ Stabilised the exchange rate; ✓ Attained price stability; <p>Reserve Money</p> <ul style="list-style-type: none"> ✓ Implemented a conservative Monetary Targeting Framework; ✓ Attained a quarterly growth of 18.6% in reserve money against set quarterly target of 25% per quarter; <p>Stock Exchange</p> <ul style="list-style-type: none"> ✓ Launched the Victoria Falls Stock Exchange (VFEX) in October 2020; ✓ Launched the Commodities Exchange Market; <p>External sector</p> <ul style="list-style-type: none"> ✓ Exported goods worth US\$4.39 billion in 2020 against US\$4.28 billion in 2019; ✓ Imported goods worth US\$4.98 billion in 2020 US\$4.79 billion in 2019; ✓ Realised a current account surplus of US\$1.1 billion against SADC Benchmark of (not more than -3% of GDP); 	<p>Financial Market</p> <ul style="list-style-type: none"> ✓ Reviewed the regulations guiding mobile money platforms to strengthen mobile banking; ✓ Busted the speculative bubble on the Zimbabwe Stock Exchange, driven by dually listed shares; ✓ Used the Anti-Money Laundering Act and Rules to monitor and regulate transactions auction rates, especially in speculative activities on the foreign exchange market; ✓ Tightened regulation of payment system, e.g. cash in-cash out limits at mobile banking agents; <p>Insurance</p> <ul style="list-style-type: none"> ✓ Reviewed the Statutory Minimum Capital Requirements (MCR) for the insurance sector; ✓ All short-term insurers and reinsurers complied to the stipulated minimum capital requirements; <p>Capital Markets</p> <ul style="list-style-type: none"> ✓ Amended the Collective Investment Schemes Act (Chapter 24:19) to introduce a number of new products on the market, namely the Exchange Traded Products, Venture Capital Funds, Warehouse Receipts and Real Estate Investment Trust;
INFRASTRUCTURE	
<p>Energy</p> <ul style="list-style-type: none"> ✓ Disbursed ZWL\$66.8 million for energy of which ZWL\$22.8 million went for the construction of Hwange 7 & 8 and ZWL\$44 million went towards grid extension; ✓ An amount of US\$0.9 million was disbursed by AfDB for the Kariba Dam Rehabilitation Project; ✓ Under the Stage II Emergency Power Infrastructure Rehabilitation Project, Phase II (EPIRP II), resources amounting to US\$0.4 million were disbursed in 2020; towards manufacturing and installation of transformers and purchase of other accessories for Sherwood, Orange Grove, Turk, Forestvale, Stamford, Mupopoma and Hillside substations as well as dedicated sewer for Gimboki in Mutare; 	<p>Roads</p> <ul style="list-style-type: none"> ✓ Transport sector received a budgetary allocation of ZWL\$11.8 billion of which ZWL\$9.6 billion went towards Harare -Masvingo-Beitbridge with 141 km having been completed against a target of 200km; ✓ Availed ZWL\$1.4 billion for rehabilitation of damaged Cyclone Idai areas of which overall progress is now at 80%; <p>Water and Sanitation</p> <ul style="list-style-type: none"> ✓ A total of ZWL\$5.1 billion was availed for various water projects including the commissioning of Marovanyati Dam and Binga; ✓ African Development Bank (AfDB) availed resources amounting to US\$8.7 million in 2020, towards renewal and upgrading of water supply, water mains, water treatment works, and rehabilitation of sewer networks and waste water treatment; <p>ICT</p> <ul style="list-style-type: none"> ✓ Government together with development Partners availed resources for the implementation of various ICT projects including Zimbabwe Digital Broadcasting Migration Project, Automation of ZIMRA operations, Tel-One upgrading project, E-Government Flagship Projects, National Data Centre, Voice over Internet and Integrated Electronic Case Management System; <p>Stadia</p> <ul style="list-style-type: none"> ✓ A total of ZWL\$43.7 million was availed towards the upgrading of the National sports stadium (ZWL\$30.3 million) completing phase 1, Barbourfields stadium (ZWL\$13.2 million) is now complete and Sakubva Stadium (ZWL\$2 million) is around 80% complete

SOCIAL SERVICES	
<p>Education</p> <ul style="list-style-type: none"> ✓ Availed ZWL\$324 million for primary and secondary for rehabilitation and upgrading of schools as well as improving halls of residents for Universities; ✓ Disbursed ZWL\$2.2 billion for teaching and learning materials and support for exams in primary and secondary education as well as support for universities; ✓ Government, through Private Public Partnerships (PPPs), completed the construction of new infrastructure at 8 Universities, 8 Polytechnics and 4 Teachers Colleges. These include: Gwanda State University, Manicaland State University of Applied Sciences, Marondera University of Agriculture, Lupane State University, Madziwa Teacher's College, Mkoba Teacher's College, Masvingo Technical College, Joshua Mqabuko Polytechnic College and Hwange Teacher's College, among others; ✓ 3 000 teachers were hired; ✓ Availed ZWL\$611 million towards rehabilitation of storm damaged schools due to Cyclone Idai. ✓ Availed ZWL\$25.7 million under the student loan scheme. ✓ Development Partners support disbursed US\$17.4 million towards various projects which went towards restocking schools with textbooks, Early Childhood Development (ECD) kits and science kits as well as capacity building for teachers as well as School Improvement Grants (SIG). ✓ Availed \$30 million as seed capital to colleges for production of PPEs ✓ A total of ZWL\$146 million was availed to Universities for various projects including construction works at six innovation hubs. ✓ Availed ZWL\$66 million towards construction of student hostels at Bindura University of Science Education, Lupane State University and Kushinga Phikelela Agricultural College 	<p>Housing</p> <ul style="list-style-type: none"> ✓ Availed ZWL\$1.44 billion on housing development projects mainly towards construction of office and institutional accommodation. Some of the projects that received support include Lupane, Hwedza, Siakobvu and Motoko District Composite Offices which are all at different stages of completion; ✓ Prioritised the Construction of District Registry Offices in Murewa, Hwedza, Guruve, staff houses at Zimbabwe Prisons and Correctional Services (Chikurubi, Marondera, Mutimurefu, Chiredzi, Murehwa, Khami and Anju), Zimbabwe National Army (Dzivarasekwa and Imbizo) and Zimbabwe Republic Police (Tomlison Flats) and ARLAC administration blocks were prioritized in 2020; ✓ Disbursed ZWL\$727.8 million for the construction and rehabilitation of Isolation and Quarantine centres; ✓ A total of ZWL\$30.3 million was availed for the New Parliament Building, completing the superstructure is now Completed; <p>Health</p> <ul style="list-style-type: none"> ✓ Disbursed ZWL\$365 million for rehabilitation and installation of equipment in hospitals. ✓ Constructed new health centres and upgraded the existing ones, among them the Victoria Chitepo, Gwanda, Gweru, Masvingo and Lupane provincial hospitals; ✓ Acquired and installed new hospital equipment; ✓ Hired additional 4 713 health personnel; ✓ Introduced a Risk Allowance to the health sector personnel;

STRUCTURAL	
<p>SOEs Restructuring</p> <ul style="list-style-type: none"> ✓ Unbundled Grain Marketing Board (GMB) including establishment of Silo Foods as a purely commercial entity. The Civil Aviation Authority of Zimbabwe, (CAAZ) has been unbundled into the Civil Aviation Authority of Zimbabwe and the Airports Company, with the two entities now fully operational. In addition, the Zimbabwe Investment Development Agency (ZIDA) is now a fully functional entity; <p>Ease of Doing Business</p> <ul style="list-style-type: none"> ✓ Improved Zimbabwe's ranking on easiness of doing business from 155 to 140; <p>Rule of law and respect to property rights</p> <ul style="list-style-type: none"> ✓ Ratified the bilateral Investment Promotion and Protection Agreement (BIPPA) with the Government of the republic of Korea on 28 November 2020; <p>Justice</p> <ul style="list-style-type: none"> ✓ The Judicial Services Commission received a total of ZWL\$229.5 million for the construction and upgrading of court facilities mainly Chinhoyi, Lupane and Mt Darwin Magistrates Courts, Bristol House Commercial and Cape to Cairo Masters' House; 	<p>Alignment of Laws to the Constitution</p> <ul style="list-style-type: none"> ✓ Aligned 159 Statutes to the Constitution out of the 206 laws since 2018, with 8 passed in 2020 alone; ✓ Notable, are the two (2) Bills namely, the Freedom of Information Bill and the Zimbabwe Media Commission Bill which seek to repeal the Access to Information and Protection of Privacy Act (AIPPA). The Maintenance of Peace and Order Act (MOPA) replaces the Public Order and Security Act((POSA); ✓ Various laws and bills were also passed in 2020, among them, the War veterans Act which was passed in September 2020, Education Amendment Bill was passed in March 2020, Manpower Bill was Gazetted by Parliament in August 2020 now await Presidential ascend, Coroner's Office Bill was also passed by Parliament in March 2020 and is yet to be operationalized, International Treaty's Bill was signed into law in July 2020 and is now an Act of Parliament.

SOCIAL PROTECTION	
Covid -19 Emergency Response <ul style="list-style-type: none"> ✓ Aailed resources for procurement of PPEs, accommodation, food and transportation for quarantine centres. ✓ Aailed ZWL\$2.2billion mainly for COVID-19 Emergency response, Harmonised Social cash transfers, food deficit mitigation and Basic Education Assistance Module among others. ✓ This excludes employment costs for medical and allowances related to emergency response. Cash Transfers <ul style="list-style-type: none"> ✓ Around 60 000 households received support under the 'Cash for cereal programme'. ✓ Provided support to around 60 506 households under the Harmonised social cash transfer in the 24 districts of the country ✓ Around 8 551 households received public assistance. ✓ Aailed a total of ZWL\$ 164 million for cash transfers. ✓ Aailed ZWL\$868 million for Food deficit mitigation and supported around 760 000 food insecure households. Basic Education Assistance Module <ul style="list-style-type: none"> ✓ Aailed \$300m for the Basic Education Assistance Module which supported about 415 000 children. 	Sustainable Livelihood <ul style="list-style-type: none"> ✓ Aailed \$40 million towards acquiring equipment for income generating projects. ✓ Home grown school feeding programme was supported to the tune of ZWL\$108.9 million

SECTOR PERFORMANCE

37. As alluded above, unforeseen shocks such as drought and COVID-19, compromised targeted growth in a number of sectors. The most affected activities were Construction (-11.4%), Manufacturing (-9.6%) and Electricity and Water (-7.9%), among others, as indicated on the table below.

Table 6: 2020 GDP Growth Rates by Industry (%)

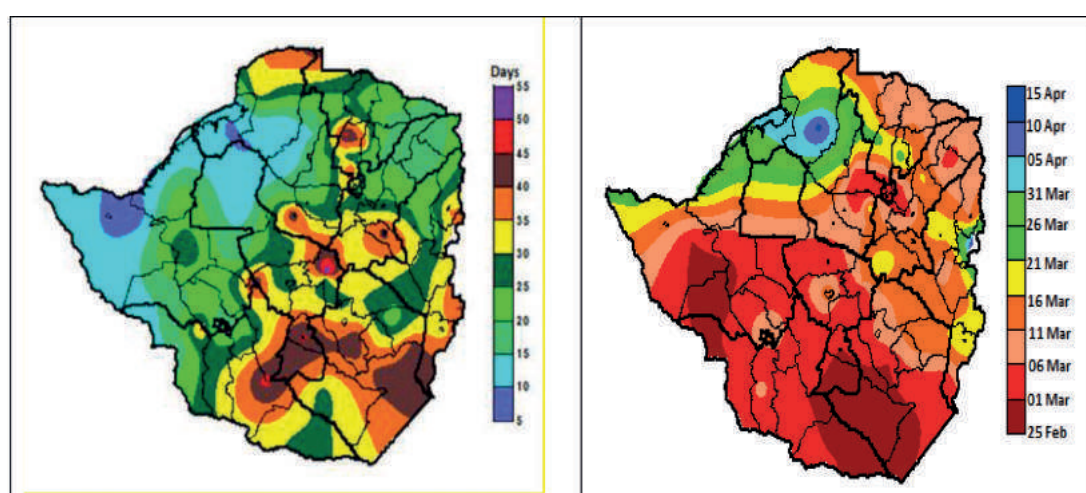
	2017	2018	2019	2020 Original Budget Proj.	2020 Rev Est.
Overall Growth	4.8	4.4	-6.0	3.0	-4.1
Agriculture and forestry	10.0	18.3	-17.8	8.2	-0.2
Mining and quarrying	3.5	8.7	-12.4	7.7	-4.7
Manufacturing	1.3	1.3	-8.7	1.1	-9.6
Electricity and water	4.0	22.5	-19.2	2.1	-7.9
Construction	3.9	2.0	-13.9	2.3	-11.4
Distribution, Hotels and restaurants	7.6	4.5	-8.2	0.9	-6.8
Supportive services	4.3	4.2	5.3	2.7	-0.2
Transportation and communication	5.1	2.6	12.9	2.9	3.4
Financial, banking and insurance activities	3.1	6.5	-6.1	2.4	-6.5
Government public administration, education and health	3.9	-4.2	1.4	2.7	-2.1
Private's education and health	6.7	-3.5	1.3	3.5	-3.5
Households-related services	1.7	2.2	-2.6	3.5	-2.0
Real estate activities	1.1	3.2	-1.6	2.3	-1.6
Other service activities	1.5	2.0	-3.7	4.1	-2.0
Private households with employed persons	9.5	-3.0	5.7	4.3	-5.0

Source: MoFED, RBZ, ZIMSTAT

Agriculture

38. The targeted growth of 5% in agriculture was premised on an average rainfall season, expanded irrigation programme and timely provision of inputs. The late on-set of rains across the country and false- starts, particularly in the southern and south-eastern parts as well as long dry spells during the months of December and January, with duration of 55 days in some places affected output.

Figure 6 :Weather Update



Source: Met Department - Rainfall Pattern for 2019/20

39. Crops were, however, salvaged by the better performance in the second half of the season, with February rains contributing significantly in terms of accumulated rainfall amounts of between 200mm to 600mm in some districts. The agriculture sector was also spared by the COVID-19 pandemic as the sector was designated as an essential service. However, some of the horticulture products, particularly flowers were affected by subdued demand attributed to lockdowns and general world economy contraction.
40. As a result, output from crops such as tobacco and soya beans were subdued while maize, wheat and cotton were relatively higher than the previous season although below optimal.

41. Drought resistant crops, such as traditional grains and other drought tolerant crops like sorghum and finger millet, recorded huge increases, as farmers chose to hedge against drought.

Table 7: Agriculture Performance (000 tons) (2019-2020 Season)

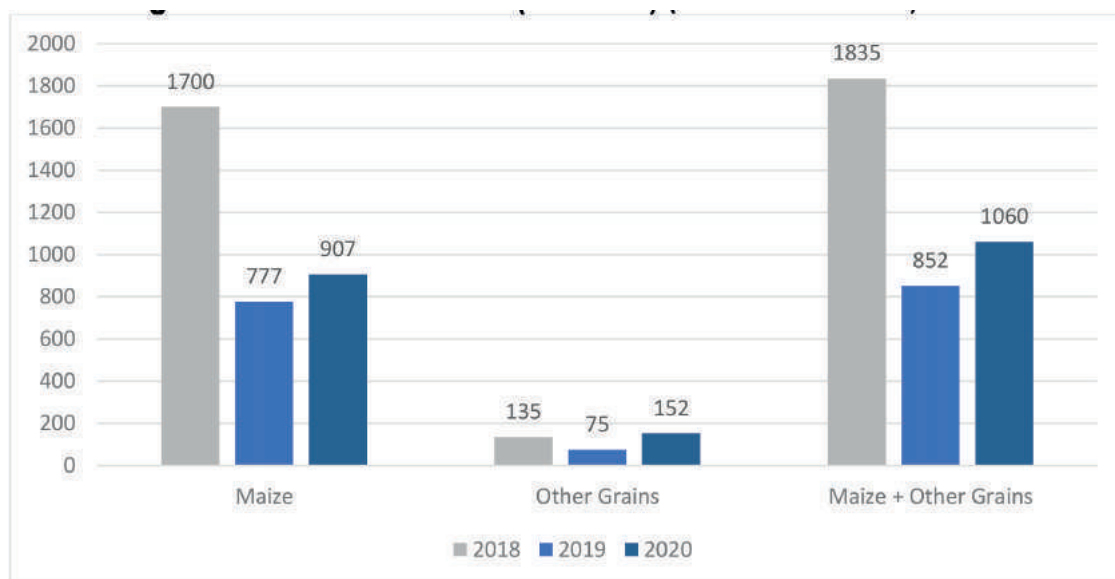
	2018	2019	2020
Agriculture (% Growth)	7.9	-17.8	-0.2
Tobacco (Flue Cured)	252	260	192
Maize	1831	777	907
Beef	74.5	62.6	57.3
Cotton	144	76.8	101
Sugar cane	3903	4000.0	4100
Horticulture	71	77.4	94
Poultry	160.8	151.7	148.6
Groundnuts	127	70.9	87
Wheat	161	94.7	178.2
Dairy (m lt)	92	96	92
Soybeans	54	60	47.1
Pork	11.4	12.4	12.4
Sorghum	70.1	41.4	103

42. Overall, agriculture is expected to record a contraction of -0.2% better than -17.8% recorded in 2019.

Grain Production

43. Total grain production in 2020 is estimated at 1 060 143 tons, better than the previous season's output of 852 000 tons but below national requirement for human and livestock consumption of 2 227 782 tons, of which 450 000 tons is for livestock.

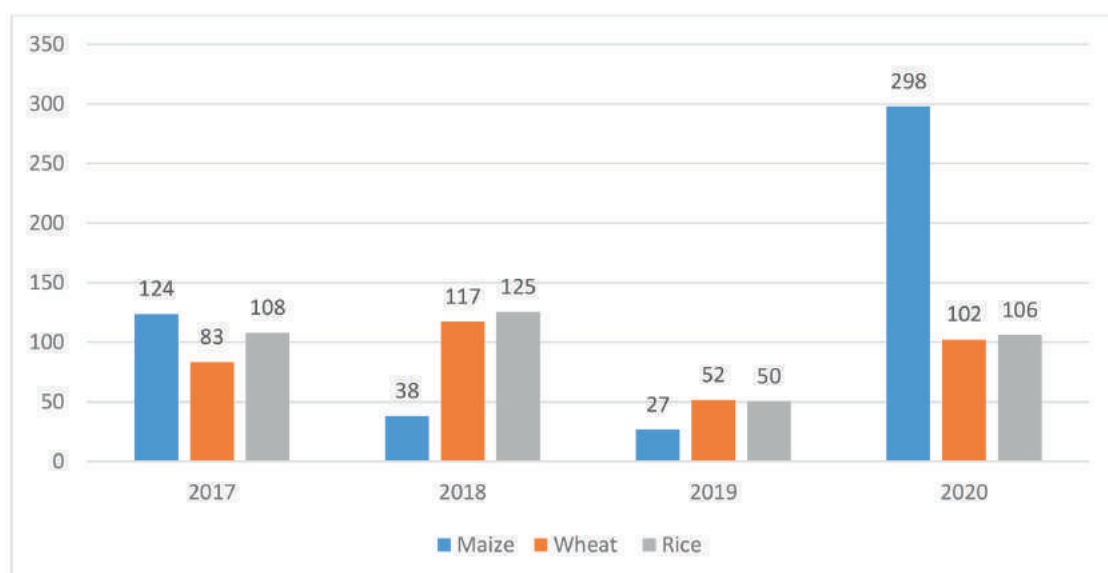
Figure 7: Grain Production (000 tons) (2019-2020 Season)



Grain Imports

44. To bridge the gap between national requirements and production, Government, the private sector and development partners imported about US\$506.2 million worth of grain. On its part, Government spent US\$100.7 million on maize imports, most of which was distributed to the vulnerable members of the society.

Figure 8: Grain Imports (US\$ million)

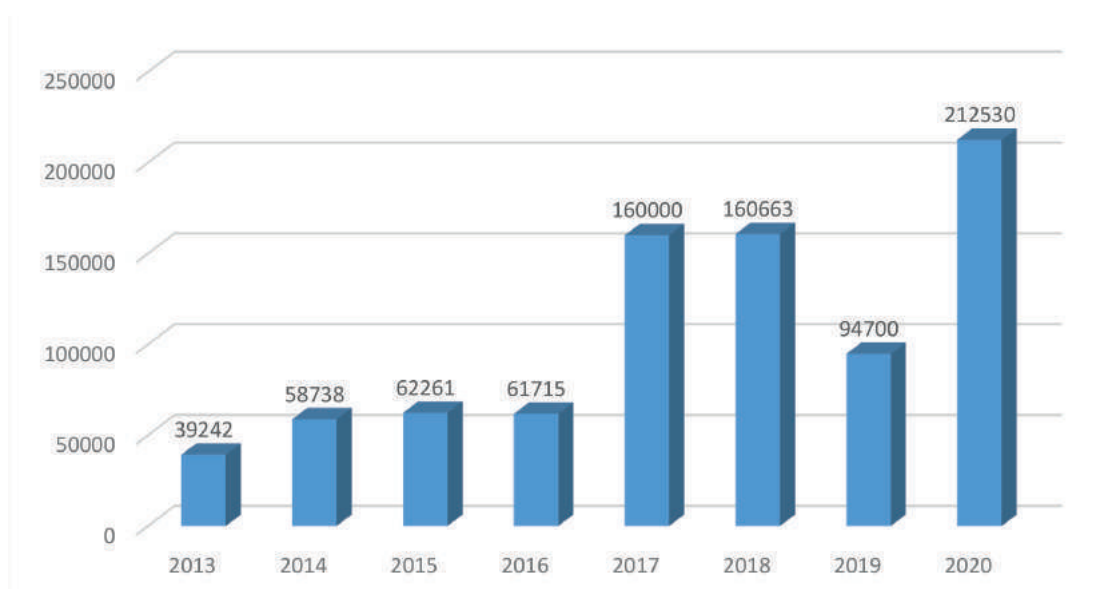


Source: RBZ

Wheat

45. Government under the ZWL\$18 billion Stimulus Package supported domestic wheat production with ZWL\$1.5 billion worth of inputs. From the 44 500 hectares of planted wheat, 212 530 tons were harvested, of which about 158 957 tons were delivered to the Grain Marketing Board.
46. This production level is a huge leap from 94 700 tons realised in 2019.

Figure 9: Annual Wheat Production



Source: Ministry of Lands, Agriculture, Water and Rural Resettlement

47. Government will continue to support winter wheat farming with a view to reducing wheat import bill.

Tobacco

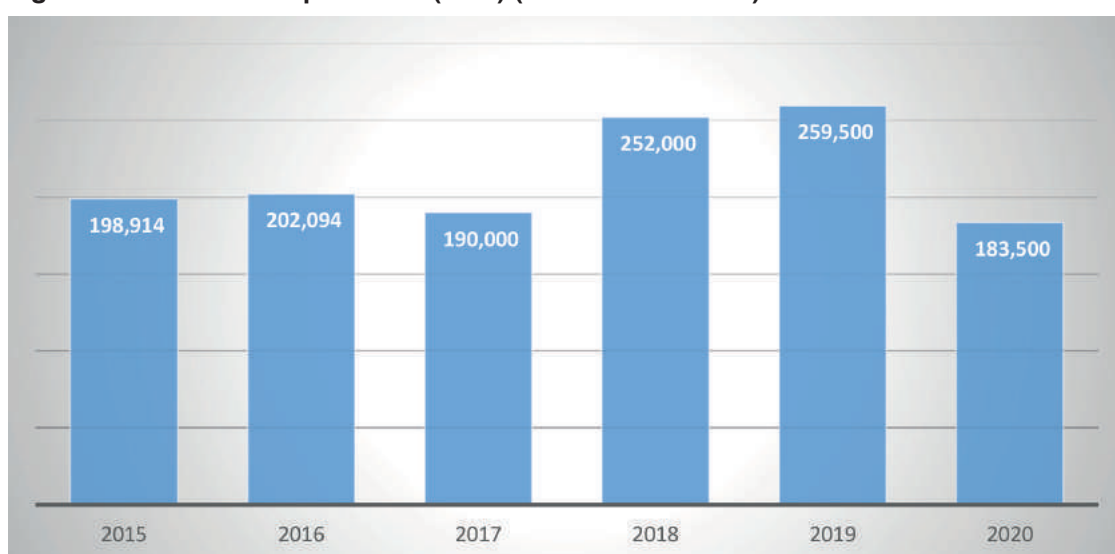
48. In 2020, total tobacco hectarage was at 117 000 ha with 183.3 million kgs of tobacco being delivered to the auction floors which closed in October 2020. The average buying price was US\$2.50/kg, earning US\$458.7 million for the farmers.

Table 8: Seasonal Flue Cured Tobacco Sales: 21 October 2020

	Delivered from		TOTAL 2020	TOTAL 2019	% CHANGE
	Non-contracted	Contracted			
Mass sold(kg)	9 213 808	174 270 018	183 483 826	254 763 789	-28.82
Value(US\$)	25 786 502	432 941 049	458 727 551	523 573 866	-12.39
Avg.price US\$/kg	2.81	2.48	2.50	2.03	23.08

Source: TIMB

49. However, tobacco deliveries performed 11% lower than the previous season's 252.5 million kgs sold at an average price of US\$2.02/kg, and this was attributable to reduced area planted, erratic rains and lower prices offered during the previous season, which discouraged farmers from growing the crop in favour of other crops.

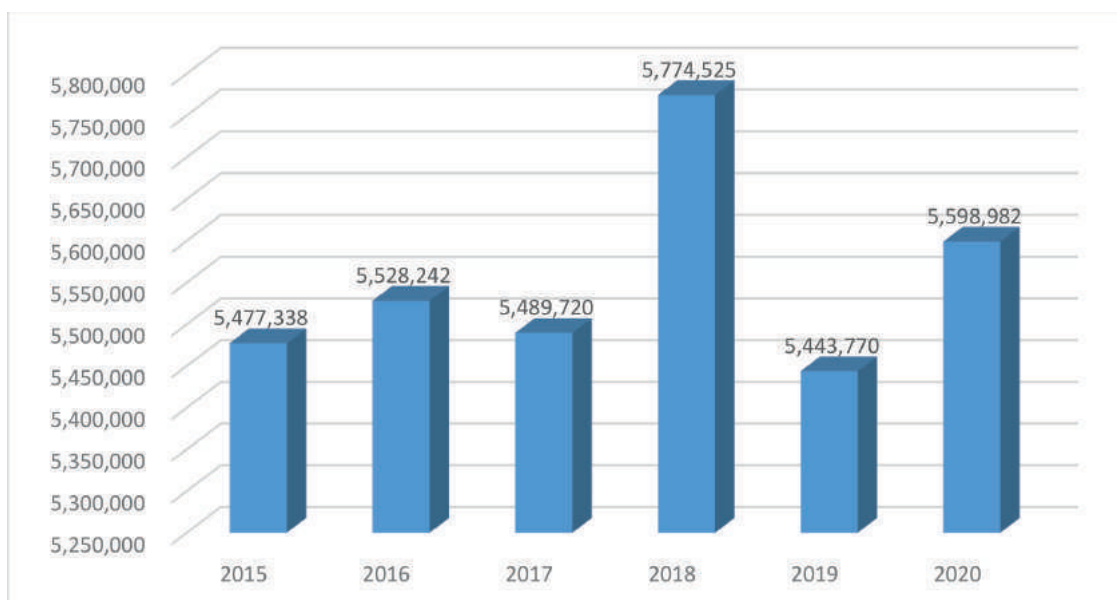
Figure 10: Tobacco Output Trend (tons) (2019-2020 Season)

50. Meanwhile, area planted for tobacco for the 2020/21 farming season is estimated at over 106 000 ha, up from 100 000 ha planted in 2019/20. The increase in area planted is attributed partly to early rains received during the season and better prices offered in the previous season.

Livestock Production

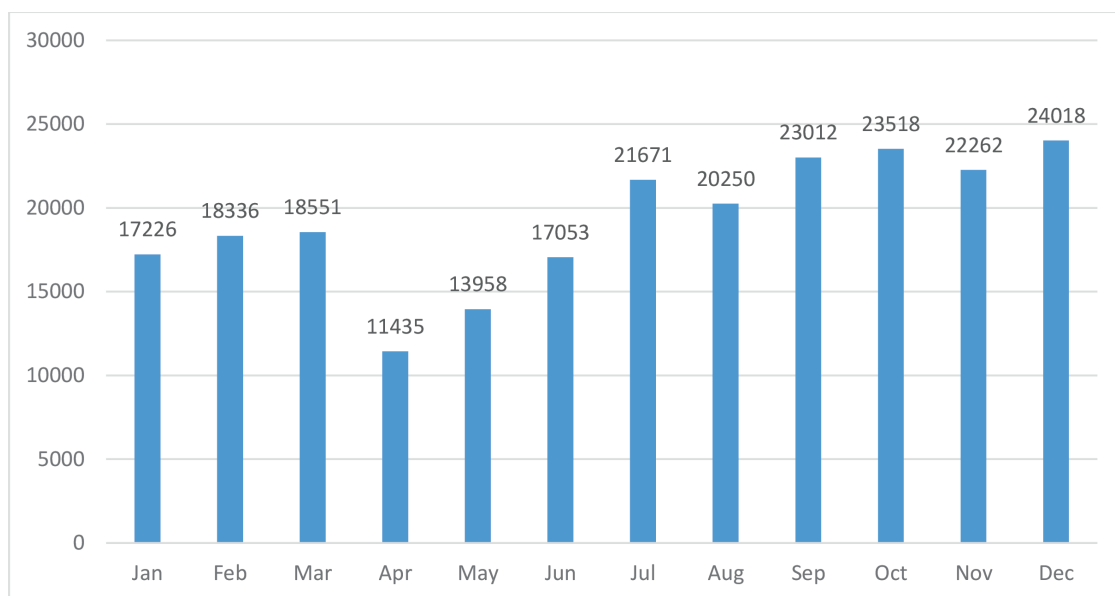
51. In 2020, livestock production was seriously compromised by drought, which caused shortage of pastures across the country, with some districts such as Matabeleland North, Matabeleland South, southern districts of Midlands and Masvingo being severely affected.
52. In addition, livestock production was negatively affected by inadequate dipping due to insufficient supplies of dipping chemicals. The situation was also worsened by high costs of stock feeds and vaccines.

Figure 11: Cattle National Herd



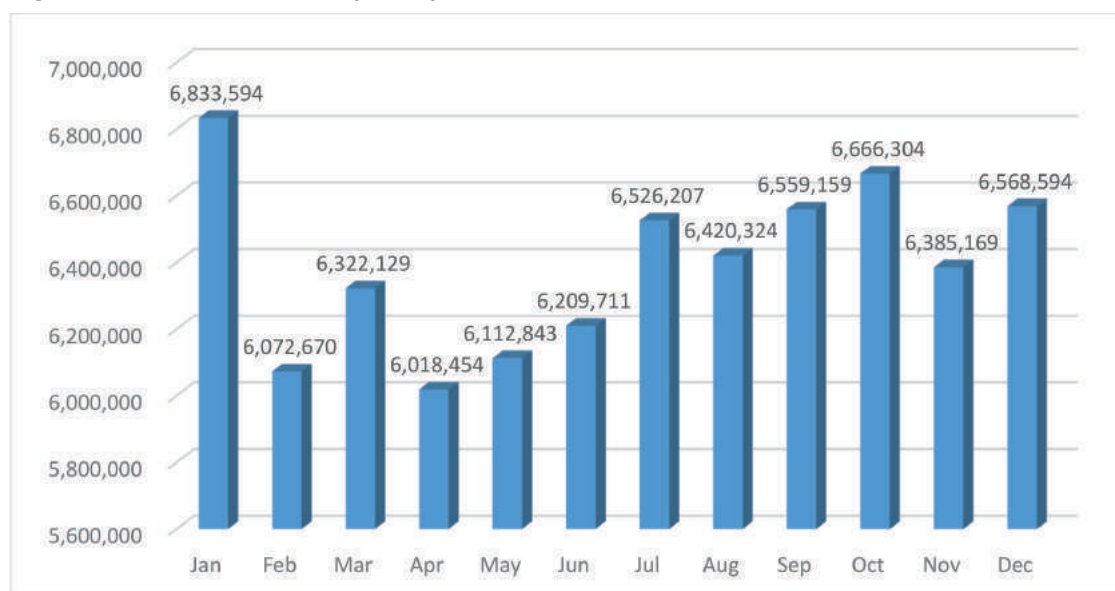
53. Consequently, the country lost a significant number of livestock, particularly cattle, and this compromised cattle slaughters in 2020. Resultantly, formal cattle slaughters declined by 2% in 2020, from 235 000 to 231 290 slaughtered in 2019.

Figure 12: Formal Cattle Slaughters (kgs)



54. Similarly, dairy output dropped by 3.99% to 76.7 million litres from 79.9 million litres produced in 2019. Milk production was negatively affected by high cost and unavailability of stock feeds, as well as water shortages due to erratic rainfall patterns.

Figure 13: Milk Production (Litres)



Irrigation

55. Consistent with the overall thrust to climate proof the agriculture sector, priority, in 2020 was accorded to the Irrigation Development Programme to ensure all year-round cropping that guarantees national food security.
56. In this regard, under the National Accelerated Irrigation Rehabilitation and Development Programme targeting rehabilitation and upgrading of 200 ha in every district annually, a total of ZWL\$479.6 million was availed with 1 329 ha having been put under irrigation. This allowed rehabilitation of the following irrigation projects across the country:

Table 9: Rehabilitated Irrigation Projects : 2020

Province	District	Name of Scheme	Hectarage Rehabilitated/ Developed
Manicaland	Buhera	Mutunha	30
	Mutare	Chipendeke	20
	Nyanga	Nyakomba Block A	138
	Nyanga	Nyakomba Block D	197
Mashonaland Central	Mt Darwin	Tsakare	36
Mashonaland East	Goromonzi	Dzvete	35
	Marondera	Mafuro farm	50
	Marondera	Waddilove	10
Mashonaland west	Sanyati	Seke Sanyati	20
	Zvimba	Nyamawanga	20
	Kadoma	Millanhood	80
Masvingo	Chiredzi	Chilonga	150
	Chiredzi	Rupangwana	12
	Chiredzi	Dendere	20
	Chivi	Gondo	10
	Gutu	Chipisa	15
	Mwenezi	Chizumba	20
	Mwenezi	Marowa	35
	Zaka	Fuve Panganai	24
Matabeleland South	Beitbridge	Kwalu	60
	Gwanda	Sukwe	22
	Gwanda	Rinetsi	5
Midlands	Kwekwe	Exchange	130
	Kwekwe	Igogo	86
	Mberengwa	Chimwechegato	64
	Mberengwa	Neta	20
	Shurugwi	Ruchanyu	20
Total			1,329

57. The above, was also complemented by support from Development Partners which enabled development of a further 252 ha during 2020.
58. Furthermore, OFID supported agriculture activities through capacitating smallholders farmers by assisting rehabilitation of irrigation schemes as well as providing working capital.

Mechanisation

59. In order to enhance productivity and production, during 2020, Government launched various farm mechanisation facilities, namely the US\$51.2 million Belarus and US\$50.1 million John Deere facilities whereby beneficiaries will be accessing the equipment through selected financial institutions on a cost recovery model.
60. The John Deere facility targeted a total of 1 300 tractors, 80 combine harvesters, 600 planters, 200-disc harrows, 100 booms prayers and 100 trailers, whilst the Belarus facility is targeting 474 tractors, 60 combine harvesters, 210 planters and 5 lowbed trucks.
61. In terms of deliveries, under the John Deere facility, equipment worth US\$3 million have since been delivered comprising 60 tractors and 8 combine harvesters whilst 152 tractors, 20 combine harvesters, 100 planters and 5 lowbed trucks were also delivered under the Belarus facility.

Table 10: Delivered Mechanisation Equipment

Scheme	Component	Target	Deliveries
John Deere	• Tractors	1300	60
	• Combine Harvesters	80	8
Belarus	• Tractors	474	152
	• Combine Harvesters	60	20
	• Planters	210	100
	• Lowbed Trucks	5	5

62. Additionally, Government also approved another Belarus facility of US\$52 million, targeting importation of 1337 tractors, 16 combine harvesters and 5-disc harrows.

Development Partner Support for Agriculture

63. Support by Development Partners to the agriculture sector amounted to US\$50.5 million during the period under review.
64. Under the UNDP administered Zimbabwe Resilience Building Fund (ZRBF) with funding from Denmark, European Union, Sweden, Foreign, Commonwealth and Development Office (FCDO), focus is on building adaptive, absorptive and transformative capacities of smallholder households in 18 districts to withstand shocks such as drought and macro-economic instability.
65. The programme was extended by two years from May 2020 to December 2022 following additional resources of US\$83 million that the European Union, Sweden, Denmark and UNDP mobilised towards the Fund.
66. During the period under review, US\$17.9 million was disbursed towards interventions including installing and rehabilitating boreholes across the 18 districts of the programme implementation.
67. The European Union also disbursed US\$3.9 million under the Zimbabwe Agricultural Growth Programme (ZAGP), which supports value chains in beef, poultry, dairy, pigs, goats, and animal health & food safety.
68. The support was channelled towards the construction of ten Cattle Business Centres (CBC), two of them having centre pivot irrigation; construction of twelve

Goat Improvement Centres in 12 selected Districts, the establishment of five Poultry Business Management Units, importation of the Kalahari Red, Boer and Saanen goat breeds, as well as, the Duroc, Landrace and Large White pig breeds, among others.

69. The Smallholder Irrigation Revitalisation Programme (SIRP), co-financed by Government, IFAD and OFID targets revitalisation of irrigation schemes in Natural Regions III, IV and V of Manicaland, Masvingo, Matabeleland South and Midlands provinces.
70. During 2020, US\$2.4 million was disbursed in support of the engagement of consultancies, conducting of feasibility, construction of canals, borehole drilling and installation of solar systems in the following irrigation schemes:
 - Musikavanhu (Manicaland);
 - Exchange (Midlands);
 - Chikwarakwara and Sebasa (Matabeleland South); and
 - Rupangwana, Gudo, Fungai and Banga (Masvingo).
71. In addition to the above support, the African Development Bank has disbursed US\$0.3 million towards the sector under the Support to Beef and Leather Value Chain Project. The resources supported the training of Business Development Service Provider trainers; capacitating beneficiaries at District level in Matabeleland North & Bulawayo Provinces to produce leather products, such as school shoes, sandals, belts, among others. The project has a huge impact as it capacitated actors in the beef and leather sectors, as well as, opening markets in the export sector.

Mining

72. In mining, efforts were directed towards reaping benefits from concluded investment agreements in platinum, gold and chrome and other minerals. This included re-engagement with mining companies over power supply, fine-tuning of fiscal regime for the sector and capacitation of the Mining Ministry in terms of planning, promoting exploration and monitoring. Tightening of the Gold Trade Act and capacitation of Gold Mobilisation Unit to reduce leakages was also prioritised.
73. Consequently, the 2020 National Budget projected 4.7% growth rate of the mining sector.

Table 11: Mineral Performance

	2018 Est	2019 Est	2020 Budget Proj	2020 Outturn
Overall Growth	15.3	-12.4	4.7	-4.7
Black Granite\	213	155	210	645
Chrome\	1756	1550	1800	1272
Coal\	3348	2730	3500	2751
Cobalt\	402	402	430	956
Copper\	9076	8678	9510	7933
Gold\kg	35054	29429	28000	20873
Iridium\	586	845	620	837
Nickel\	17810	16278	17500	16336
Palladium\kg	12094	11640	12400	12890
Phosphate\	51393	27148	62000	45084
Platinum\kg	14,703	13857	15400	15004
Rhodium\kg	1334	1224	1400	1367
Ruthenium\kg	1155	792	1210	1026
Diamonds	3252	2119	2200	2670

Source: Ministry of Mines

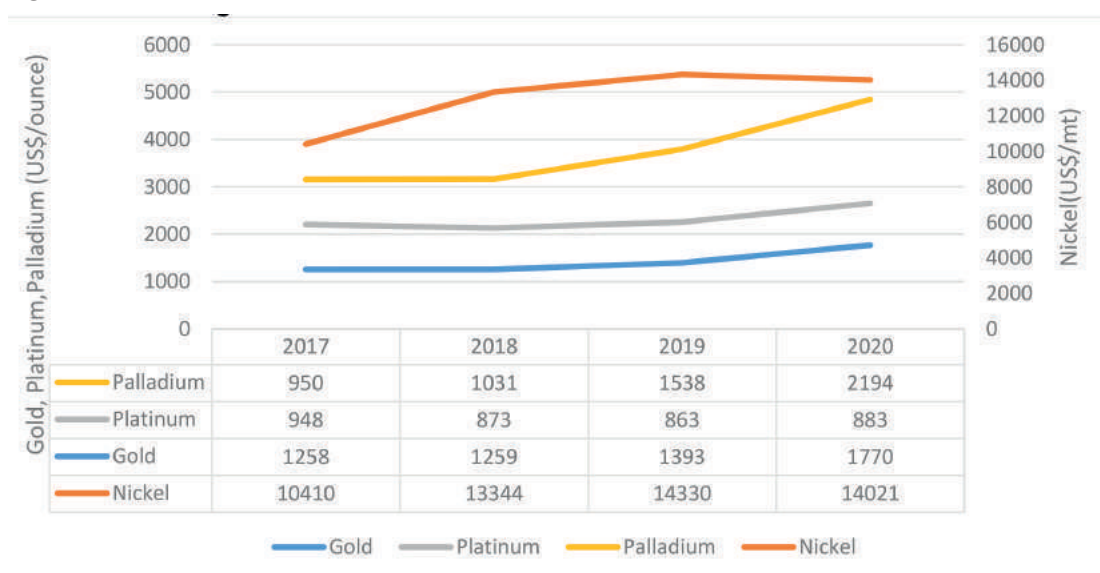
74. However, challenges related to power outages, shortage of foreign currency and trade friction induced by the COVID-19 pandemic and lockdown measures caused the sector to contract by an estimated -4.7% in 2020.

75. Notwithstanding, mining activities of granite, platinum and PGMs, diamond, nickel and coal were resilient and recorded relatively higher outputs compared to the previous year.

International Mineral Prices

76. Notwithstanding, the world wide closures induced by the COVID 19 pandemic which restricted trade and movement of goods, mineral prices for most major minerals of gold, palladium and platinum for the year 2020 were surging from 2019 levels. However, nickel and base metals prices receded in response to demand stocks from manufacturing industries in China and Russia.

Figure 14: International Prices for Selected Minerals



Source: World Bank

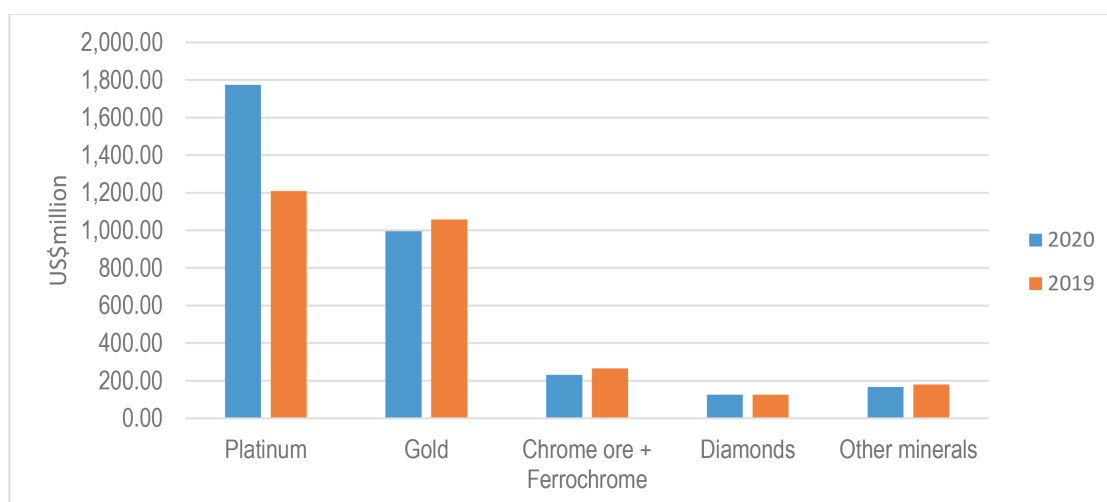
77. Gold prices increased by 27% from US\$1 392/ounce in 2019 to US\$1 770/ounce in 2020, reinforcing gold as a safe haven for investors against the background of COVID 19 which hit the global markets the greater part of 2020.
78. Prices of platinum and palladium also firmed up, picking by 2% and 43%, respectively. Palladium prices improved by a greater margin following the increased demand of the metal in the locomotive industry in China and Russia.

79. However, nickel prices fell by 2% in 2020 compared to 2019 following the world wide shut down of the manufacturing sector in parts of China which in turn reduced consumption and increased uncertainty of nickel. This prompted nickel inventories to increase amid reduced demand of the metal. Resultantly, prices of nickel fell from US\$14 330/mt in 2019 to US\$14 021/mt in 2020.

Mineral Exports

80. Mineral exports earned the country around US\$3.2 billion during the year 2020, compared to US\$2.8 billion recorded during the similar period in 2019, constituting a 16% increase. Platinum Group Metals had the highest export receipts at US\$1.7 billion in 2020 followed by gold at US\$994.7 million.

Figure 15: Mineral Export Earnings



Mining Investments and Reopening of Closed Mines

81. Government efforts towards resuscitation of closed mines as well as opening of new mines culminated in the reopening of a number of mines including Shamva Gold Mine which started operating in November 2020. This is earmarked for further expansion to produce 400kg of gold per month.

82. At the same time Anjin Diamond Mine was reopened in August 2020. Mining started in February 2020 and by May 2020 they had ramped up production of rough diamonds to about, 247 051.70 carats.
83. The company invested around US\$38 million to resuscitate operations and have managed to increase their processing capacity with a view of increasing production to a target of 10 million carats in 2023, peaking at 12 million carats in 2025.
84. Other projects include South Mining Coking Coal Project which was officially opened in July 2020. The company has invested US\$27 million with an aim to increase their capacity from the current 24000 tonnes per month to 300,000 tonnes/year by 2025 and currently employing 225 local employees.
85. Other notable investment projects that are coming on stream include Caledonia Mining Corporation which signed a Memorandum of Understanding (MoU) with the Government of Zimbabwe in 2020 so that it can boost investment and production in its gold mining.
86. In 2020 Great Dyke Investments spent over US\$ 25 million towards development of two underground mine portals at its site in Darwendale and two box cuts were opened. Production is set to start in 2022 and an estimated US\$ 3 billion will be invested into the project.

“Use it or lose it” Principle

87. Government has started implementing “*the use it or lose it*” principle, guided by the Mines and Minerals Act. The exercise is meant to allow local and foreign

investors access to identified idle claims which are currently being processed in line with the law.

Amendments to Mines and Minerals Act;

88. In a bid to continuously improve the country's operating environment, Government is amending the Mines and Minerals Act, expected to be finalised in 2021. The draft Mines and Minerals Amendment Bill of 2020, aims to ensure that the legal framework is modernised in line with international best practices.

Automated Mining Cadastre Information System

89. Government, is introducing a computerised Mining Cadastre system for the ease of management of mining titles, enhance transparency and efficiency in the management of mining titles and minimize disputes particularly those emanating from over-pegging and double allocation of mining ground. The pilot project for the computerised mining cadastre has since commenced.

Gold Trade Act

90. Government is reviewing and tightening the Gold Trade Act in order to curb smuggling. The enforcement of the Gold Trade Act measures will curb unlicensed mining and ensure sanity prevails in the sector.

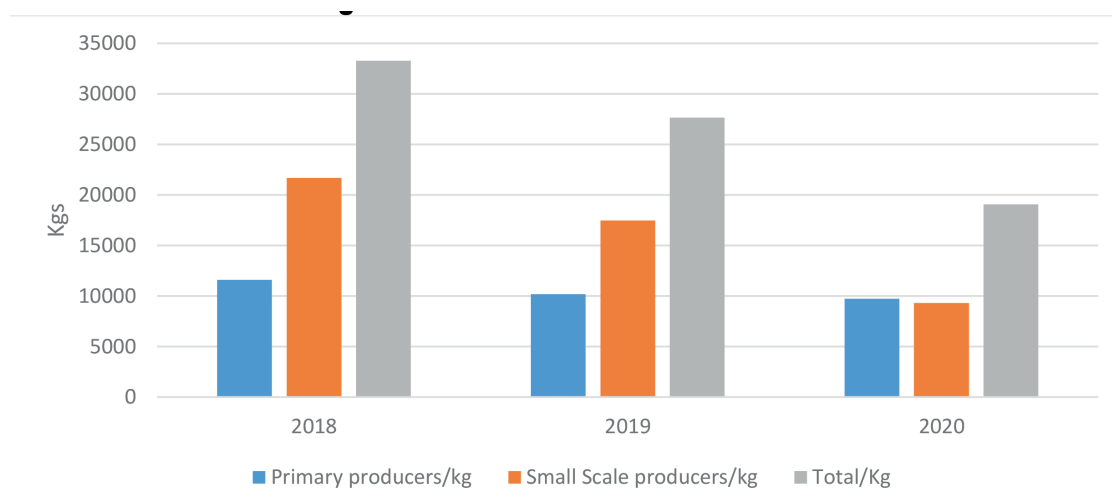
Unbundling of Fidelity Printers & Refiners (FPR)

91. The unbundling of FPR, already underway is designed to partially privatise the gold refining business by allowing private players to acquire a stake therein and in the process secure and endear the private sector's interests in the production and marketing of gold in Zimbabwe. This is also expected to enhance gold production in the country.

Rolling Out Gold Service Centres

92. Establishment of Gold Service Centres was a key strategy to enhance development of the gold sector in 2020. Currently, the Zimbabwe Mining Development Corporation is operating a gold service centre in Bubi with plans to roll out 5 more service centres in Odzi, Manicaland, Shamva, Mashonaland Central, Makaha, Mashonaland East, Mt Darwin, Mashonaland Central and Silobela, Midlands where the sites to set up these service centres were identified.
93. Gold deliveries declined to 20.9 tons from 29.4 tons recorded in 2019. Similarly, gold deliveries to the Fidelity Printers were 19.1 tons down from 28 tons delivered last year. Low figures of deliveries against production are attributed to smuggling activities in addition to other challenges facing the sector such as power outages and high cost of capital.
94. Resultantly, average capacity utilisation for the gold industry declined to 58% in 2020, from 61% in 2019.

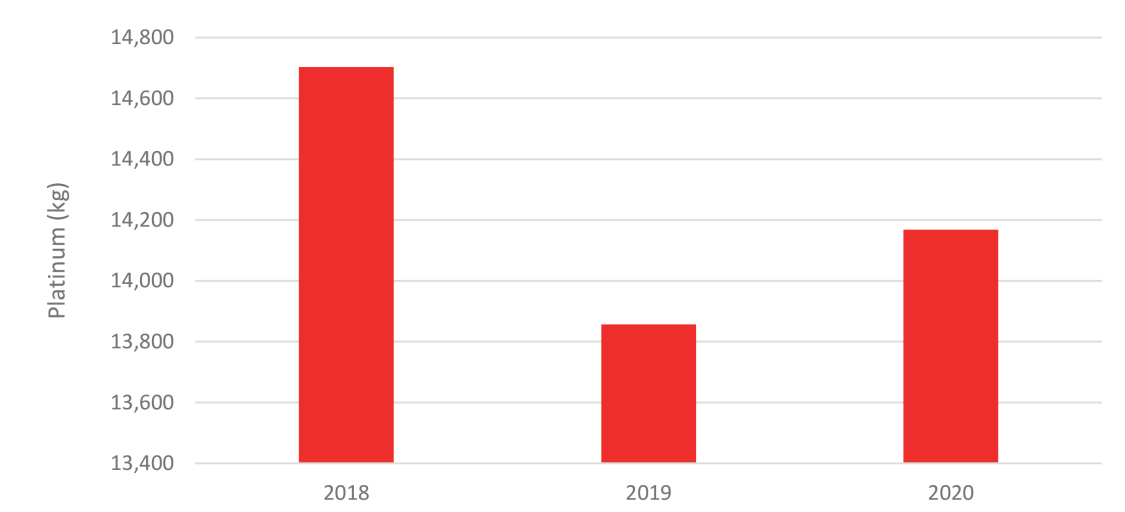
Figure 16: Gold Deliveries:2018-2020



Platinum

95. With the exception of platinum and rhodium, all other PGMs generally performed better than projected in the 2020 Budget. Production was adversely impacted by loss of production time following temporary closure of operations by Mimosa in July and September 2020 as well as Unki in April 2020.
96. However, the other PGMs which performed better in 2020 benefitted largely from increased throughput from Zimplats.
97. Despite the negative effects of the Covid-19 pandemic, firming prices of these minerals, driven by increased investment demand and a sharp recovery in automotive industry, particularly in China resulted in better performance in the second half of the year.
98. Overall, platinum output for 2020 increased by 8% to 15,004kg from 13,857kg realised in 2019 as depicted in the graph below.

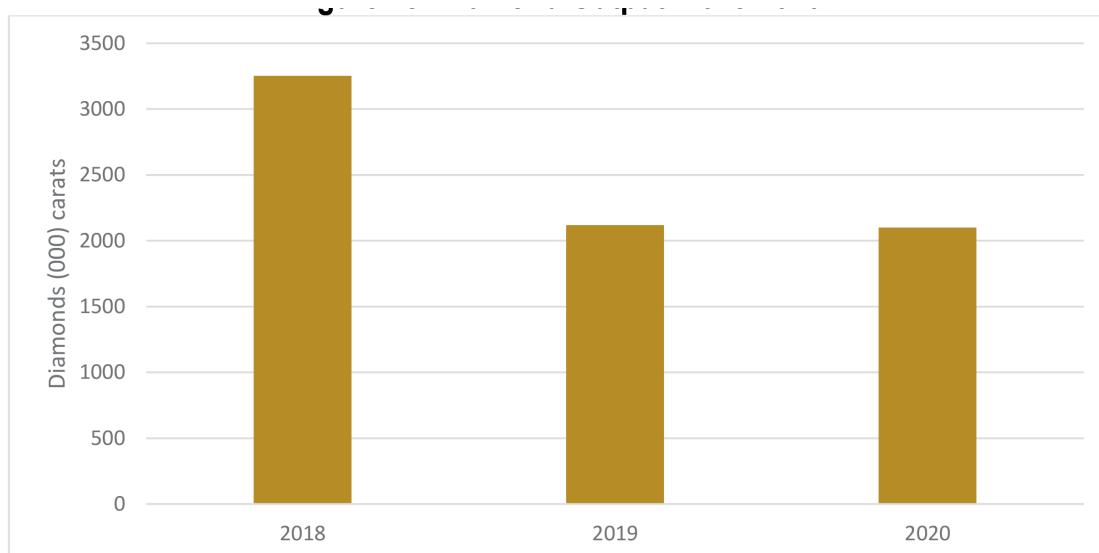
Figure 17: Platinum Output : 2018 -2020:



Diamonds

99. Diamond output surpassed the 2020 budget projection of 2 200 million carats by 26% and recorded 2 670 million carats, benefitting from the coming in of a new player, Anjin, in February 2020 which has been consistently producing till year end.
100. However, most companies faced viability challenges related to working capital constraints as a consequence of Covid 19 induced closure of markets. with ZCDC halting operations in September 2020. The resumption of diamond auctions undertaken from October 2020 helped to unlock working capital for distressed companies.
101. Overall, output for the year 2020 was above the 2019 output by 26% recording 2,670 million carats compared to 2 119 million carats produced in 2019 as depicted in the graph to follow.

Figure 18: Diamond Output :2018-2020



Chrome and Nickel

102. Chrome and nickel output was affected by the closure of industry in China and Russia following trade restrictive measures to contain the spread of COVID 19, resulting in massive stockpiles and subsequent decline in prices.
103. Chrome output at 1,272 million tons remained below annual target of 1,800 million tons for 2020 by 29% and was 18% less than the 2019 output of 1,550 million tons.
104. Similarly, nickel output at 16 336 tons was also 7% less than the 2020 annual projection of 17 500 tons. However, this was marginally higher by 0.4% compared to 16 278 tons produced in 2019 as reflected in the graph to follow.
105. Performances of chrome and nickel from 2018 -2020 is reflected in the graph below:

Figure 19: Nickel Output : 2018-2020

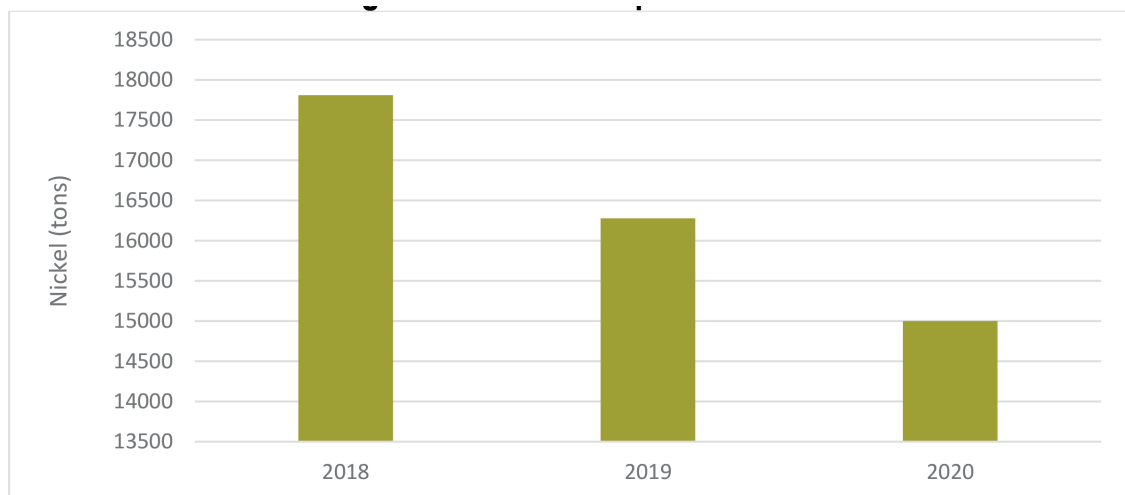
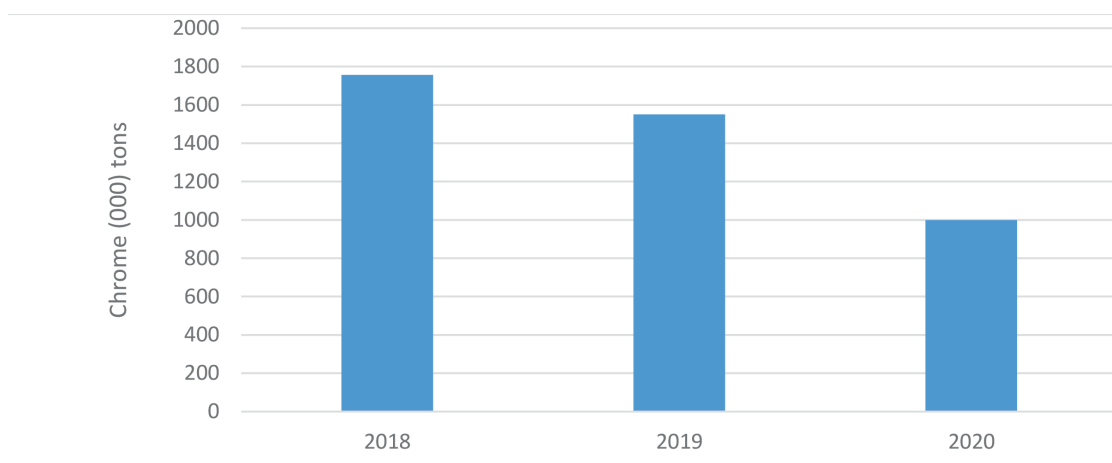


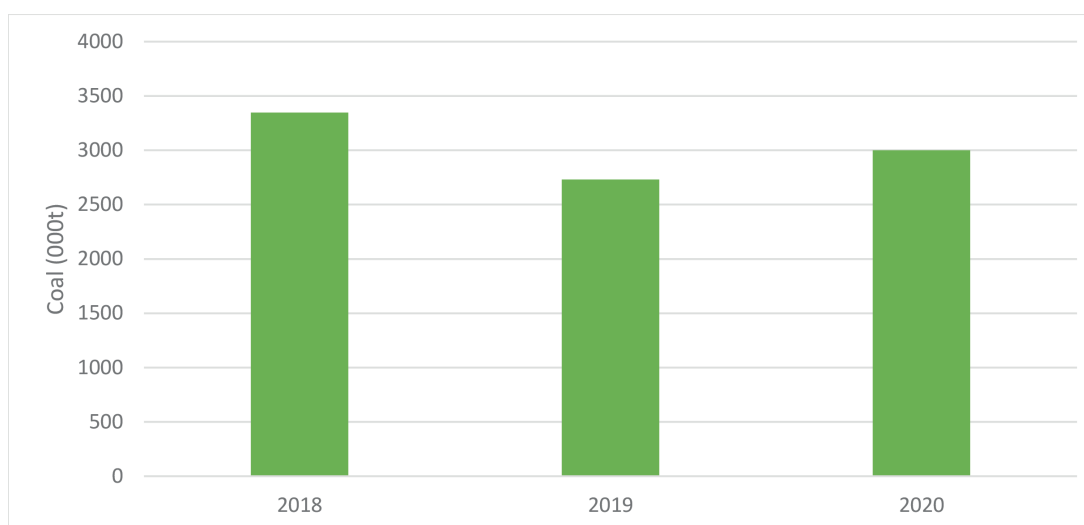
Figure 20: Chrome Output :2018-2020



Coal

106. Coal output for the year 2020 was 21% lower than budget projection mainly as a result of delays in payment by major coal consumers including ZPC, resulting in most companies tying their working capital in stocks posing a challenge to their viability. At the same time, border closures posed a challenge to most of coal producers, as they faced delays in procuring raw materials and critical spare parts.
107. As a result, cumulative output to December 2020 stood at 2,751 million tons, which was marginally higher by 1% compared to the 2019 levels as shown in the graph below.

Figure 21: Coal Output :2018 - 2020



Manufacturing

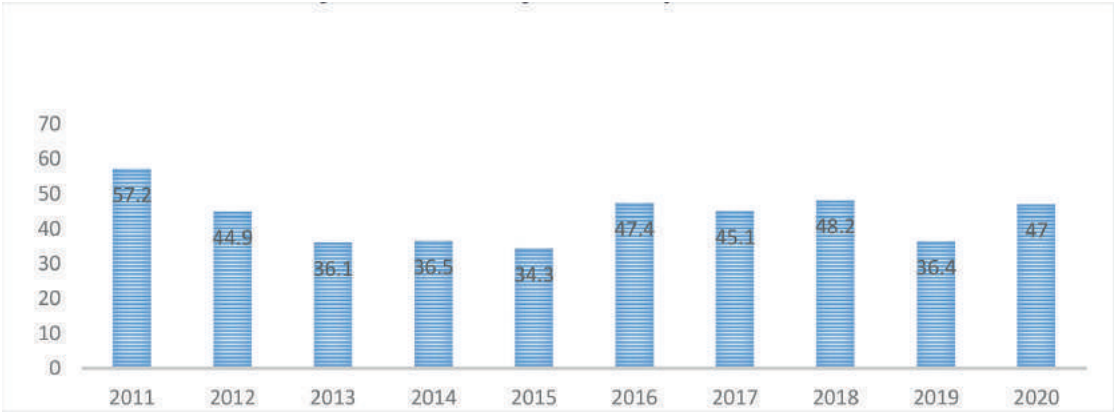
108. Priority for industry resuscitation was through implementation of the Zimbabwe National Industrial Development Policy and Local Content Strategy as well as promoting value chains, export led-industrialisation and import substitution. Pursuit of a stable macroeconomic environment and provision of enablers such as water and electricity supply would also support growth of industry going forward.
109. Manufacturing was one of the hardest hit sectors by the Covid-19 pandemic, mainly due to reduction of working hours and bottlenecks in the supply chain, among other challenges. This was in addition to challenges related to shortage of foreign currency.
110. However, the introduction of the foreign currency auction system in June 2020 brought stability of both the local currency and the exchange rate. This was also buttressed by relaxation of lockdown conditions allowing economic activity to resume.
111. Consequently, the sector marginally recovered during the last half of the year as evidenced by the increase in capacity utilisation from 36.4% in 2019 to 47% in 2020 benefitting from improved foreign currency availability, increased sales and retooling.

Table 12: Volume of Manufacturing Index

	Est	Est	2020 Budget Proj	2020 Outturn
Foodstuffs	119	109	111.5	90.0
Drinks, Tobacco and Beverages	95	77	77.5	72.7
Textiles and Ginning	104	91	95.1	91.5
Clothing and Footwear	31	27	27.0	25.4
Wood and Furniture	257	214	235.6	203.7
Paper, printing and Publishing	100	90	92.0	72.1
Chemical and Petroleum Products	83	76	77.3	83.9
Non metallic mineral products	132	130	131.6	104.2
Metals and Metal products	62	60	61.2	53.7
Transport, Equipment	57	57	58.3	50.9
Other manufactured goods	94	95	96.6	85.7
Manufacturing Index	95.8	87.4	89.1	79.1

112. Average capacity utilization for different sectors ranged from 43% from the Drinks, Tobacco and Beverages sector and Chemical and Petroleum Products sector to 65% for Other Manufactured Products sector, respectively.

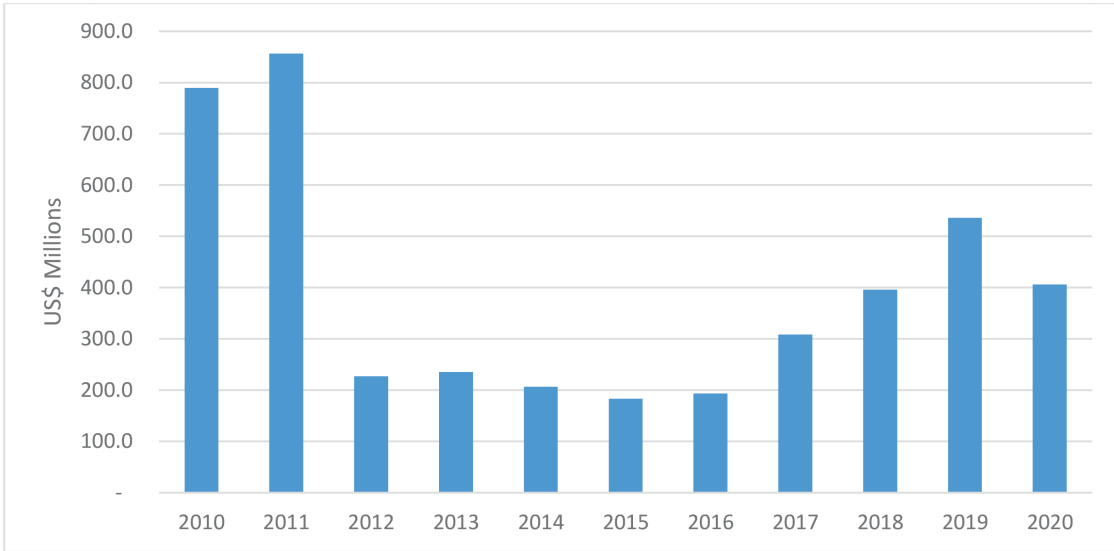
Figure 22: Average Capacity Utilisation



Source : CZI

113. The top three exporting sectors in 2020 were Foodstuffs, Metal and Metal products and Drinks, Tobacco and Beverages with Wood and Furniture and Clothing and Footwear tied on fourth position.

Figure 23: Manufactured Exports



114. As a result, the manufacturing sector is expected to record a contraction -9.6%.

Tourism

115. The targeted 3.3% growth for the sector was to be achieved through renewal of fiscal incentives, increasing connectivity, continuous improvements of facilities and products and improved visa facilitation.
116. However, the tourism industry, which is highly responsive to global economy and domestic economic developments is one of the most affected by the COVID 19 pandemic.
117. Disruptions to travel as part of the containment measures to the pandemic, resulted in direct negative effects on incomes and employment and downstream related activities.

Tourism First Half of 2020

118. Although the first COVID case in Zimbabwe was only reported in March, global travel restrictions and flight cancellations had already started to disrupt both international and domestic tourism.

Table 13: Tourist Arrivals: 2020 Q1 and Q2

1st Quarter	Jan – Mar 2020	Jan – Mar 2019	% Change	
Africa	417,346	471,765	-12%	▼
Overseas	68,622	86,326	-21%	▼
Total	485,968	558,091	-13%	▼
2nd Quarter	April – Jun* 2020	April – June 2019	% Change	
Africa	12,284	449,559	-97%	▼
Overseas	11	107,692	-100%	▼
Total	12,295	557,251	-98%	▼

Source: Zimbabwe Tourism Authority

119. Foreign tourist arrivals were near-zero in most holiday resorts from the onset of the pandemic with visits to eateries declining significantly, partly due to lockdown measures and general reduction in incomes as economic activity slowed down in 2020.

Tourism Second Half 2020

120. Signs of recovery were observed in the second half of 2020 as the infection curve started flattening and the economy gradually re-opened. As is seasonally expected, the last quarter of the year was characterised by improved tourism activity and travel as families got together for the festive holidays, but not to the levels of previous years.
121. As a result, average hotel occupancy rates improved to close the year at an estimated 30% from a low of 10% recorded in the second quarter, when infection curve was at its peak in 2020.

Outlook Beyond 2020

122. The country witnessed a resurgence of the pandemic by close of the year, necessitating re-introduction of lockdown measures in January 2021. This had the effect of retarding the gains made in the last quarter of 2020 and average hotel occupancy rates dropped to below 10% as in the second quarter of 2020.
123. Apart from restrictions on inter-city travel, individuals are now cautious and avoiding risks by restricting travel and gatherings hence domestic tourism remain low. Going forward, performance of the sector is expected to improve, supported by the positive impact of vaccinations.

Construction

124. The sector was also impacted by the COVID-19 pandemic which reduced investment inflows into the industry, lowered production hours, as well as disturbances in the supply chains and distribution of equipment and materials used in the industry. This resulted in many projects being suspended in order to contain the spread of the virus.
125. Consequently, the industry recorded a negative growth of -11.4% in 2020.

Micro, Small and Medium Enterprises (MSMEs)

126. Providing an enabling environment for MSMEs to thrive and grow is a priority as MSMEs contribute significantly to the mainstream economy through backward and forward linkages.
127. Government, through a wide consultative process reviewed National MSME Policy Framework (2020 – 2024), aimed at capacitating MSMEs to transform them into formalized, productive, innovative, export and growth oriented and competitive enterprises. Specific support relates to:
- Creating an enabling regulatory environment;
 - Capacity building and skills development of emerging and existing MSMEs; and
 - Promoting an entrepreneurship culture that ensures the continuous creation and growth of new entities.

128. Through the budget, Government capacitated institutions supporting SMEs, with funds being channelled towards the Small and Medium Enterprises Development Corporation (SMEDCO), which in turn, disbursed a total of ZWL\$83.8 million to 219 SMEs, with ZWL\$69.3 million being disbursed to projects affected by the Covid-19 pandemic.
129. During 2020, a total of 18 574 MSMEs were trained in business planning, proposal writing, financial management, record keeping, marketing, cluster formation and productivity, among others, of which 65% were women entrepreneurs.
130. The MSMEs sector has also been benefiting from collaboration with development partner support in the following areas:
- Green Enterprise Innovation and Development supported by ILO with seed capital;
 - SMEs Development Programme supported by OFID which disbursed US\$2.9 million to 92 beneficiaries in 2020;
 - Inclusive Growth and Sustainable Livelihoods supported by UNDP; and
 - Regional Integration and Implementation programme supported by COMESA targeting SMEs Clusters in leather and clothing.

Venture Capital

131. Government established the National Venture Capital Company of Zimbabwe to encourage entrepreneurship and innovation by SMEs, especially those owned by the youth and women. The company will invest in qualifying start-up enterprises, to help them to grow, and generate new employment opportunities, which will

stimulate economic growth. The projects are also earmarked to stimulate growth of the economy.

132. In 2020, an amount of ZWL\$266.2 million was disbursed towards a number of startups which includes:-

- Financing the manufacturing plant for laptops and cellphone in Msasa (ZWL\$18.5 million). Msasa manufacturing plant is the only plant in the Southern Africa that assembles laptop and cellphone. The plant will create jobs and generate the much needed foreign currency for the country through exports.
- Capitalization of Verify Engineering ZWL\$207,7 million;
- PPEs production in colleges ZWL\$40 million. The local production of the PPEs has greatly reduced the price of the PPEs compared to the imported products, also ensuring stable availability of products. Colleges also gained income which was channelled towards research and development.

Sport Arts and Culture

133. The 2020 Budget supported youths, recreation, leisure and sports programmes through investment in the construction of vocational training and youth centres. These resources went towards construction of the following centres Umguza, Esigodini, Ruwa, Norton, Tabudirira and Mbire among others.

134. In addition, resources were disbursed to the Youth Empowerment bank with the objective of providing venture capital to the youths. In that regard, a number of youths were trained in management of projects and encouraged to embark in voluntary community projects.

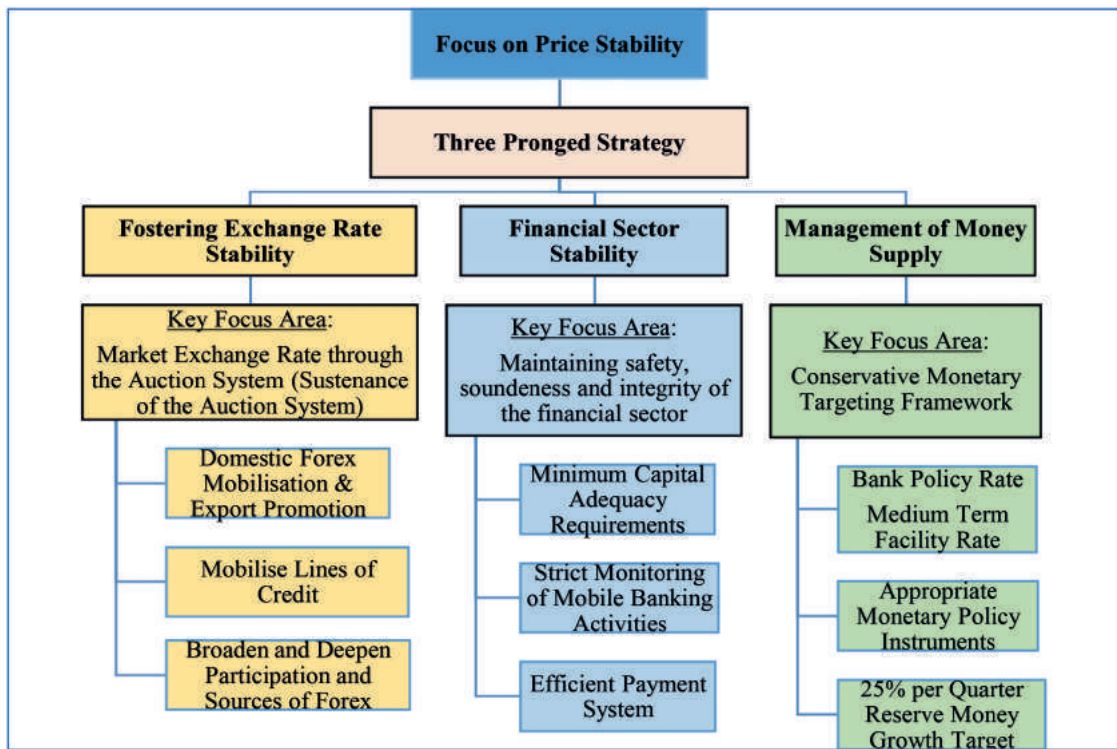
135. Through the COVID-19 Stimulus Package, Youth Empowerment Bank also received resources to the tune of ZWL\$50 million for on lending to youths for developmental programmes thereby creating jobs.

136. Government also recognises the importance of Sports and Recreation for the physical development of its citizenry mainly the youths and disbursed resources to Sports and Recreation Commission, Sports and Recreation Fund, National Gallery, Pan African Youth Council and National Art Council of Zimbabwe, among others, for construction and refurbishment of infrastructure.
137. In order to promote arts and culture, Government disbursed resources for the development of Kanyemba and Binga Arts Centres.

FINANCIAL SECTOR DEVELOPMENTS

138. The Reserve Bank has managed to restore macroeconomic stability through a three- pronged approach focussing on fostering exchange rate stability, financial sector stability and management of money supply.

Figure 24: Reserve Bank of Zimbabwe Strategic Policy Framework



139. The approach restored confidence through implementation of conservative monetary targeting framework, strengthening mobile banking regulations and introduction of foreign exchange auction system, complemented by Government

fiscal containment measures. These measures have ensured that the banking sector remain financially sound and firm.

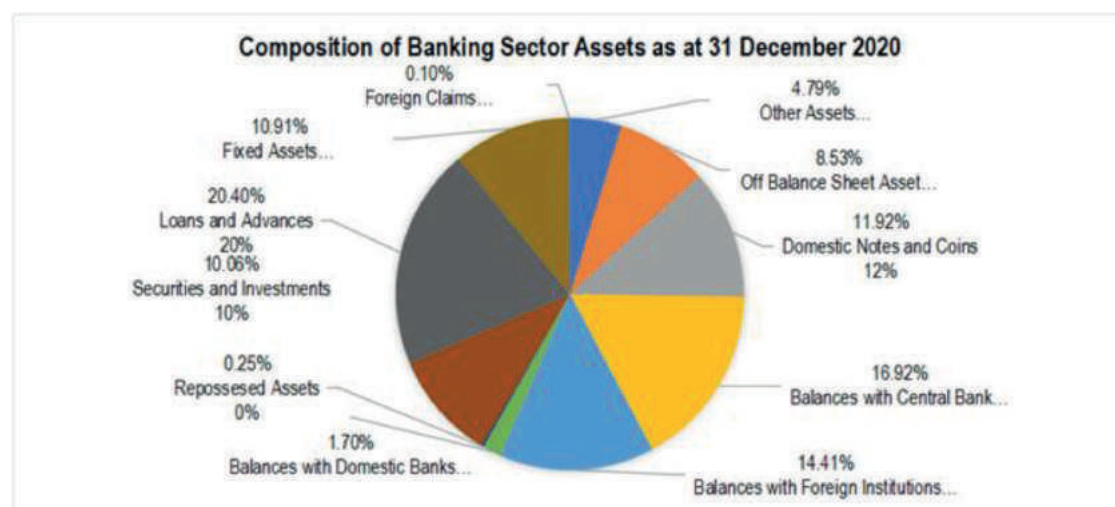
Reserve Money

140. Since the second half of 2020, Reserve Bank has been implementing a conservative monetary targeting framework to contain money supply growth. As a result, reserve money level was below the set quarterly target due to the Bank's active mopping up programme carried out through open market operations and strong fiscal consolidation that has seen Government completely refraining from resorting to the overdraft window at the Central Bank.
141. As at 31 December 2020, Reserve money was ZW\$18.76 billion compared to year end target of ZW\$25.2 billion, a conservative quarterly growth of 18.6% in 2020, against a target of 25% per quarter.

Banking Sector Assets and Deposits

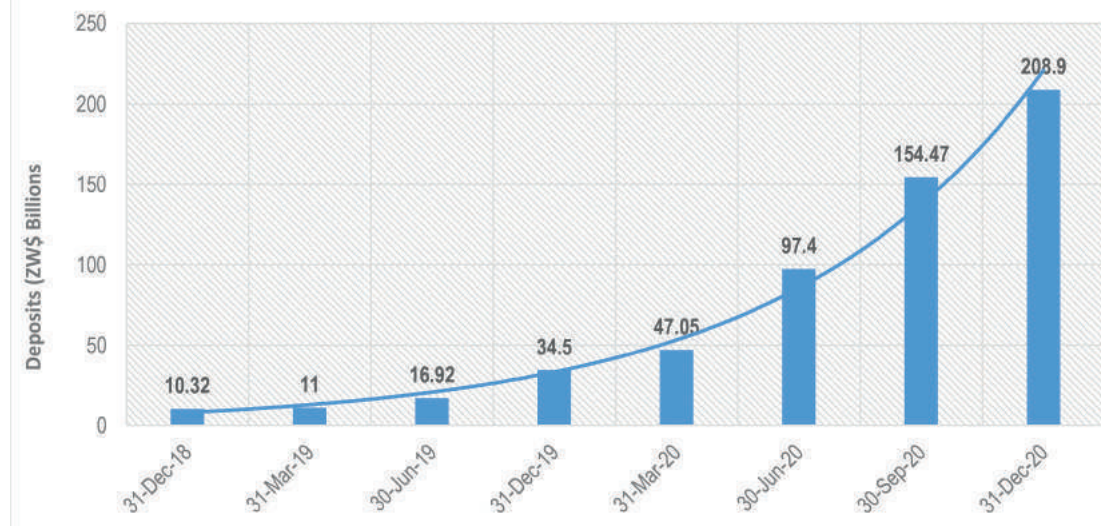
142. As at 31 December 2020, the banking sector total assets amounted to ZW\$349.59 billion comprising of loans & advances, balances with the Central Bank and balances with foreign institutions, which constituted 20.4%, 16.9% and 14.4%, respectively, as depicted below.

Figure 25



143. The total banking sector deposits were ZW\$208.9 billion as at 31 December 2020, made up of ZW\$125.3 billion (60%) in foreign currency and ZW\$83.5 billion (40%) in local currency. The increase in bank deposits from 2019 was mainly attributable to revaluation of foreign currency denominated deposits.

Figure 26: Trend of Banking Sector Deposits



Loans & Advances

144. As at 31 December 2020, the total banking sector loans and advances amounted to ZW\$82.4 billion up from ZW\$37.8 billion, an increase of 2.18 times, largely attributed to the conversion of foreign currency denominated loans. Financial intermediation remained subdued, as reflected by a loans to deposits ratio of 39.5%, largely as a result of cautious lending approach adopted by some banking institutions.

Loan Portfolio Quality

145. The banking sector loan portfolio quality continued to improve as reflected by a decline in the non-performing loans (NPLs) to total loans ratio from 1% as at 30 June 2020 to 0.3% as at 31 December 2020, partly reflecting the more than proportionate growth in total loans.

Earnings Performance

146. All banking institutions recorded a profit, with the aggregate banking sector profit for the year amounting to ZW\$34, 2 billion, an increase from ZW\$6, 4 billion for the corresponding period in 2019. The growth in income is largely attributable to non-interest income which constituted 79.5% of total income. Non-interest income mainly comprised other non-interest income (translation gains on foreign currency denominated assets).

Financial Inclusion

147. The National Financial Inclusion Strategy (2016 - 2020) came to an end in December 2020. There was remarkable progress with regards to implementation of National Financial Inclusion Strategy (NFIS), particularly in areas of financial literacy, consumer protection, delivery channels, low-cost bank accounts, loans to various segments, micro-insurance, financial services exchange for MSMEs and micro-pensions, among others.

Table 14: Financial Inclusion Indicators from 2016 to 2020

Indicator	December 2016	March 2020
1. MSME loans as a % of total loans	3.5%	4.66%
2. Number of MSMEs with bank accounts	71 730	121 945
3. Number of women with bank accounts	769 883	2.251 million
4. Loans to women as a % of total loans	7.52%	4.25%
5. Value of loans to youths	ZWL\$58 million	ZWL\$670 million
6. Number of loans to youth	38 400	144 676
7. Loans to youths as a % of total loans	1.58%	3.38%
8. Total number of accounts	1.49 million	8.46 million
9. Number of low cost accounts	1.2 million	5.17 million

148. The overall goal of increasing the proportion of banked adults to at least 60% and access to affordable and appropriate financial services to 90% by 2020 have been largely achieved.

149. Government expects banks, microfinance institutions, capital market operators, pensions and insurance companies as well as mobile network operators to continue exploring innovative ways of delivering sustainable and quality financial services to the marginalised segments as well as taking measures to promote consumer education and financial literacy to enable the transacting public to make informed financial decisions.
150. Work is underway to craft the successor programme to the NFIS.

Insurance and Pensions

Compensation for Pension and Insurance Losses

151. The 2020 National Budget emphasised the need to finalise implementation of the Justice Smith-led Commission of Inquiry recommendations on compensation of pension fund members and insurance policy holders who were prejudiced following conversion of insurance and pension values from the Zimbabwe dollar to the United States dollar.
152. Government has initiated the process of effecting amendments to the Insurance, Insurance & Pensions Commission and the Pensions & Provident Fund Acts, whose promulgation will pave way to address a number of issues raised in the Commission of Inquiry Report.
153. Some of the issues being addressed through the Bills include corporate governance standards, protection of pension member and policy holder interests, preservation of value, resolution framework for troubled institutions and strengthening of supervisory and regulatory powers of the regulator, Insurance and Pensions Commissions (IPEC), among others.

154. Meanwhile, Government has begun the process of compensating pensioners and depositors who lost their savings through currency reforms introduced in February 2019 through SI 33 of 2019 with resources equivalent to US\$75 million and US\$75 million for depositors. The compensation asset is administered by the Deposit Protection Corporation (DPC) and the Insurance Pension Commission (IPEC).
155. In this regard, Government has already issued a share certificate of an asset to compensate depositors and pensioners for the losses incurred. Beneficiaries will, in the meantime, benefit through dividends from an investment vehicle.

Revaluation of Assets & Liabilities

156. The 2020 National Budget highlighted the need to restore confidence in the pensions and insurance sector through retaining value for pensioners and policy holders, which was lost due to the harsh macro-economic environment.
157. IPEC has issued guidelines on revaluation gains on assets to benefit policyholders and pension scheme members, through ensuring an equitable allocation of economic gains arising from the 2019 currency reforms.
158. The guidelines will also address the pitfalls of the period prior to 2009. Implementation of the guidelines is underway, with most entities having already submitted Actuarial Valuation reports in compliance with requirements of the Guidance Paper.

Compliance with Prescribed Assets Requirements

159. Government reviewed prescribed asset thresholds in 2019. However, as at 31 December 2020, most insurance and pensions players remained non-compliant with, only short-term reinsurers having complied, as shown in the table below:

Table 15: Prescribed Assets Compliance

	PAS Threshold	Compliance 30-Dec-20
Short-Term (non-life) Insurers	10%	3.69%
Short-term reinsurers	10%	17.67%
Life Assurers	15%	2.43%
Life Re-assurers	15%	3.28%
Funeral Assurance	10%	0.02%
Pension Funds	20%	6.41%

Source: IPEC

160. The industry has cited lack of value preserving investment instruments as one of the major reasons for non-compliance.
161. Non-compliant entities have, however, since submitted compliance roadmaps to IPEC, of which failure to comply will attract punitive penalties.

Compliance to Minimum Capital Requirements

162. In 2020, Government reviewed the statutory minimum capital requirements (MCR) for the insurance sector players to take into account changes in the macro-economic environment as well as ensure a sound insurance industry.
163. As at 31 December 2020, all short-term insurers , reinsurers, reinsurance brokers and micro-insurers were compliant with the stipulated minimum capital requirements, whilst most of the funeral assurers were non-compliant as shown in the table below:

Table 16: Minimum Capital Requirement Compliance

CLASS OF BUSINESS	MCR	Compliance 31-Dec-2020
Short term Insurers	37.5	100%
Reinsurance	75	100%
Life Assurers	75	83%
Funeral Assurers	62.5	38%
Insurance Brokers	1.5	88%
Reinsurance brokers	1.5	100%
Micro-insurers	4.5	100%
Average		87%

Source: IPEC

- 164. Lack of capacity to raise required capital levels by current shareholders and challenges in finding new investors to inject new capital were cited as some of the challenges influencing non-compliance.
- 165. Most Funeral assurers have submitted capitalisation roadmaps, and the industry is showing steady progress towards meeting the required minimum capital levels.

African Risk Capacity Programme

- 166. Following Government's participation in the ARC drought risk insurance policy, complemented by the UN WFP Replica Policy for the 2019/20 agricultural season, Government received a total pay-out of US\$1 755 890 in 2020.
- 167. The pay-out assisted the substantial number of vulnerable households, through cash transfer assistance to food insecure labour-constraint households in the worst drought-affected wards.
- 168. For the 2020/21 agricultural season, the Replica Partner contributed US\$2 million towards the policy, KfW of German contributed a payment of US\$2 million while Government provided US\$0.5 million to subscribe for the sovereign insurance.

Capital Markets

- 169. The Securities and Exchange Commission of Zimbabwe (SECZim) in 2020 introduced a number of new products on the market namely the Exchange Traded Products, Property Fund, Commodity Fund, Private Equity Fund, Venture Capital Funds, Warehouse Receipts and Real Estate Investment Trusts, through the amendment of the Security and Exchange regulations.
- 170. It is envisaged that this development will promote the depth and breadth of the market, thereby attracting investors.

171. Consequently, the Exchange Traded Fund was launched in December 2020, with Old Mutual listing its Exchange Traded Fund in January 2021.
172. SECZim also carried out various investor education and awareness initiatives, culminating in the launch of the Gro-Wealth Unit Trusts Booklet and the Investment 101 Handbook. The investing public is thus armed with information regarding securities market investments.

Zimbabwe Stock Exchange

173. During the period under review, the Zimbabwe Stock Exchange (ZSE) launched an alternative online trading platform dubbed the “ZSE Direct” aimed at extending ongoing efforts towards enhancing access to the securities market and promoting the ease of doing business.
174. In terms of the ZSE performance in 2020, the Exchange was characterized by bullish behaviour notwithstanding the limited range of investment options and high inflation expectations in the first half of the year. As a result, market capitalisation increased by 967.89%, from ZW\$29.8 billion in December 2019 to ZW\$317.9 billion at the end of year, as depicted below.

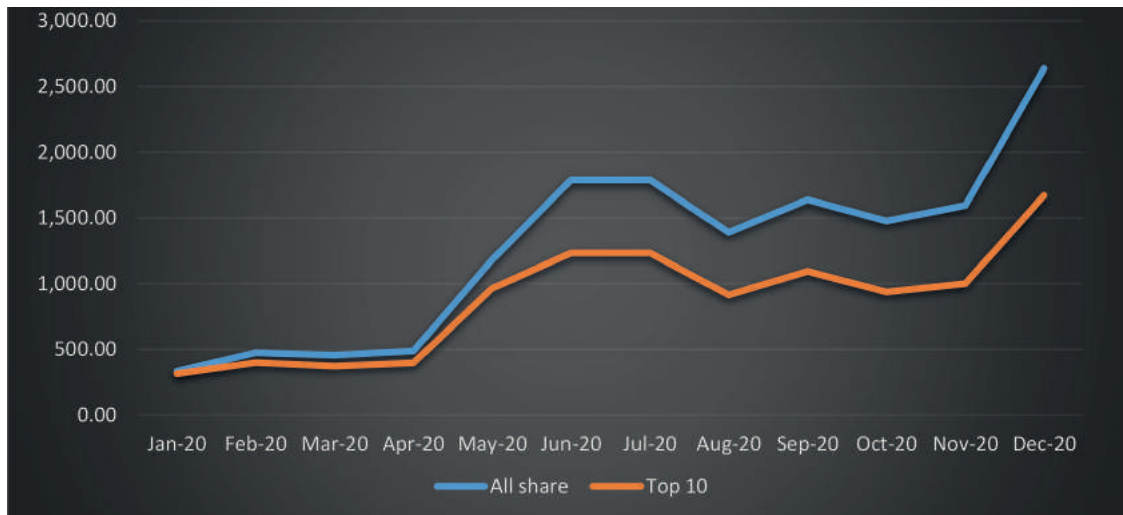
Figure 27: ZSE Market Capitalisation



Source: ZSE

175. Similarly, the All Share and Top 10 indices grew by 1 045.84% and 724.68% respectively to close the year at 2,636.36 and 1, 671.47, respectively. This growth is partly explained by investors hedging against inflation especially during the first half of the year.

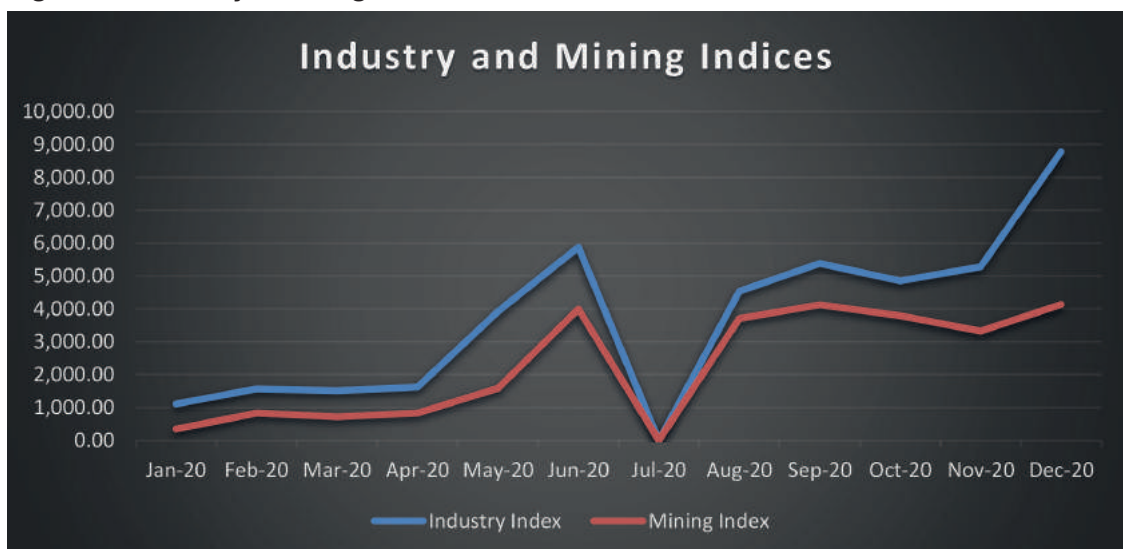
Figure 28: ZSE All Share and Top 10 Indices



Source: ZSE

176. During the same period, the industrial and mining indices went up by 1 205.53% and 1 035.5% to close the year at 4 134.09 points and 8 782.18 points, respectively.

Figure 29: Industry & Mining Indices



Source: ZSE

177. At the beginning of 2020, the ZSE introduced three new indices on the trading platform. The additional indices took the form of Top 15, Medium and Small Cap, and are intended to track developments on the three segments of the local bourse, hence assisting investors to track portfolio changes on a more granular basis.
178. Suspension of the ZSE by Government in June 2020 paved way for an inquiry into suspected speculative trading patterns in dual listed counters together with their pricing behaviour, which was lifted on 3 August upon completion of the investigation.
179. Therefore, the suspension brought stability in the market as the industry was no longer indexing prices to the Old Mutual Implied Rate.

Victoria Falls Stock Exchange

180. The Victoria Falls Stock Exchange (VFEX) was launched in October 2020, a development that is envisaged to attract both foreign and domestic portfolio investments.
181. To date, only SEED-Co International with a market capitalisation of USD\$43,403,040, has listed on VFEX. However, Government, in collaboration with the VFEX management are in discussions with other key investors and companies such as mining houses, among others to consider listing on the VFEX. Other entities listed on the ZSE also have an option to list a portion of their investments on the VFEX.
182. Government is also keen to list bonds at the VFEX, with a view to raise funds for various Government projects and programmes.

The Commodities Exchange Market

183. Government launched the Agricultural Commodities Exchange concept during the end of 2020, paving way for its establishment in 2021.
184. It is envisaged that the Commodity Exchange will facilitate title transfer, price discovery, market development and transparency and provide advance finance for production.
185. Globally, Commodity Exchanges help in reducing transaction costs and increasing the flow of information through the market, which in turn increases returns to market agents as well as reducing the short-term variability of prices and spatial price dispersion.
186. The country will benefit from participating in commodity exchange platforms both on the continent and worldwide, given that the country is agriculturally based with mainly primary products.
187. The Commodity Exchanges operate on a contract basis, such as spot prices, forward prices, future contracts as well as options on future contracts.
188. The most basic contract in Agricultural Commodity Exchange is hinged on warehouse receipts, which involves a title transfer at a specific location of an agreed quality and quantity of an agricultural commodity. Such contracts help to resolve financing issues facing farmers, since the receipts are used as a financial instrument/guarantee to gain capital for another cycle.
189. Future contracts, on the other hand, can help strengthen market liquidity, improve price discovery as well as manage price risks. Market liquidity is strengthened

as both buyers and sellers are willing to hold and exchange money through the financial instrument that is provided by the futures contract.

Zimbabwe Receivables Marketplace

190. The ZSE also launched the Zimbabwe Receivables Marketplace, a trade receivable trading platform in September 2020. Its mandate is to offer working capital solutions through receivables financing.
191. The Trade Receivables Discounting System (TRDS) works as a formal mechanism that facilitates the financing of trade receivables to Small and Medium Enterprises (“SMEs”) through invoice financing by multiple financiers.
192. Zimbabwe Receivables Marketplace gives several advantages to the economy as follows:
 - SMEs get greater access to finance at competitive rates without providing any additional collateral under credit system;
 - Corporates save on procurement cost through an improved negotiation of financing terms for their vendors; and
 - Investors such as Asset Managers and Pension Funds get an opportunity to build their alternative asset portfolio, among others.

FISCAL OUTTURN

193. The 2020 National Budget envisaged revenue collections of **ZWL\$58.6 billion** (17.2% of GDP), with a targeted budget balance of **ZWL\$-5 billion** (-1.5% of GDP).
194. Expenditures were therefore, pegged at **ZWL\$63.6 billion** (18.7% of GDP).

Table 17: The 2020 Original Budget Framework

	2018	2019	2020	2021	2022
National Accounts (Real Sector)					
Real GDP (ZWL\$m)	19 845.7	18 555.2	19 114.1	19 738.3	20 998.0
Nominal GDP (ZWL\$m)	44 331.9	130 768.5	340 094.5	42 9626.9	46 9442.3
Real GDP Growth (%)	3.4	-6.5	3.0	3.3	6.4
Government Accounts					
Revenues (ZWL\$m)	5 491.4	21 000.1	58 641.0	78 685.0	82 395.0
% of GDP	12.4	16.1	17.2	18.3	17.6
Expenditures (ZWL\$m)	7 857.9	26 188.7	63 641.0	78 685.0	82 395.0
% of GDP	17.7	20.0	18.7	18.3	17.6
Recurrent Expenditures (ZWL\$m)	5 182.9	17 720.7	38 851.0	55 013.9	56 664.0
% of GDP	11.7	13.6	11.4	12.8	12.1
Employment Costs (ZWL\$m)	3 934.7	7 700.0	17 751.4	34 889.1	36 909.7
% of GDP	8.9	5.9	5.2	8.1	7.9
Capital Expenditure (ZWL\$m)	2 675.0	8 468.0	24 790.0	23 671.2	25 731.0
% of GDP	6.0	6.5	7.3	5.5	5.5
Overall Balance (ZWL\$m)	-2 366.5	-5 188.6	-5 000.0	0.0	0.0
% of GDP	-5.3	-4.0	-1.5	0.0	0.0

Source: MoFED

195. The challenging environment arising from natural disasters and macroeconomic vulnerabilities, especially inflation affected the budget framework in terms of both revenue and expenditure performance.
196. Preliminary figures to year end shows that revenues reached ZWL\$183.0 billion, while expenditures amounted to ZWL\$162.4 billion to give a budget surplus of ZWL\$20.6 billion.

Table 18: 2020 Budget Outturn

	2018	2019	2020
Government Accounts			
Revenues (ZWL\$m)	5,533.5	22,970.7	183,039.1
% of GDP	15.0	14.2	17.1
Expenditures (ZWL\$m)	7,552.8	22,575.1	162,428.7
% of GDP	20.5	13.9	15.2
Recurrent Expenditures (ZWL\$m)	5,196.8	13,166.0	106,829.6
% of GDP	14.1	8.1	10.0
Compensation of Employees (ZWL\$m)	3,934.7	7,118.7	55,201.4
% of GDP	10.7	4.4	5.2
Non Financial Assets (ZWL\$m)	2,356.0	8,752.1	55,599.1
% of GDP	6.4	5.4	5.2
Overall Balance (ZWL\$m)	-2,019.3	395.6	20,610.4
% of GDP	-5.5	0.2	1.9

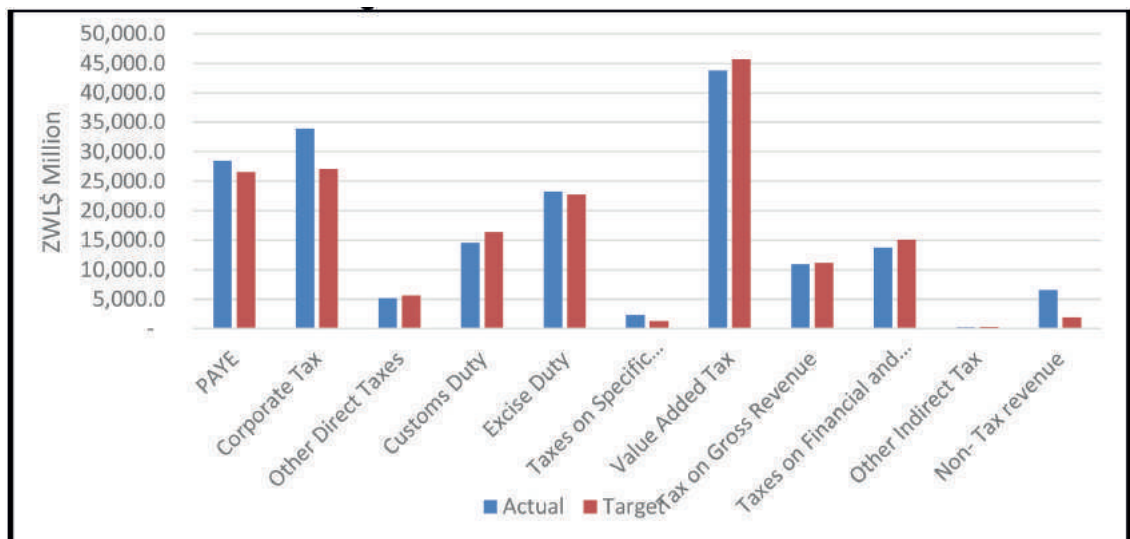
Source: MoFED

197. During the first half of the year, budget performance was subdued resulting in Vote performance of 46% due to COVID-19 pandemic and the attendant mitigatory measures implemented by Government. However, the gradual opening of the economy during the last half of the year significantly improved the situation, resulting in both revenue and expenditure substantially exceeding original targets.

Revenue

198. Revenue collections for the period January to December 2020 at ZWL\$183 billion out-performed the original target of ZWL\$58.6 billion by 212.3%. The positive performance was mostly a result of inflation as well as fiscal, monetary and structural measures introduced by Government that brought about the much-needed stability which enhanced businesses viability and bolstered revenue inflows, especially during the last half of 2020.

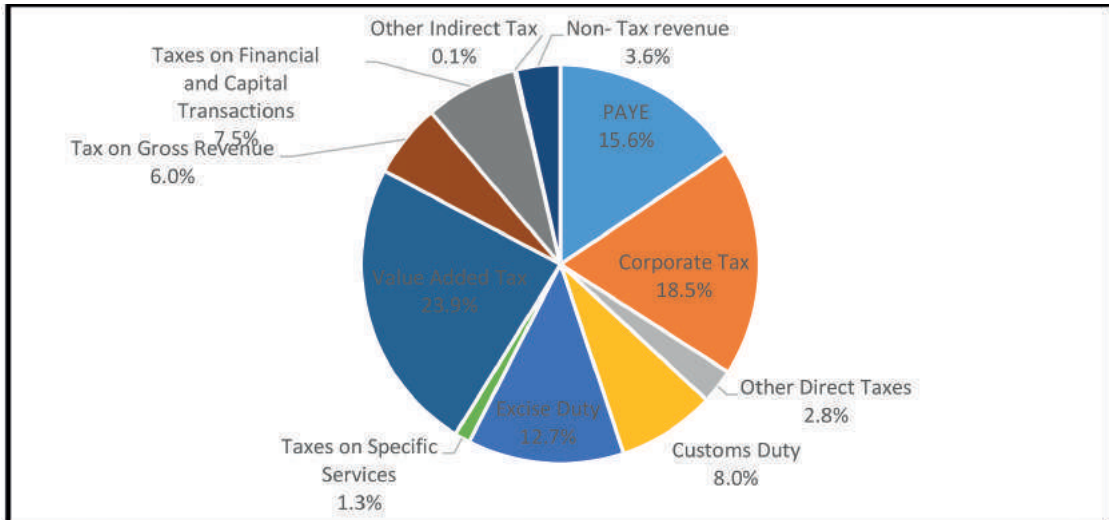
Figure 30: Revenue Collections



Source: MoFED

199. The bulk of the revenue was generated from VAT (23.9%), Corporate Income Tax (18.5%), PAYE (15.6%), Excise Duty (12.7%), Customs Duty, (8.0%) and Tax on financial and capital transactions (7.5%).

Figure 31: Contributions of Revenue Heads to Total Revenue



Source: MoFED

Value Added Tax

200. Cumulative VAT collections amounted to ZWL\$43.8 billion against a target of ZWL\$45.7 billion, resulting in a negative variance of ZWL\$1.9 billion or 4.1%. The performance of this revenue head was weighed down by collections on domestic VAT which performed below the target by 7.5%, mainly due to COVID-19 lockdown effects.

201. However, VAT on imported goods were above the target by 2.5%, attributable to the exchange rate movements.

Corporate Income Tax

202. Corporate tax collections amounted to ZWL\$33.9 billion against a target of ZWL\$27.1 billion, resulting in a positive variance of ZWL\$6.8 billion (25.1%).

This revenue head benefited from a more stable macroeconomic environment ushered in by currency and price stability during last half of the year.

Excise Duty

203. Excise Duty at ZWL\$23.3 billion was one of the highest contributors to revenue during the year (12.7%), against a target of ZWL\$22.7 billion, resulting in a positive variance of ZWL\$582 million (2.6%).

Personal Income Tax (PAYE)

204. The salary and cost of living adjustments made during the year to counter rising inflation, as well as payment of annual bonuses in November and December 2020 resulted in the positive performance of this tax head.
205. PAYE collections amounted to ZWL\$28.5 billion against a target ZWL\$26.6 billion, resulting in a positive variance of ZWL\$1.9 billion or 7.2%.

Non-Tax Revenue

206. Non-tax revenue collections amounted to ZWL\$7 billion against a target of ZWL\$1.9 billion. This notable improvement is attributable to continuous reviews of fees and charges in line with the cost recovery policy.

Expenditure

207. Preliminary expenditure outturn¹ for the year 2020 amounted to ZWL\$162.4 billion comprised mainly of ZWL\$64.6 billion compensation of employees, ZWL\$55.6 billion non-financial assets, ZWL\$23 billion use of goods and services and ZWL\$12.3 billion social benefits.

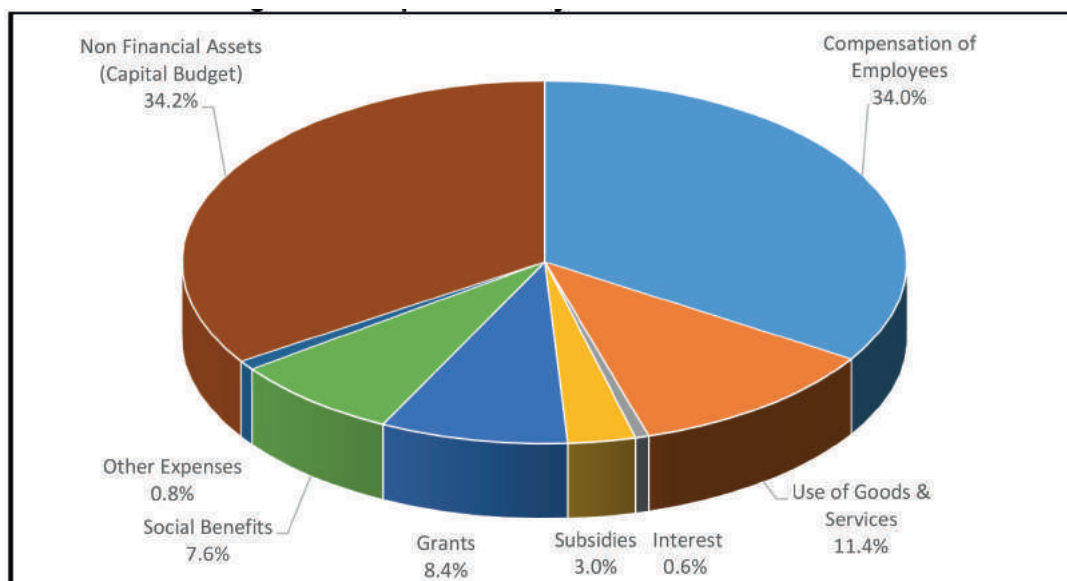
1 Preliminary Expenditure outturn refers to unaudited accounts

Table 19: 2020 Expenditure Outturn (ZWL\$Million)

Item	2020 Budget Estimate	2020 Outturn
Total Expenditures and Net Lending	63,410.4	162,428.7
Compensation of Employees	17,973.9	64,596.8
Use of goods and Services	13,144.8	22,988.2
Social Benefits	4,662.3	12,321.9
Subsidies	540.0	4,905.7
Interest on Debt	704.3	972.0
Transfers to Provincial Councils and Local Authorities	2,662.9	1,045.0
Net Acquisition of Non-Financial Assets	23,722.2	55,599.1
Development Budget	12,135.7	21,194.2
Agriculture Related Expenditure	7,799.0	14,346.5
Capitalisation of SOEs	1,187.5	10,227.8
Other Capital Items	4,206.5	9,756.7

208. Expenses on Non-Financial Assets was the highest at 34.2% followed by compensation of employees at 34.0%, while use of Goods and Services were at 11.4%, Grants, 8.4%, Social Benefits, 7.6%, and Interest, 0.6% as indicated in the graph below.

Figure 32: Expenditure by Economic Heads



Source: MoFED

209. Recurrent expenditure remained under control creating room for capital development programmes (non-financial assets expenses) important for supporting long term economic growth.

Public Debt

210. Public debt as at end on December 2020 was ZWL\$705.6 billion (65.9% of GDP), the bulk being external debt (97.6% of the total debt) with the remainder being domestic debt.

Table 20: Public Debt as at 31 December 2020

Debt Item	Amount ZWL\$ Million
Total Public Debt	705,622.1
1. External Debt	688,920.2
a. Bilateral Creditors	469,957.3
Paris Club	309,331.9
Non Paris Club	136,156.9
RBZ Assumed Debt	24,468.5
b. Multilateral Creditors	218,962.9
World Bank	124,705.9
African Development Bank	59,625.6
European Investment Bank	29,097.2
Others	5,534.2
2. Domestic Debt	16,701.9
Treasury Bills and Bonds	14,211.6
Domestic Arrears	2,490.3

Source: MoFED

NB: Exchange rate as at 31 December 2020 of 1 US\$ to ZWL\$81.7866 was used to convert external debt to ZWL\$
This figure excludes RBZ external debt and private sector external debt

211. However, Government signed a US\$3.5 billion Global Compensation Deed for compensation of farm improvements to former commercial farmers. The amount will add to the debt levels when the former commercial farmers sign a cession agreement.

Domestic Debt

212. While Government recorded a budget surplus in 2020, it was found prudent for Government to borrow from the market through TBs as a way of developing the capital markets through price (interest) discovery and for cashflow smoothening.
213. Government continues to rely on domestic financial and capital markets to meet short term budget financing requirements. In this regard, Government raised a total of ZW\$7.85 billion through the issuance of Treasury Bills. These Treasury

Bills were issued through the auction system, as well as through private placements.

214. Of the ZW\$7.85 billion raised, ZW\$4.03 billion went towards health related COVID-19 pandemic expenditures, while TBS worth ZW\$3.07 billion were issued to creditors to settle legacy debt. An amount of ZW\$345 million went towards restructuring of existing Government debt, ZW\$397 million towards grain importation and ZW\$8.95 million for cashflow management and settling maturing Treasury bills.
215. These resources were raised at an average interest rate of 8.2% in the first quarter, 17.5% second quarter, 15% third quarter and 18.7% fourth quarter. The incremental trend in the cost of borrowing was due to the limited participants in the auction and private placement following the Covid-19 pandemic national lockdown.
216. Consequently, domestic debt stock as at 31 December 2020 stood at ZWL\$16.7 billion, up from ZWL\$9 billion as at December 2019, an increase of ZWL\$7.7 billion. The increase in the domestic debt was mainly on account of Treasury bills raised to finance the budget, and Government's past debt as well as domestic arrears.

Domestic Debt end as at end of 2020 (ZWL\$ million)

Domestic Debt by Purpose	2019	2020
Budget Financing*	1,211	3,126
Legacy Debt	2,201	5,668
RBZ Assumed Debt	178	129
Capitalisation of State-Owned Enterprises (SOEs)	128	128
ZAMCO	1,070	1,065
RBZ Capitalisation	100	100
Restructured Debt (overdraft and loans)	3,995	3,995
Domestic Arrears	-**	2,490
Total	8,884	16,702

Source: Zimbabwe Public Debt Management Office

*These are funds raised to finance the budget deficit. **Arrears to domestic suppliers were not reported in 2019 as there was an ongoing consolidation exercise of these arrears. The 2020 figures are preliminary.

217. Effective domestic debt management was through the continued implementation of: Treasury bill auction system; zero recourse to Central Bank financing window including overdraft; and non-issuance of Treasury bills for ZAMCO.

Contingent Liabilities

218. In addition to domestic borrowing, Government issued guarantees to domestic creditors to support State Owned Enterprises and the private sector in line with the Public Debt Act.

Table 21: Guarantees issued by Government in 2020 (ZWL\$ millions)

Borrower	Purpose	Date Issued	Amount	Expiry Date
Agribank and FBC Bank	Issuance of Agrobills to finance 2019/2020 Agricultural season	14.04.2020	100	31.12.2020
Agribank and FBC Bank	Issuance of Agrobills to finance 2020/2021 Tobacco season	01.07.2020	200	31.12.2021
Silo Food Industries	Finance of short-term trading capital requirements of the issuer	09.10.2020	350	31.10.2021
IDBZ	To finance site servicing of Sumben Housing Project	30.10.2020	300	31.10.2022
Total			950	

Source: Zimbabwe Public Debt Management Office

219. As part of the ZWL\$18 billion Covid-19 Economic Recovery and Stimulus Package announced by Government in May 2020, aimed at reviving the economy and providing relief to industries and small businesses impacted by the economic slowdown caused by the Coronavirus pandemic, Government issued guarantees amounting to US\$15.18 million (equivalent of ZWL\$1.3 billion).

Table 22: Guarantees Issued under the ZWL\$18 Billion Stimulus Package (US\$ millions)

Borrower	Purpose	Date Issued	Amount	Expiry Date
Steel Makers (Private) Limited	Working capital requirements	21.12.2020	11.18	21.12.2026
Sub-Sahara Tobacco	Financing of Export and Contract Order	21.12.2020	4	1.12.2021
Total			15.18	

Source: Zimbabwe Public Debt Management Office

220. In line with risk sharing under the Framework for Evaluating, Monitoring and Managing Guaranteed and On-lent Loans, Treasury guarantees are covering up to 50 per cent of the facility.
221. In addition, Government incurred additional implicit contingent liability by issuing borrowing certificate to Zimbabwe Power Company of ZWL\$50 million for working capital purposes on 01 July 2020.

External Debt

222. As at end December 2020, total public and publicly guaranteed external debt amounted to US\$8.434 billion.

Table 23: Public Debt as at end December 2020 (US\$m)

	Non-Guaranteed			Guaranteed			Grand Total
	DOD	Arrears	Total	DOD	Arrears	Total	
External Debt	1,853	5,170	7,023	28	1,384	1,411	8,434*
a. Bilateral Creditors	1,585	3,315	4,900	28	829	857	5,757
Paris Club	135	2,822	2,958	24	811	835	3,793
Non Paris Club	1,228	415	1,643	3	18	22	1,665
RBZ Assumed Debt	222	77	299	0	0	-	299
b. Multilateral Creditors	268	1,855	2,123	0	554	554	2,677
World Bank Group	182	1,052	1,234	0	291	291	1,525
African Development Bank Group	30	608	638	0	91	91	729
European Investment Bank	16	167	183	0	173	173	356
Others	39	29	68	0	0	0	68

* This figure excludes RBZ external debt and private sector external debt

Source: Zimbabwe Public Debt Management Office

223. External debt to the multilateral creditors, as at end December 2020, amounted to US\$2.68 billion, of which US\$1.53 billion is owed to the World Bank Group, US\$729 million to the African Development Bank, US\$356 million to the European Investment Bank, and US\$68 million to other multilateral creditors.

224. On the other hand, bilateral external debt amounted to US\$5.76 billion, with US\$3.78 billion owed to the Paris Club creditors and US\$1.67 billion to Non-Paris Club creditors.

PERFORMANCE OF BUDGET PROGRAMMES

225. Significant milestones were achieved under a difficult operating environment, particularly on containment of recurrent expenditures, that way, channeling more resources for various developmental programmes such as devolution, infrastructure and other investments in line with the TSP reform thrust.

Capital Development Programmes

226. Consistent with the objectives of the Transitional Stabilisation Programme, the 2020 Zimbabwe Infrastructure Investment Plan set out to stimulate production and growth in the economy by addressing infrastructure deficiencies in key sectors of transport, water and sanitation, ICT, energy and agriculture including the social sectors.
227. A total of ZWL\$25.5 billion was envisaged to be deployed towards infrastructure spending, drawing from the budget revenues (ZWL\$12.1 billion), loans (ZWL\$9.5 billion), Development Partner support (ZWL\$2 billion) and public entities own resources by public entities as well as Statutory funds (ZWL\$1.8 billion).
228. Through the Inter-Governmental Fiscal Transfers allocation, a total of ZWL\$2.9 billion was earmarked for disbursement to provincial council and local authorities in line with the Constitutional Provisions.
229. The COVID-19 pandemic affected smooth execution of projects, as some programmed activities stalled on account of disruptions to local and imported raw

materials supply chains and travel restrictions impacted on availability of critical technical staff, including expatriates who could not travel back into the country.

230. Notwithstanding the above, modest progress was realised in the implementation of some projects, particularly emergency requirements in response to the COVID-19 pandemic that saw Government scaling up investments in quarantine and isolation centres as well as water provision in hospital and schools, among others.
231. Consequently, fiscal expenditure on capital development programmes, now known as non-financial assets, amounted to ZWL\$25.6 billion, constituting one of the highest expenditures on the 2020 Budget as Government sought to improve the country's infrastructure.
232. In addition, Government utilised US\$189.5 million from loan disbursement towards targeted infrastructure projects in energy, transport, ICT, agriculture and education.
233. The table below shows major infrastructure sectors benefiting from this intervention.

Table 24: Expenditure on Infrastructure Projects

Sector	2020 CRF (ZWL\$)	Cumulative Outturn	Loan Financing (US\$)
Energy	374,000,000	154,324,000	129,594,101
Transport	2,664,400,000	13,797,284,338	27,669,301
Water & Sanitation	2,053,080,000	7,217,610,445	-
Information Communication Technology	614,524,000	1,208,241,290	26,809,414
Health	2,016,988,000	396,980,046	-
Education	1,750,320,000	543,781,727	3,353,824
Housing	1,791,026,000	1,449,129,900	-
Agriculture	680,871,000	880,382,501	2,102,336
Other	95,000,000	-	-
Grand Total	12,040,209,000	25,647,734,247	189,528,976

Devolution

234. A total of ZWL\$1.978 billion was availed to local authorities, covering areas such as health, education, water and sanitation as well as roads, among others.
235. In line with the demand driven approach adopted by Government where disbursement to local authorities is dependent on readiness to spent, local authorities failed to submit the documentation required, and hence, the ZWL\$2.9 billion allocation was not fully disbursed.
236. The detailed breakdown of the disbursements per province are as indicated in the table below:

Table 25: Devolution Disbursements

PROVINCE	ALLOCATION	DISBURSEMENT
Bulawayo Metropolitan	66,060,000	43,800,000
Manicaland	321,942,000	80,159,743
Mashonaland Central	211,165,000	60,347,800
Mashonaland East	259,498,000	62,732,500
Mashonaland West	320,370,000	87,695,842
Matabeleland North	138,015,000	40,251,500
Matabeleland South	254,271,000	53,937,500
Midlands	315,674,000	104,253,054
Masvingo	289,794,000	40,251,500
Harare Metropolitan	168,811,000	471,456,233
Total	2,345,600,000	1,044,885,672
Provincial Councils	586,400,000	7,065,484
Grand Total	2,932,000,000	1,051,951,156

Energy

237. The total power supply in 2020 was 8,466 GWh a significant reduction from 8,940 GWh supplied in 2019. This was due to major reduction in local generation, which resulted in increased imports from 1,784 GWh in 2019 to 2,515GWh to cover for the resultant shortfalls.

238. Payment of bills in foreign currency by exporting entities enabled the power utility to import electricity to cover for shortfalls thereby reducing the impact of electricity shortages on the economy.
239. ZPC electricity generation during the year 2020 dropped by 17% to 6 184GW/h from 7 445GW/h generated in 2019. The lower than anticipated level of electricity generation is attributed to low water levels in Lake Kariba and unplanned outages at Hwange and other thermal power stations.

Table 26: Electricity Supply (GW/h)

	2019	2020
Zimbabwe Power Company	7,445	6,177
Independent Power Producers (IPPs)	91	115
Total Local	7,536	6,292
Imports	1,866	2,528
Exports	462	355
Net Supply	8,940	8,466

Table 27: 2020 Energy Sent Out (GWh) by Station

Station	Actual	Target	Var (%)
Hwange	2356	3953	-40
Kariba	3707	2416	53
Harare	54	132	-59
Munyati	43	132	-68
Bulawayo	24	131	-81
Total	6184	6764	-9

Source: ZPC

Hwange Power Station Expansion Project

240. The project progressed to 58% completion against a target of 75.8%. Implementation was affected by constraints imposed by the Covid-19 pandemic and funding provisions.
241. Disbursements from China-Eximbank amounted to US\$129.6 million, bringing cumulative disbursements for the project to US\$340 million from the US\$997.7 million Loan Facility.

Other Projects

242. Development Partners are supporting various projects in the sectors as follows:—

- Through the Zimbabwe Multi-Donor Trust Fund (ZIMFUND), managed by the African Development Bank, an amount of US\$0.3 million was disbursed towards the Alaska Karoi Power Transmission Reinforcement Project, mainly for consultancy services and social up-liftment project works at Sadoma and Hurungwe Old People's home and refurbishment of the Hurungwe hospital.
- Under the Emergency Power Infrastructure Rehabilitation Project, US\$0.4 million was disbursed for manufacture, delivery and installation of 175MVA and 50/75MVA transformers at Sherwood and Orange Grove substations, respectively, as well as a 33kV dedicated supply line to Gimboki Sewerage works in Mutare.
- The AfDB disbursed US\$0.9 million for the Kariba Dam Rehabilitation bilateral (Zimbabwe and Zambia) Project counterpart staff training, Environment and Social Impact Assessment as well as spillway rehabilitation activities. Unfortunately, this project experienced a lot of setbacks due to the COVID 19 induced restrictions.
- The update of Feasibility studies for Batoka Hydro Electric Scheme continued during the year. The project received technical assistance from the Africa Legal Support Facility.

Transport

Roads

243. Implementation of strategic road projects under the Roads Development Programme were undertaken, focusing on upgrading works on the Harare-

Beitbridge road along the North-South Corridor, rehabilitation of Cyclone Idai damaged roads, among others, with a total of ZWL\$13.8 billion having been availed during 2020.

Table 28 Summary of Disbursements for Road Project

Project	2020 Consolidated Revenue Fund Allocation	Cumulative Outturn
Road Development Programme	958,708,000	2,019,774,090
Harare - Masvingo - Beitbridge	1,000,000,000	11,240,528,097
Harare - Gweru - Bulawayo	116,000,000	239,608,578
Harare - Mutare	91,000,000	29,304,988
Rural Feeder Roads (DDF)	120,000,000	171,527,500
Road Fund interventions	84,692,000	66,541,085
Grand Total	2,370,400,000	13,767,284,338

244. Despite disruptions due to Covid 19, work on the upgrading of the Harare – Masvingo – Beitbridge Road continued in earnest with a total of 141km having been completed and ZWL\$11.2 billion having been availed to the 5 contractors undertaking the project.

Figure 34



245. Rehabilitation works on Cyclone Idai road projects, initiated in 2019 in response to the damage caused by the cyclone were sustained during 2020. Resources amounting to ZWL\$2 billion was availed, with overall progress now at 80% as indicated in the table below.

Table 29: Update on the Cyclone Idai Projects

PROJECT NAME	PROJECT SCOPE	PROGRESS TO DATE
Wengezi – Skyline Road	Structures construction, erosion protection works & resealing	Base 1&2, and backfilling completed, Umvumvumu, Biriwiri bridge 1&2 its work-in- progress,
Skyline – Chimanimani	Structures construction, (culverts, box culvert, resealing) & Road realignments	Curve 1,2,3,4, and 5 mountains cutting and blasting completed, removal of loose materials, boulders completed, Nyahonde bridge clearing of debris material completed
Charter- Machongwe – Rusitu – Kopa-Joppa	Road realignment & re-gravelling, 22km Road construction, Erosion protection works, Nyahodi bridge approaches construction	Road realigned, surfaced and opened to traffic, Nyahondi road surfaced and opened to traffic, Machongwe footing and box culvert completed, Subgrade construction 3.5km completed
Rusitu Junction-Nyabamba-Kopa	Road Regravelling and Box culvert construction	Rusitu Junction to Nyabamba- Koppa-17km road re-gravelling completed, Contractor working on the designs of Box culvert construction.
Bvumba Road	Erosion protection works	Erosion protection works in progress on first section 90% done and Leopard Rock section not yet commenced
Kopa – Mutsvangwa Road	Road re-gravelling and structures construction	Contractor procured culvert pipes for the structures, materials mobilisation in progress (stone, river sand, cement) 10%.
Kopa – Vimba Road	20km road re-gravelling	Spot re-gravelling in progress
Kurwaisimba – Muchadziya Road	20m road re-gravelling	Spot re-gravelling in progress.
Rusape Nyanga Road	30m road resealing	30km completed.
Honde Valley	28km road resealing	8.3km of resealing completed.
Marange – Zvipiripiri Road	17km road construction	Detour construction of 17km completed and Construction of 2.7km completed.
Birchenough to Chipinge	Road and culverts construction and 10km resealing	-Fill compaction and bases construction of 6km Completed, and 4km outstanding.
Tanganda Halt Bridge	Bridge construction	Sub soil test to be done first with DOR Central lab for designs.
Cashel – Chimanimani Road	Road & culverts construction and 65km roads regravelling	2km primed awaiting surfacing and Outstanding works: drain paving and culvert structure construction.

Figure 35: Chimanimani Cave Under Reconstruction



Figure 36: Completed Skyline Chimanimani Curve 1



246. The Government of Japan disbursed US\$5.6 million for ongoing works on the North South Improvement Project, which sustained construction of climbing lanes between the Mukuti and Hell's Gate road section, covering a distance of 6.5 km.
247. The rehabilitation of the road and construction of the climbing lane is 90% complete with part of the road now open for motorist. The project is expected to be completed by May 2021.

Aviation

248. The upgrading work on the R.G. Mugabe International Airport were also impacted by the COVID 19 pandemic as slow progress was registered due to logistical challenges in the shipment of construction materials from China.
249. Overall progress to year end stood at 27%, with major activities having been accomplished on the landside works while excavations & foundation works for Arrivals and Departure extensions were complete.
250. With regards to the Airside, the runway is at 78% complete with works such as laying of asphalt on the runway carriageway and shoulders, excavation, sub-base and stone base works for New Bay 7 apron having been completed.
251. Cumulative disbursements from the US\$153 million loan facility amount to US\$35.5 million, of which US\$27.7 million was availed in 2020.

Water & Sanitation

252. The interventions in the water and sanitation sector during 2020 were centred on ensuring increased access to water and sanitation services for both rural and urban areas with ZWL\$7.2 billion being availed against an allocation of ZWL\$2.1 billion.
253. The above disbursements includes support amounting to ZWL\$348.2 million towards City of Harare water upgrading works at Darwendale dam, Warren Control Pump station and Ruzivo outflow sewer project whilst an amount of ZWL\$205

million was availed to the City of Bulawayo for water and sanitation projects including rehabilitation and drilling of boreholes at Nyamandlovu and Epping Forest.

254. Furthermore, due to the COVID-19 pandemic, strategic interventions were also undertaken to ensure availability of water in schools, quarantine centres and communities.
255. One of the major highlights for the year was the commissioning of Marovanyati Dam on 11 November by His Excellency, the President, Cde E.D. Mnangagwa that will provide water to Murambinda Growth Point and the 400ha irrigation scheme. The upgrading works at Binga Water Treatment Plant and Murambinda Water Supply Scheme were also completed during the year.
256. The table below provides details of support to the water and sanitation sector during 2020.

Table 30: 2020 Support to Water And Sanitation Projects

Project Name	PROGRESS TO DATE	EXPENDITURE (ZWL\$)
Causeway Dam	All excavations for the main dam and saddle including outlet works for the dams have been completed; with embankments placing of the main dam wall currently at 98% complete. Overall progress is at 97%	902,178,000
Gwayi-Tshangani Dam	Dam spillway and outlet excavations have been completed; Concrete placing of the dam wall has started and the dam is at 40% complete.	1,177,700,000
Marovanyati Dam	The dam has been completed with finalisation of the outlet works and spillway currently underway; Commissioning of the dam project was done on 11 November 2020.	543,400,000
Tugwi-Mukosi Access Road	The road was completed and commissioned in 2019; The amount paid in 2020 was for outstanding certificates.	17,302,380
Semwa Dam	Clearing and Striping of Spillway and dam wall areas is 86.5% complete with soft dam excavations currently at 85% completion. Crest access roads are at 90% complete. Overall progress at 39.9%	654,600,000
Chivhu Dam Preparatory Works	Core trench excavations for the main dam and outlet pipe trench excavations have been completed. Overall progress at 38%	307,700,000
Silverstroom Dam	Site Establishment and temporary access roads currently under construction; Overall progress at 9%	367,000,000
Tuli-Manyange Dam (Mtshabezi Pipeline)	Setting out survey for the dam is complete and the project is at 5% complete.	59,000,000
Kunzvi Musami	Kunzvi Musami tender has been gazetted on 19 February 2021 and advertised on 21 and 22 February for the construction of Kunzvi Musami. The tender is closing on 22 April 2021.	82,000,000
Bulawayo Water Supply - Nyamandlovu Epping Forest	Drilling and equipping of 20 Boreholes was completed. Construction of a pipeline linked to Bulawayo has been completed. This project was Commissioned on 25 February 2021 and is supplying 20ML per day to the City of Bulawayo	205,000,000
Grand Total		4,315,880,380

257. Development Partners support towards water and sanitation during the period under review amounted to US\$14.3 million.
258. The African Development Bank (AfDB), through the Bulawayo Water and Sewerage Services Improvement Project (BWSSIP) disbursed US\$8,7 million towards renewal and upgrading of water supply, water mains, water treatment works, and rehabilitation of sewer networks and waste water treatment works.
259. Furthermore, AfDB supported the development of the Integrated Urban Water Management Master Plan for Marondera Municipality with US\$0.5 million being disbursed towards completion of the Final Draft Master Plan.
260. Under the ZIMFUND financed Urgent Water Supply and Sanitation Rehabilitation Project (UWSSRP), disbursements during 2020 amounted to US\$2 million in 2020 towards procurement and replacement of water and sewer pipes and valves, rehabilitation of water and sewer treatment plants, and meeting expenses for operations and maintenance of equipment for Harare, Chitungwiza, Ruwa and Redcliff Municipalities.
261. The support is expected to improve clean water supply and discharge of environmentally clean effluent, benefiting over 800,000 households in the targeted Municipalities.

Information Communication Technology

262. Consistent with the move towards the Digital Economy, ICT interventions have focused on establishing a vibrant information communication technologies sector in the country. The COVID 19 pandemic and resultant restrictions also brought to the fore, the need for enhanced use of ICT in all sectors.

263. During 2020, resources amounting to ZWL\$1.2 billion were availed towards implementation of the following key projects and programmes in the ICT Sector:

- Zimbabwe Digital Broadcasting Migration Project, ZWL\$181,4 million.
- Automation of ZIMRA operations, ZWL\$969 million-
- Tel-One upgrading project, ZWL\$35.6 million
- E-Government Flagship Projects, ZWL\$17.3 million
- National Data Centre, ZWL\$17.4 million
- Voice over Internet, ZWL\$10.4 million
- Integrated Electronic Case Management System, ZWL\$1.99 million

264. In addition, Development Partners supported the Information and Communication Technology (ICT) sector during the period under review with resources amounting to US\$3,6 million.

265. Through the Procurement of Cyber Security Equipment Project, the Government of Japan availed resources for procurement of security equipment and training of border management officials and security personnel.

266. Furthermore, the Export-Import Bank of China disbursed US\$2.8 million towards Netone phase 3 expansion and Tel-one broadband expansion projects.

Housing Development

267. During 2020, fiscal resources amounting to ZWL\$1.45 billion was disbursed towards construction of office and institutional accommodation. Some of the projects that received support include Lupane, Hwedza, Siakobvu and Motoko District Composite Offices which are all at different stages of completion.

268. Court facilities received ZWL\$229.5 million mainly for the construction and upgrading of Chinhoyi, Lupane and Mt Darwin Magistrates Courts, Bristol House Commercial and Cape to Cairo Masters' House.
269. Other projects under construction include District Registry Offices in Murewa, Hwedza, Guruve, staff houses at Zimbabwe Prisons and Correctional Services (Chikurubi, Marondera, Mutimurefu, Chiredzi, Murehwa, Khami and Anju), Zimbabwe National Army (Dzivarasekwa and Imbizo) and Zimbabwe Republic Police (Tomlison Flats) and ARLAC administration blocks.

Figure 37: Tomlinson Flats



Isolation and Quarantine centres

270. In response to the Covid 19 pandemic, Government availed resources amounting to ZWL\$727.8 million for construction and rehabilitation of Isolation and Quarantine centres across the country as indicated in the table below.

Table 31: Works at Various Isolation and Quarantine Centres

Name of Centre	Rehabilitation and equipping of Isolation Centres (% Progress)	Expenditure
Beatrice Infectious Hospital	Overall progress 88%.	12,000,000
Wilkins Hospital	Completed.	5,000,000
Parirenyatwa Group of Hospitals	Completed	43,435,305
Sally Mugabe Central Hospital	Overall progress 98%	15,000,000
Chitungwiza Central Hospital	Overall progress 35%	1,200,000
United Bulawayo Hospital	Project is 100 % complete	55,075,580
Thorngroove Hospital	Overall progress 98%	38,000,000
Ekhusileni Medical Centre	Completed.	33,000,000
Elangeni Training Centre	Completed.	1,800,274
Polytechnic (Rio Hostel)	Overall progress 90%	220,235
Townsend High School	Completed.	942,539
Gifford High School	Overall progress 90%	721,541
Mpilo Laboratories	Completed	789,943
Chinhoyi Provincial Hospital	Overall progress 97%	14,282,086
Mzari Clinic [4 beds]	Completed	3,900,000
Alaska Clinic [4 beds]	Completed	200,000
Chinengundu	Completed	2,000,000
Karoi District Hospital	Overall progress 99%	2,362,613
Sub-total		229,930,116
QUARANTINE CENTRES		
Public Service Training Centre	Overall progress 94%	3,405,995
Mashayamombe Youth Training Centre	Overall progress 70%	8,734,715
Tsholotsho District Hospital	Overall progress 97%	2,406,047
St Luke Mission Hospital	Overall progress 20%	7,025,770
Hwange District Hospital	Overall progress 98%	893,305
Inyathi PSC Training Centre	Overall progress 93%	2,550,965
Tsholotsho DDF	Overall progress 95%	1,656,476
Ntengwa Community Centre	Overall progress 95%.	1,150,519
Mutare Infectious Hospital	Completed	14,500,000
Mutare Provincial Hospital/Victoria		7,500,000
Chipinge District Hospital	Overall progress 90%	2,000,000
Nyanga District Hospital	Overall progress 90%	2,000,000
Rujeko Council Clinic	Completed	900,000
Mashava Gaths Mine Hospital		1,983,723
Masvingo Provincial Hospital	Overall progress 55%	6,000,000
Bikita Rural Hospital	Overall progress 94%	324,708
Gutu District Hospital	Completed	3,070,351
Chiredzi District Hospital	Completed	797,862
Chivi District Hospital	Overall progress 99%	120,736
Ndanga Hospital	Overall progress 86%	279,507
Neshuro Hospital	Overall progress 99%	326,176,686
Gweru Infectious Hospital	Completed	4,000,000
Gweru Provincial Hospital	Completed	4,500,000
Kwekwe General Hospital	Overall progress 60%	2,673,366
Gokwe South District Hospital	Overall progress 68.1%	3,310,265
Lundi Clinic	Overall progress 89%	40,000,000

Name of Centre	Rehabilitation and equipping of Isolation Centres (% Progress)	Expenditure
Shurugwi District Hospital	Overall progress 93%	190,000
Dadaya VTC	Overall progress 47%	233,199
Torwood Hospital	Overall progress 94%	983,657
Marondera Provincial Hospital	Maintenance is 100%	14,500,000
Murehwa District Hospital	Completed.	9,870,907
Kotwa District Hospital	Completed.	2,092,124
Mahusekwa Hosp	Overall progress 95%.	8,425,917
DDF Training Centre	Completed.	2,070,739
Tuli Training Centre	Progress at 20%	422,077
Esikhoveni Training Institute	Progress at 80%	629,983
Pangani Vocational Training Centre	Progress at 80%	471,449
Matobo Research Station	Completed.	159,099
Beitbridge District Hospital	Progress at 98%	37,500
Plumtree District Hospital		37,500
Gwanda Provincial Hospital ICU & HDU		4,000,000
Chawarura Training Centre	Overall progress 6%	136,750
Mvurwi District Hospital		5,680,863
Sub-total		497,902,760
Grand Total		727,832,876

New Parliament Building

271. The construction of the New Parliament Building remains on course with the superstructure having already been completed.
272. The contractor is working on internal finishes with outstanding works being outdoor engineering as well as drainage and sewerage engineering. Through the fiscus, a total of ZWL\$30.3 million was availed targeting the following areas:
- Upgrading of the power supply through installation of high voltage power line and transformer;
 - Construction of a 2.5 mega-litres water reservoir;
 - Completion of the ring road;
 - Installation of broad band; and
 - Construction of retaining walls on the hill side.

Stadia

273. The poor state of national stadia became a national cause of concern, necessitating Government to avail ZWL\$43.7 million towards the upgrading of the National Sports Stadium (ZWL\$30.3 million), Barbourfields Stadium (ZWL\$13.2 million) and Sakubva Stadium (ZWL\$2 million) in line with the minimum requirements of CAF.
274. Most refurbishment works on the National Sports Stadium covering the pitch, changing rooms, media rooms as well as installation of furniture and equipment including installation of TV network and Wi-Fi were completed, whilst installation of bucket seats remain outstanding.

Recurrent Expenditure

275. Current expenditures under the 2020 fiscal year amounted to ZWL\$106.8 billion, 10% of GDP) or 65.7% of the total budget covering compensation of employees, pensions, goods and services, social protection, interest payments, health care and education services.

Table 32: Expenditures (ZWL\$ millions)

	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Cum Total
Total Expenditure	3,072.3	3,664.2	7,014.3	4,237.0	4,702.5	6,275.1	17,506.8	15,710.2	22,671.7	26,043.3	21,681.4	29,849.7	162,428.7
Compensation of Employees	837.7	1,183.0	1,798.0	1,721.0	1,631.0	1,707.8	7,847.2	5,854.8	4,012.1	8,353.2	9,034.9	11,220.8	55,201.4
Use of Goods and Services	369.6	580.3	716.2	713.5	604.7	979.7	1,126.3	2,007.7	1,610.1	2,224.0	2,939.3	4,641.5	18,512.8
Domestic Travel Expenses	28.0	30.4	42.9	20.7	26.6	33.6	94.3	88.8	128.2	188.5	214.9	294.9	1,191.9
Foreign Travel Expenses	22.0	85.9	30.6	38.7	15.5	52.0	51.6	6.2	29.3	37.7	141.0	266.0	776.4
Communication, Supplies and Services	18.8	22.8	30.4	41.4	46.9	135.3	68.3	88.0	61.3	124.1	248.9	240.4	1,126.7
Education supplies and Services	1.4	1.6	3.8	27.4	0.2	2.5	1.8	4.5	25.1	0.6	3.2	6.4	78.5
Medical Supplies and services	12.1	7.8	14.4	70.7	37.5	127.1	45.8	643.8	31.4	198.7	119.9	383.6	1,692.7
Office supplies and services	16.4	14.4	29.0	17.3	45.1	31.2	23.1	38.8	43.1	43.0	85.8	231.9	619.1

	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Cum Total
Training expenses	2.2	6.9	116.0	157.1	80.6	130.8	126.6	90.5	420.8	69.3	75.8	114.7	1,391.2
Rental and other service charges	37.4	72.8	129.6	100.8	86.3	177.4	146.3	148.4	166.0	332.7	629.9	558.3	2,585.9
Institutional provisions	112.5	105.7	111.8	95.8	103.5	64.2	200.4	284.2	258.2	292.1	223.5	1,041.6	2,893.6
Other Good and Services	39.5	113.3	106.6	37.1	72.6	93.4	147.4	320.7	96.7	484.6	660.1	660.4	2,832.4
Maintenance	79.2	118.7	101.1	106.5	89.9	132.2	220.6	293.9	349.8	452.7	536.3	843.4	3,324.4
Interest on debt	26.7	110.7	169.5	21.5	51.6	28.5	13.9	34.9	23.2	37.3	43.4	410.8	972.0
Subsidies	-	26.9	290.7	162.1	147.0	493.4	451.9	467.2	673.6	493.8	112.2	1,587.0	4,905.7
Grants	198.1	423.4	828.8	548.9	658.9	555.0	1,853.1	1,280.7	1,220.7	1,846.7	1,611.0	2,542.0	13,567.3
Operations	32.7	165.2	464.0	114.0	288.9	176.2	305.5	300.8	489.4	403.6	311.3	1,120.7	4,172.3
Social Benefits	291.0	166.8	318.6	125.9	606.2	90.0	1,304.6	951.0	2,754.6	2,711.6	254.3	2,747.3	12,321.9
Other Expenses	99.4	28.2	298.7	47.4	2.9	20.5	270.1	7.4	214.9	854.7	228.8	(724.4)	1,348.6
Transfers to Provincial Councils and local Authorities	98.0	2.0	297.7	36.0	-	19.5	230.3	-	5.0	851.2	227.5	(722.2)	1,045.0
Foreign Subscriptions	1.4	26.2	1.0	11.4	2.9	1.0	39.8	7.4	209.9	3.5	1.3	(2.3)	303.6

Compensation of Employees

276. Employment costs for the period to December 2020 stood at ZWL\$55.2 billion, against a budgetary provision of ZWL\$17.75 billion.
277. On account of the difficult economic environment, Government made interventions to cushion members of the Public Service as follows:
- Awarding of an interim Cushioning Allowance in January 2020 of ZWL\$294 million;
 - Cost of Living adjustment with effect from 1 January 2020 but implemented in February 2020. This imposed an additional monthly bill of ZWL\$384 million translating to ZWL\$4.99 billion, annually;
 - Introduction of a Risk Allowance to the Health Sector personnel with effect from 1 April 2020 with a monthly bill of ZWL\$510 million;
 - Cost of Living Adjustment of 50% for Rest of Civil Service and 235% for the Security sector effective 1 June 2020. This had an implied additional monthly bill of ZWL\$1.7 billion, that is ZWL\$13.6 billion for the 7 months plus bonus;

- Introduction of a Covid-19 Risk allowance, initially for the period June to August 2020 but later extended to December 2020 with an average monthly bill of ZWL\$2.9 billion translating to ZWL\$20.3billion for the 7 months ;
- Cost of Living Adjustment of 40% effective 1 September 2020 with an additional monthly bill of ZWL\$1.04 billion; and
- Cost of Living Adjustment averaging 41% as well as introduction of a 10% Special Teachers Risk Allowance with effect from 1 November 2020 implying an additional monthly bill of ZWL\$1.5 billion.

278. Furthermore, the following recruitments in the education and health sectors were also implemented during the year:

- 4 713 Health Personnel with a monthly bill of ZWL\$22.7 million with effect from 1 April 2020
- 3 000 teachers, with a monthly bill of ZWL\$9.5 million with effect from 1 June 2020

279. To ensure members get access to a decent health care system, monthly contributions to medical insurance had to be reviewed upwards to match developments in the market. This review saw the employer contribution to PSMAS moving from an average monthly bill of RTGS\$30 million to RTGS\$372 million with effect from October 2020.

Social Protection

280. Social protection in 2020 amounted to ZWL\$2.2billion against the budget provision of ZWL\$2.5 billion, covering Covid-19 Emergency response, Harmonised Social cash transfers, food deficit mitigation and Basic Education Assistance Module among others.

Table 33: Social Welfare Expenditure (ZWL\$Million)

	Act	Tar	Var	% Var
Basic Education Assistance Module	300.5	450	-150	-33.3
Children in Difficult Circumstances	12.5	13	2	15.4
Harmonised Cash Transfer	163.8	500	-266.4	-53.3
Health Assistance	7.6	40	-28.1	-70.3
Support to Disabled Persons	17.5	10	7.4	74
Support to the elderly	7	7	-0.6	-8.6
Sustainable livelihoods	39	50	41.3	82.6
Government Social Protection Institutions	18.5	11.3	7.2	64.3
Drought Mitigation	867.6	1020	-189.7	-18.6
Covid Response	782.4	0	813.8	
Total	2,216.40	2,101.30	236.9	11.3

COVID-19 Emergency Response

281. Support towards Covid- 19 emergency response amounted to \$783 million, covering more social safety nets, creation of quarantine centres in various schools, training centres and hotels to curb spread of Covid-19, procurement of PPEs, accommodation, food and transportation.
282. Furthermore, Government also created shelters for the homeless around the country who were also affected by the lockdown mainly at schools, training centres and other suitable places of safety. The support covered provision of food, blankets, cleaning and fumigation material and utensils for an estimated 7 000 people.
283. Given that the majority of the Zimbabwean population are informally employed, Government intervened to assist 239 320 households' transitory vulnerable households and informal traders whose sources of livelihoods have been affected due to lockdown.

Table 34: Emergence Response Summary

Item	ZWL\$ million
Accommodation	392
Provision of food to quarantine centres	84
Provision of Blankets to quarantine centres	11
Provision of transport	84
Provision of PPEs	3
Other expenses	110
Food assistance to the transitory poor	98
Total	782

Cash Transfers

284. Overall expenditure for cash transfers amounted to ZWL\$ 164 million mainly as part of safety nets in response to Covid-19. The cash payment scheme was also reviewed from ZWL\$300 to ZWL\$600 in December 2020, benefitting 60 000 households who had been systematically registered and included on the register and database for payment popularly known as the 'Cash for cereal programme'.
285. Additionally, around 60 506 households received support under the Harmonised Social Cash Transfer in the 24 districts of the country whilst 8 551 households received public assistance.

Other social protection interventions

286. Other major social protection interventions expended included Food deficit mitigation which amounted to ZWL\$868 million towards support to 760 000 food insecure households. The funds included payment for grain and its transportation and distribution to the various centres.

Basic Education Assistance Module

287. Disbursements towards the Basic Education Assistance Module amounted to \$300 million for the first term benefitting about 415 000 children in both primary and secondary schools. The target going forward is to support at least 1.5 million learners.

Sustainable Livelihood

288. Government availed \$40 million towards acquiring equipment for income generating projects that sustain community livelihoods.

Basic Education

289. Provision of basic education was affected by the COVID-19 pandemic with schools being closed indefinitely from March 2020. Introduction of alternative forms of delivering services could not adequately cover all learners and increased the rural-urban divide.
290. To ensure that schools comply with the WHO Guidelines, whilst delivering quality education services, resources were availed in 2020 to procure PPEs for schools.
291. In complementing this effort, Government recruited additional 3 000 teachers in June 2020 in order to reduce teacher/pupil ratio. Furthermore, resources also went towards reducing crowding in classes, targeting rehabilitation and construction of classroom blocks. Priority was also given to construction of specialist rooms and electrification of schools and provision of WASH services.
292. In line with the amended Education Act, which mandates Government to progressively provide free basic education, resources amounting to \$131 million went towards tuition grants.
293. Government also provided a subsidy on public examination fees for learners so as to cushion parents and guardians and to also ensure that all learners are examined and no one is left behind. To this effect \$670 million was availed in 2020 and a further \$750 million has already been availed through the 2021 budget for the conduct and marking of the 2020 Ordinary and Advanced level

examinations which had to spill over into 2021 due to the COVID-19 pandemic which resulted in schools being closed for the greater part of 2020.

294. Priority was also given to the purchase of teaching and learning materials as well as assistive devices for learners with special needs. \$57.5 million went towards this purpose. Upholding learner welfare is key to ensure that children stay in school. In order to reduce the plight of the girl child, Government availed \$79.2 for sanitary wear and collaborative efforts will continue with Development Partners, the private sector and civil society in providing this important commodity to female learners from vulnerable households.
295. The home grown school feeding programme was also supported in 2020, with resources amounting ZWL\$108.9 availed through the 2020 budget. Government reiterates the need for school authorities to partner with parents in setting up nutrition gardens and livestock projects to complement resources allocated under school feeding as well as to raise income for schools so as to ensure sustainability.
296. An amount of ZWL\$611 million was also availed towards rehabilitation of storm damaged schools due to Cyclone Idai, construction of additional classroom blocks at various schools and completion of the 17 schools under the OFID First Education Project as well as drilling of boreholes at schools to ensure there is portable water given the need for proper sanitation services in the wake of COVID-19.
297. Furthermore, OFID disbursed resources amounting to US\$3.3 million towards purchase of school equipment including library.

Higher and Tertiary Education

298. Expenditure towards operations under higher and tertiary education amounted to ZWL\$228 million. This was mainly channelled towards production of PPES by universities and colleges to help fight the spread of the Covid-19 pandemic. Of this, \$30 million was availed as seed capital to colleges.
299. An amount of ZWL\$25.7 million was also availed under the student loan scheme for higher and tertiary students as guarantee for students accessing fees loans from the banks.
300. An additional ZWL\$32 million was disbursed towards construction and rehabilitation of various projects including the newly established universities. An amount of ZWL\$114 million was channeled towards construction works at six innovation hubs at Midlands State University, Chinhoyi University of Technology, University of Zimbabwe, Harare Institute of Technology, National University of Science and Technology and Bindura University of Science Education as well as three Industrial Parks at University of Zimbabwe, Chinhoyi University of Technology and Midlands State University.
301. Furthermore, a total of ZWL\$66 million was availed towards construction of student hostels at Bindura University of Science Education, Lupane State University and Kushinga Phikelela Agricultural College.

Figure 38: Multipurpose teaching and learning building at Manicaland University of Agricultural Sciences



Figure 39: Completed clinic at Manicaland University of Agricultural Sciences



Figure 40: Work in the established DNA Lab at the National University of Science and Technology Innovation Hub



Figure 41: Midlands State University Industrial Park



302. This was complemented by Development Partners support with disbursements amounting to US\$17.4 million in 2020.

303. The major support was received from the UNICEF administered Education Development Fund (EDF) which disbursed resources amounting US\$16.9 million in 2020, towards the following areas:

- Provision of School Improvement Grants (SIG);
- Supporting teacher professional development through capacity building programmes; and
- Restocking schools with textbooks, Early Childhood Development (ECD) kits and science kits.

Health Care

304. Spending demands on provision of health services were exacerbated by the occurrence of the COVID-19 pandemic, therefore, ZWL\$3.5 billion was disbursed towards medical consumables against a target of ZWL\$2.1 billion.

305. A total of ZWL\$2.6 billion was disbursed towards public health programmes that include procurement of ARV and TB drugs while ZWL\$0.9 billion was disbursed towards primary health care and hospital care, that include maternal and child care.

306. The advent of the COVID-19 pandemic exposed the huge infrastructure and medical equipment deficits in our health services sector. In response to the gaps identified, Government, with the support of both the corporate and international partners, embarked on a programme to address some of the deficiencies in the sector targeting 293 health projects across the country.

307. The table below indicate the distribution of these projects per province:—

Table 35: Health Projects

PROVINCE	NO. OF PROJECTS UNDER IMPLEMENTATION	NO. OF PROJECTS COMPLETED
Bulawayo	30	16
Harare	38	24
Manicaland	82	32
Mashonaland Central	20	9
Mashonaland East	7	4
Mashonaland West	65	26
Masvingo	43	30
Matabeleland North	6	3
Matabeleland South	12	7
Midlands	13	7
TOTAL	316	158

308. The above interventions also include infrastructure rehabilitation at central hospitals targeting Mpilo, United Bulawayo Hospital, Sally Mugabe, Chitungwiza and Parirenyatwa, most of whose works were also completed during the year. The renovation of general wards and other ancillary at UBH are on-going with the new medical laboratory at 75% of completion and expected to be commission in the second quarter of 2021.
309. Isolation wards at The Victoria Chitepo, Gwanda, Gweru and Masvingo provincial were also completed and commissioned. Phase 1, construction work at Lupane Provincial hospital is ongoing and expected to complete in the second quarter.
310. At district hospitals, 45 general wards were converted into special isolation wards and upgrading of waste management facilities at all 59 district hospitals was also completed.
311. Additionally, the construction of 147 rural health centres is ongoing, with electricity and gas connected to 37 rural health centres.

312. Furthermore, Cumulative support from Development Partners during the period under review to the health sector amounted to US\$444.4 million.
313. Support under this sector was received from Global Fund under the 2018–2020 cycle towards fighting HIV/AIDS, Tuberculosis and Malaria, wherein resources amounting to US\$160 million were disbursed in 2020 as follows:
- HIV/AIDS–US\$129.4 million;
 - Malaria–US\$22.9 million; and
 - TB–US\$7.7 million
314. These resources supported various interventions including the following, to control and fight the three diseases:
- Provision of pharmaceutical products, health equipment, procurement and supply-chain management costs, non-health equipment;
 - Provision of external professional services, communication material & publications; and
 - Support towards human resources, Programme administration costs and living support to client/target population.
315. In addition, resources amounting to US\$51.7 million were disbursed under the UNICEF administered Health Development Fund (2016- 2020) financed by the European Union, the United Kingdom, Ireland, Sweden, and GAVI.
316. These resources supported maternal new born child health & nutrition, sexual reproductive health rights, medical supplies, vaccines, technologies and health system strengthening.

317. The United States of America (USA) has also disbursed over US\$156.6 million in the sector towards the President's Emergency Plan for AIDS Relief (PEPFAR), malaria prevention programmes, Tuberculosis, health research as well as Integrated Maternal and Child Health (MNCH) and Family planning.
318. PEPFAR has been implementing comprehensive HIV programs in Zimbabwe since 2006 through the United States Agency for International Development (USAID) and the Centers for Disease Control and Prevention (CDC) with the goal of realizing an AIDS-Free Generation.
319. The sector also benefitted from US\$6.3 million disbursed under the World Bank administered Global Financing Facility (GFF) Health Sector Development Support targeting reproductive, maternal & neonatal, child, adolescent health & nutrition interventions in 18 rural districts and selected areas in Bulawayo and Harare; as well as management and capacity building in Results Based Financing.
320. The intervention assisted in increasing coverage and quality of maternal & child health services using a results-based financing approach, training of health personnel in various areas and supporting of monitoring and evaluation activities.

DEVELOPMENT PARTNER SUPPORT

321. Development Partners continue to play a critical complementary role in supporting Government's efforts towards the implementation of development programmes and projects across various sectors of our economy, through various forms including at times unquantifiable in-kind donations.

322. During the period January to December 2020, a total of US\$842.2 million was disbursed by Development Partners, of which US\$607.3 million was from bilateral whilst US\$234.9 million was from multilateral partners.
323. The total disbursements from bilateral and multilateral partners for 2020 are as shown in Table below:

Table 36: Development Partner Support (Grants)

DEVELOPMENT PARTNER	Actual (US\$) 2020
Bilaterals	
USA	341,708,697
UK	106,253,563
European Union	76,948,275
Sweden	39,428,550
Japan	25,969,845
Switzerland	8,708,070
Germany	3,030,000
Netherlands	5,246,956
Sub – total	607,293,955
Multilaterals	
Global Fund	160,059,311
World Bank	19,553,033
AfDB	25,610,649
UNICEF	7,286,469
UNDP	8,525,922
WHO	3,180,429
UNFPA	4,725,388
IFAD	2,435,004
FAO	631,482
ILO	586,770
IOM	2,518
UNESCO	83,654
UNCTAD	640,000
UNAIDS	611,421
Global Partnership for Education	980,248
Sub – Total	234,912,298
GRAND TOTAL	842,206,253

324. The development assistance sectoral breakdown for the period January to December 2020 is as follows:

Table 37: Development Assistance Sectoral Disbursements (Grants) in 2020

Sector	Actual (US\$)
Agriculture	50,514,422
Transport	5,591,000
Power and Energy	1,640,476
Water and Sanitation	14,279,949
Health	487,955,586
Education	17,392,540
Governance	31,584,887
Multi-sector	38,768,522
Humanitarian	160,835,934
Capacity Building	15,101,251
Basic Social Services	5,519,945
Cyclone Idai	13,021,742
Total	842,206,253

EXTERNAL SECTOR

325. The country achieved a sustainable balance of payments position as espoused in the TSP, despite the difficult global trade environment caused by the COVID-19 pandemic disruptions. The current account position remained in surplus, with preliminary estimates indicating an improvement from US\$0.9 billion in 2019, to a surplus of US\$1.1 billion in 2020.

326. The surplus position is important as it sustains our currency stability critical in ensuring price stability.

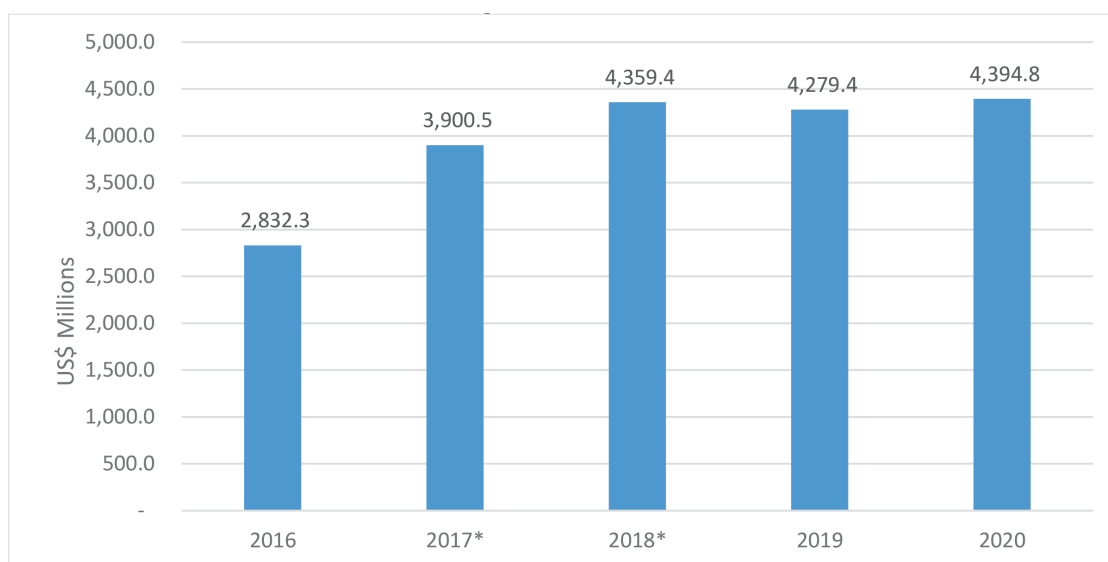
Merchandise Exports

327. The country exported goods worth US\$4.39 billion in 2020, a marginal increase of 3% from US\$4.28 billion, realised in 2019.

328. The country's exports are still dominated by primary commodities, largely minerals followed by agricultural products. Nickel mattes, industrial diamonds,

platinum, coke and semi-coke of coal were the major drivers in mineral exports. Gold, which traditionally used to be the biggest export marginally declined by 8% to register US\$982.3 million, compared to US\$1.064 billion recorded in 2019.

Figure 42: Merchandise Exports



Source: ZIMSTAT

329. Agricultural exports were mainly dominated by tobacco, cotton, crocodile skins and black tea, among others. However, in 2020, exports of flue-cured tobacco slightly declined by 6% to US\$713.8 million, compared to 2019.
330. Horticultural exports were hit hard by the Covid-19 pandemic due to weak demand in major source markets in Europe. Horticultural exports declined by 14% to US\$59.5 million in 2020, compared to US\$68.8 million recorded in 2019.
331. Manufactured exports were dominated by sugar, processed tobacco products, and fruit juices, among others.

Table 38: Exports by Product (US\$)

Product	2019	2020	Change (%)
Nickel mattes	488,537,623.68	985,257,791.84	102%
Semi-manufactured gold	1,063,914,009.81	982,257,692.93	-8%
Flue-cured tobacco of the virginia type	756,853,677.16	713,824,465.99	-6%
Nickel ores and concentrates	737,068,514.35	611,800,374.00	-17%
Industrial diamonds unworked or simply sawn	116,520,074.78	140,978,250.97	21%
Ferro-chromium, containing by weight	218,878,821.05	139,419,255.35	-36%
Platinum unwrought or in powder form	60,126,775.79	134,372,994.17	123%
Other articles & parts of precious metal	160,128,858.10	84,438,909.21	-47%
Chromium ores and concentrates	45,090,859.22	45,651,511.41	1%
Coke and semi-coke of coal, of lignite or of peat	26,663,670.74	37,589,834.23	41%
Other cane sugar	57,322,754.94	37,531,564.87	-35%
Cane sugar	491.55	35,977,185.03	7319030%
Of crocodiles	30,731,458.73	29,377,450.64	-4%
Other ginned cotton in staple lengths >25.5mm	29,312,271.91	24,324,946.55	-17%
Cigarettes containing tobacco	8,505,388.18	21,518,614.87	153%
Other cigarette tobacco, nes	23,726,359.37	21,418,512.01	-10%
Granite, crude or roughly trimmed	18,951,441.08	19,711,568.31	4%
Black tea fermented/ partly fermented	20,562,194.50	16,075,933.93	-22%
Macadamia nuts in shell	20,608,217.15	13,205,936.47	-36%
Flue-cured tobacco, of the virginia type	2,377,513.26	10,778,940.36	353%
Tobacco refuse in immediate packings of a content	15,217,926.92	10,519,760.47	-31%
Other Products	378,284,648.93	278,802,418.61	-26%
Total	4,279,383,551	4,394,833,912	3%

Source: ZIMSTAT & MOFED calculations

332. During the year, the country's main exports were destined for South Africa (39%), United Arab Emirates (20%), Mozambique (9%), Uganda (3%) and Belgium (2), whilst other countries absorbed 23% of the exports.

Table 39: Exports by Destination

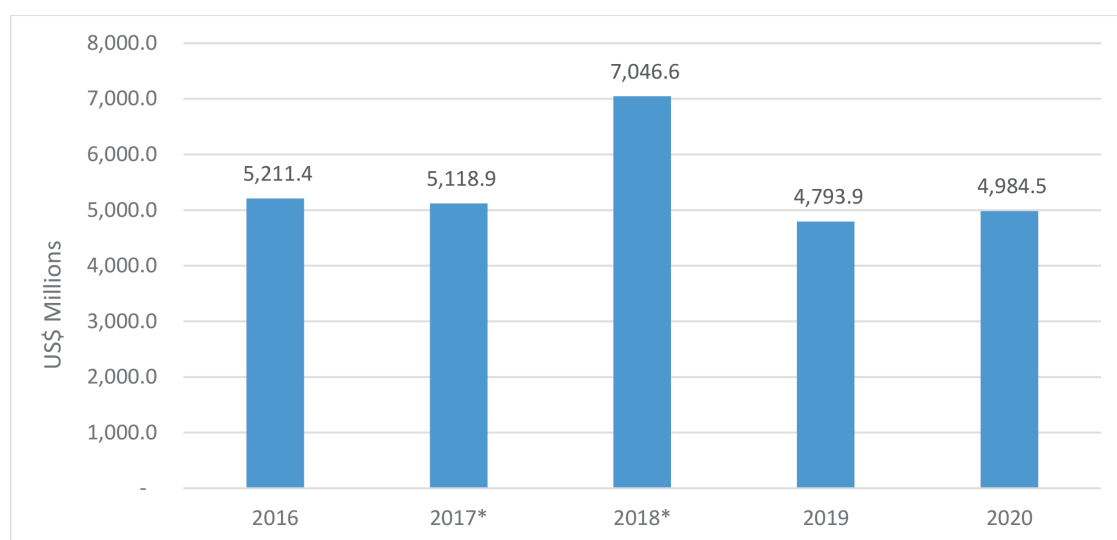
Country	Exports (US\$)	Share (%)
South Africa	1,730,470,286	39.4%
Other Countries	996,078,660	22.7%
United Arab Emirates	891,192,808	20.3%
Mozambique	407,522,169	9.3%
Uganda	127,193,942	2.9%
Belgium	72,517,607	1.7%
Zambia	52,563,443	1.2%
Kenya	49,643,359	1.1%
Botswana	39,719,693	0.9%
Hong Kong	17,685,468	0.4%
Ukraine	10,246,477	0.2%
World	4,394,833,912	

Source: ZIMSTAT

Merchandise Imports

333. The country imported goods worth US\$4.98 billion in 2020, a marginal increase of 4% from US\$4.79 billion recorded during the year 2019.
334. Due to severe drought experienced during 2020, maize, rice, wheat and electrical energy imports surged. The country imported maize and maize meal worth US\$320.5 million in 2020 compared to US\$26.7 million in 2019. Similarly, electricity imports increased by 63% to US\$153.9 million on account of reduced generation at Kariba Hydro.

Figure 43: Merchandise Imports



Source: ZIMSTAT, * Estimates

335. The continued ravaging effect of Covid-19 pushed up the importation PPEs during the period under review.
336. There was also a surge in imports of raw materials used in the manufacture of fertilizers due to anticipated favourable rainfall season. These include ammonium dihydrogen orthophosphate, sulphuric acid, urea and potassium chloride.

337. Diesel and petrol which were major imports in 2019, taking approximately US\$1.2 billion declined sharply by 55% to US\$554 million in 2020. This is attributed to removal of fuel subsidy and sale of fuel mostly in foreign currency during the better part of 2020, making it expensive compared to the region.

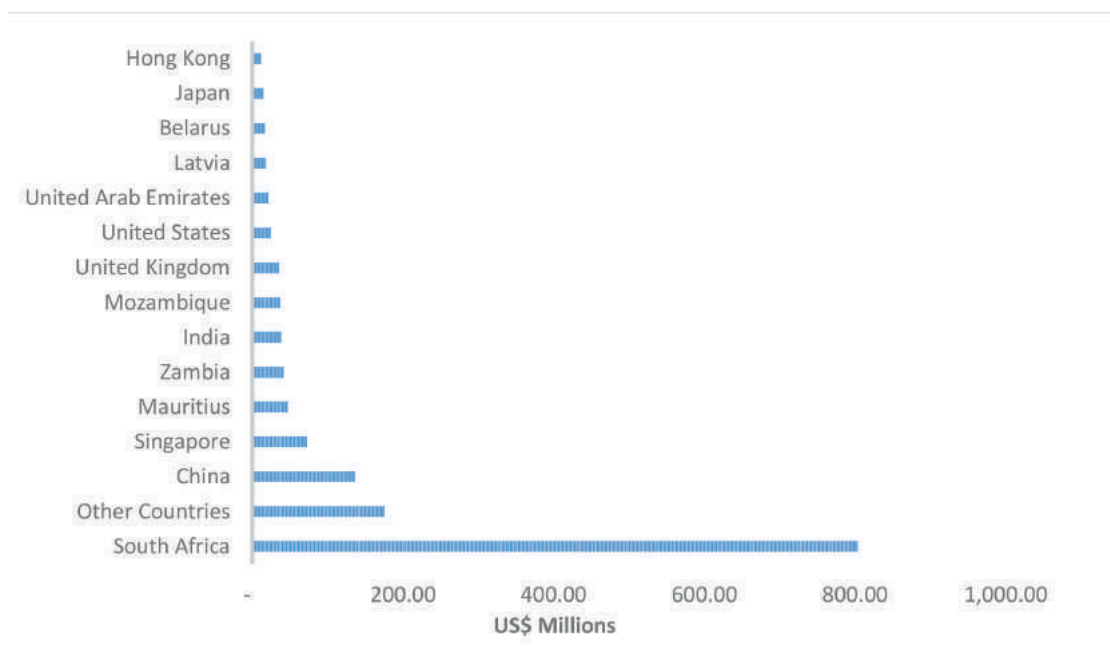
Table 40: Merchandise Imports (US\$)

Products	2019	2020	Change (%)
Diesel	861,182,798.37	381,626,882.11	-56%
Maize (Excluding Seed)	26,739,286.99	297,832,349.00	1014%
Unleaded petrol	361,303,198.40	172,413,840.91	-52%
Electrical energy	94,188,771.61	153,925,722.42	63%
Crude soya bean oil, whether or not degummed	71,792,248.11	128,325,601.87	79%
Other durum wheat	51,601,205.98	102,225,371.37	98%
Broken rice in Bulk >= 25kg	38,348,070.41	96,098,054.34	151%
Medicaments of mixed or unmixed.	83,412,177.80	63,062,875.40	-24%
Ammonium dihydrogen orthophosphate	37,429,952.66	60,508,132.67	62%
Road tractors for semi-trailers	60,368,838.71	57,534,002.55	-5%
Structures & parts of structures, of iron/ steel, nes	15,594,613.05	54,193,983.47	248%
Other insecticides nes	41,100,822.44	47,192,374.55	15%
Medicaments used in the management of cronic illnesses	37,373,020.65	44,388,097.17	19%
Herbicides, anti-sprouting products and plant growth regulators	32,726,381.16	39,579,280.01	21%
Goods vehicles, with diesel/semi-diesel engines, gvw 5-20t, nes	31,927,319.06	38,511,600.14	21%
Composite Diagnostic...reagents...medical or veterinary	24,022,300.77	37,032,850.47	54%
Ammonium nitrate	45,486,959.75	36,770,869.48	-19%
Lubricating oils & blending stocks for lubricating oil in packings	30,547,748.70	34,052,447.95	11%
Urea	35,595,622.10	33,507,527.83	-6%
Motor vehicles for the transport of goods of payload	39,041,532.18	31,570,859.60	-19%
Parts of machinery of 84.74	20,473,264.70	30,314,567.26	48%
Agricultural or Horticultural	20,958,054.07	29,889,563.82	43%
Parts for boring or sinking machinery of subheading	25,557,288.64	28,648,597.49	12%
Sulphuric acid; oleum	4,514,160.90	28,162,240.65	524%
Potassium chloride	16,640,295.86	27,340,437.36	64%
Other Products	2,685,994,694.79	2,929,799,786.98	9%
Total	4,793,920,627	4,984,507,916	4%

Source: ZIMSTAT& MOFED calculations

338. The major sources of import during the period under review were South Africa (54%), China (9%), Singapore (5%), Mauritius, India, and Mozambique (3%), among others.

Figure 44: Imports by Country

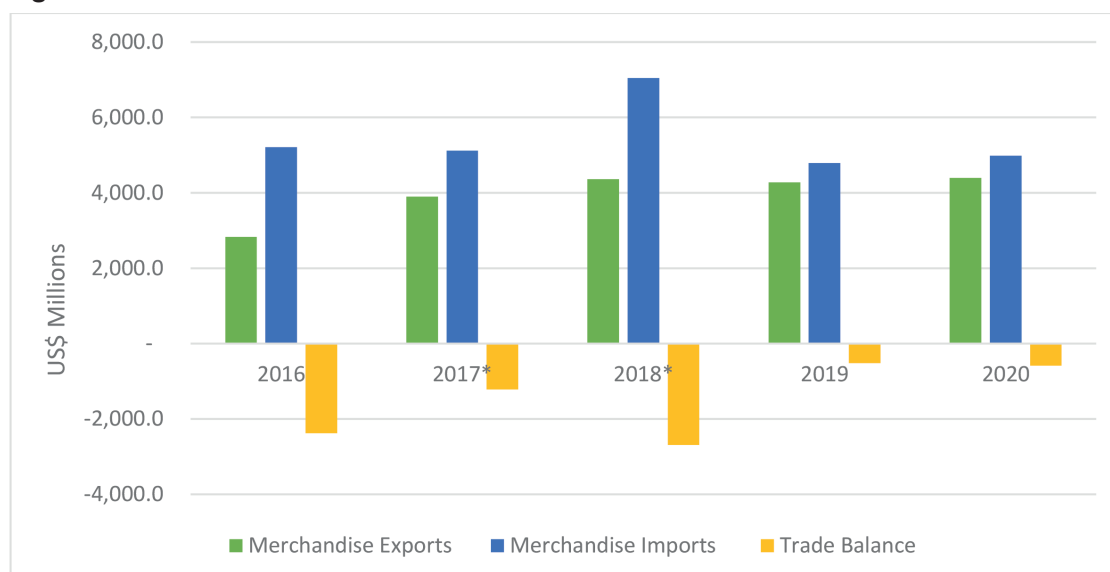


Source: ZIMSTAT

Trade Balance

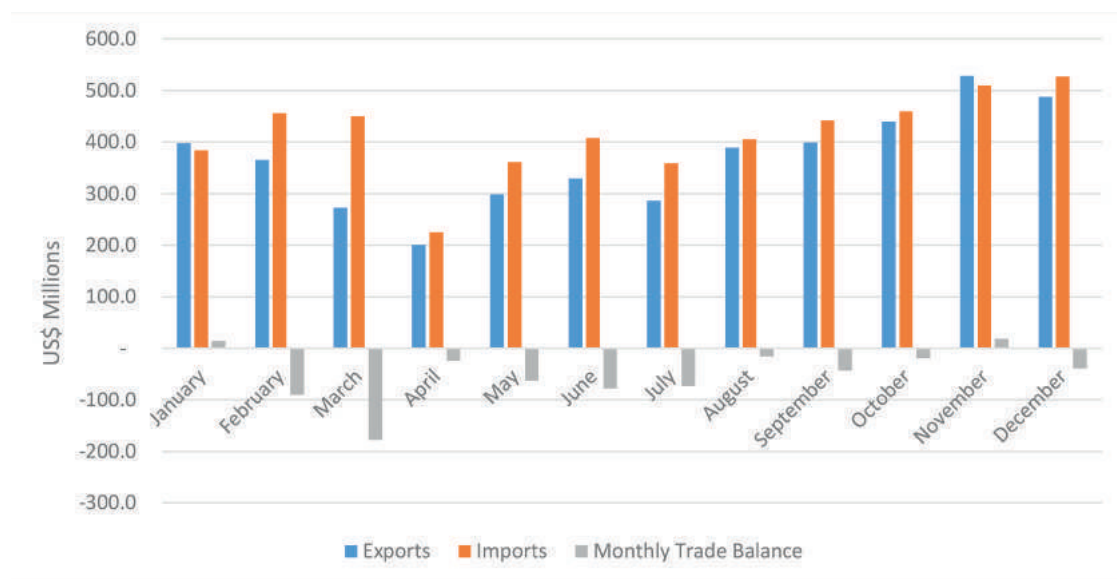
339. In 2020, merchandise trade deficit was US\$620.55 million from US\$514.54 billion recorded during the preceding year.

Figure 45: Merchandise Trade Balance



Source: ZIMSTAT

Figure 46: Merchandise Trade Balance (Month on month)



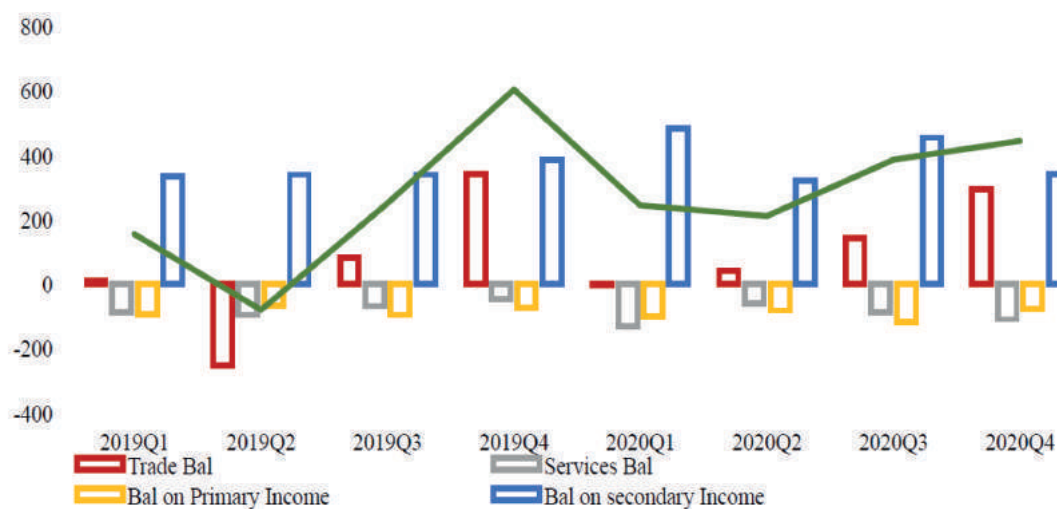
Source: ZIMSTAT

340. Trade was lower during the lockdown periods between April and July 2020, while significant recovery was witnessed during the third and last quarter of the year as the economy gradually opened.

Current Account

341. Despite trade disruptions and the sharp decline in global economic activity caused by the Covid-19 pandemic, the country's current account continued to improve, with preliminary estimates indicating a surplus US\$1.1 billion compared to US\$920 million realised in 2019.

Figure 47: Current Account Balance



Source: RBZ

342. Key drivers of the surplus were remittances, which grew by 58% and merchandise exports which increased by 3%. The increase in formal remittances reflect the shift to greater use of official channels for remittance delivery due to the pandemic.

Table 41: International Remittances Inflows 2019 and 2020 (US\$)

Month	Year 2020	Year 2019	% Δ
January	60,607,249	44,567,757	36
February	69,230,034	41,778,076	66
March	61,172,535	62,414,369	-2
April	30,920,048	49,227,045	-37
May	66,815,291	53,896,272	24
June	85,849,311	46,525,102	85
July	91,853,269	51,255,846	79
August	92,835,172	51,493,743	80
September	98,384,807	52,538,456	87
October	103,084,503	59,818,518	72
November	104,241,599	54,389,450	92
December	137,106,271	67,768,833	102
Total	1,002,100,086	635,673,465	58

Source: RBZ

343. Remittances were lower during the period of strict lock in March and April and grew significantly during the remainder of the year.

STRUCTURAL REFORMS

344. Since the launch of the TSP, Government has introduced policy , institutional and structural reforms to transform the economy to a private sector led economy. Progress has been made on various fronts such as fiscal reforms, monetary reforms among other areas.

Public Enterprises

345. Following the approval of the State Enterprises Reform Framework on the 10th of April 2018, implementation of various entity-specific and sector-wide reform initiatives are centered around the following:

- Promoting good corporate governance practices in the State Enterprises and Parastatals sector.
- Undertaking an overall Strategic Portfolio Review.
- Undertaking Performance Reviews.
- Conducting Forensic Audits where the need arises in some State Enterprises and Parastatals.
- Reviewing the State Enterprises and Parastatals Ownership Model.
- Facilitative public procurement procedures.

346. By close of 2020, the approved SEPs reforms were at various levels of implementation. (see Annexure for the full list). The few that have been successfully executed include the unbundling of Grain Marketing Board (GMB) and establishment of Silo Foods as a purely commercial entity. The Civil Aviation Authority of Zimbabwe, (CAAZ) has been unbundled into the Civil Aviation Authority of Zimbabwe and the Airports Company, with the two entities now fully

operational. In addition, the Zimbabwe Investment Development Agency (ZIDA) is now a fully functional entity.

347. The notably slow progress in the reform execution is due to a number of challenges, some of them being structural in nature. The major challenges include the following:

Decentralised SEPS Ownership Structure

348. The ownership function of SEPs lies with line ministries. As such, they carry the responsibility of driving the reform implementation process with the Department of State Enterprises Reforms, Corporate Governance and Procurement in the Office of the President and Cabinet and the Ministry of Finance and Economic Development playing a facilitative role.
349. Tendencies to protect vested interests of line Ministries, SEPs Boards and management are working to reverse some approved reforms.

Debt Overhang

350. Legacy debt for some of the entities have compromised their attractiveness to investors for reform. Given the country's high debt stock, innovative ways of reform are being proposed.

Lack of Funding for Transaction Costs

351. It is international best practice to engage independent and reputable Transactional Advisors in the implementation of SEPs reforms, to ensure credibility, transparency, accountability and fairness of the whole process. However, the associated high transactional costs, running into millions, which both Government

and the respective entities cannot afford have led to cancellation of some of the tenders. The search for alternative sources of funding has resulted in the unavoidable prolonged implementation of the SEPs Reform program.

Procurement Inefficiencies

- 352. The procurement of Transactional Advisors is expected to follow set guidelines. However, the process has been met by procedural challenges leading to delays.
- 353. Government is also in the process of continuously assessing the efficacy of the Public Entities Procurement and Disposal of Assets Act with a view to make the necessary amendments once the initial three-year period of implementing the Act lapses.

Investors' lack of Capacity

- 354. Some potential investors have failed to deliver on their investment proposals. Some transactions were cancelled after establishing that the investors lacked the required capital.

Absence of an Enabling Legal Framework for Privatisation

- 355. There is no legal framework to underpin SEPs reform. The PEGG Act only provides for the notification for reforms, whilst the Public Finance Management Act (PFMA) does not comprehensively cover the processes and procedures for privatisation. In that respect, execution of these reforms without an overarching legal framework presents implementation challenges.

COVID-19 Restrictions

356. The COVID-19 pandemic has in the recent past negatively impacted the State Enterprises and Parastatals sector on the implementation of reforms, especially with regards to partial-privatisation and offshore capital raising initiatives.
357. In addition, efforts to engage foreign investors in the partial-privatisation of designated entities have been stifled by the cautious approach by most investors as well as the increasing trend towards inward-looking investments, globally.
358. In cases where the investors have been identified, the COVID-19 travel restrictions are affecting investor engagement process such as the undertaking of due diligences.

SEPs-related Macro-Fiscal Risks

359. The establishment of SEPs is meant to achieve Government's strategic objectives. However, some entities evolve over time and adapt to changing environment whilst some may become redundant or face operational challenges, hence cease to fulfil their strategic mandate.
360. Non-performing SEPs present fiscal costs to the national budget through implicit subsidies, regular bailouts or re-capitalization and retard economic growth. In that respect, by implementing SEPs reforms, Government seeks to minimize fiscal costs associated with the operations of the respective SEPs as well as increase their contribution to revenue, development and economic growth.
361. In that regard, delays in the implementation of SEPs reforms present costs to the SEPs, Treasury and the economy at large.

Revenue Losses

362. The main objective of the partial privatisation is ordinarily to inject fresh capital to the respective SEPs by the new investors. In the process, there are revenue flows to Treasury through disposal of shares of well performing, high valued entities, for instance, those in the financial sector.
363. Therefore, delayed implementation of reforms translates into losses of potential revenue to Treasury through taxes and dividends and exposure to fiscal risks associated with underperforming SEPs.

Loss of Potential Investment to the SEPs Sector

364. SEPs reforms contribute towards recapitalization of SEPs, creation of new market frontiers, access to modern technology, all of which would propel the SEPs into profitable performance. Any delays in implementation of the reforms therefore deny the respective SEPs of all these benefits, hence they remain in the underperformance mode and a drain on the fiscus.

SEPs Reduced Contribution to the National Developmental Objectives

365. The financial health of SEPs is as important as their contribution to national development objectives and the provision of goods and services. Perpetuated SEPs underperformance compromises the achievement of national developmental objectives and benefits to the economy at large.

Erosion of Investor Confidence

366. Protracted SEPs reform program affects the investors' long term confidence in the whole SEPs Reform program, questioning Government commitment to the

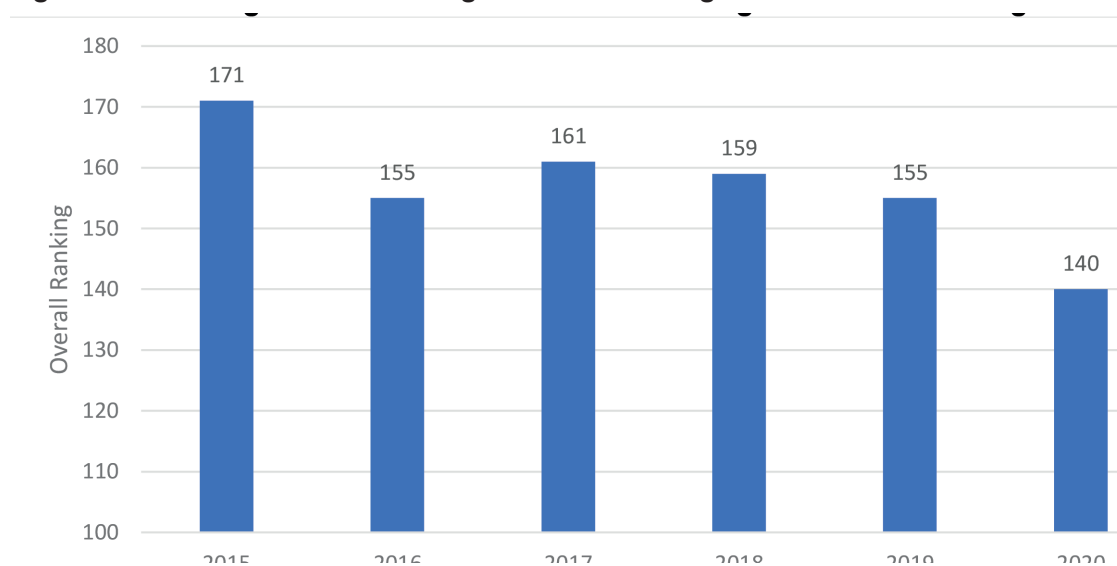
program. This may possibly create difficulties in securing meaningful takers of other investment opportunities in the SEPs sector, hence perpetuating further delays in implementation of the SEPs reform program.

367. In light of the challenges that Zimbabwe faces and based on other country experiences, Government is, therefore, reviewing the current SEPs Decentralised Ownership Model with a view to adopt a more centralized ownership model. This is envisaged to provide support for effective SEPs overall performance oversight and implementation of reforms. Effective corporate governance and timeous restructuring will also be achieved.

Ease of Doing Business Reforms

368. The overall doing business environment has been gradually improving after Government under the TSP pursued the ease of doing business reforms as part of broad measures of enhancing the country's investment environment. The reforms target administrative and other legislative bottlenecks under various statutes.
369. As a result of the efforts, the country has made strides in advancing the ease of doing business reforms, resulting in Zimbabwe's ranking improving by 16 points from 155 to 140.

Figure 48: World Bank Ease of Doing Business Ranking



Source: World Bank

370. The World Bank noted that Zimbabwe had made the following improvements under ease of doing business reforms:

- *Starting a Business*:- Improved through online name search (Overall number of days reduced from 32 to 11 days).
- Harare Municipality reduced business licensing fee from about *US\$300 to US\$200*.
- *Construction Permits*: Faster approval of permits following more frequent sessions by the Municipal Building Commission in Harare. (*Number of days to get permit reduced from 208 to 150 days*).
- *Registering property*: Deeds Registry now implementing an internal tracking system, allowing applicants to track their applications throughout the property transfer process. Number of days reduced from 36 to 14 days.
- *Operationalisation of the Credit Registry*: To coordinate data on clients/creditors.

- *Enforcement of contracts*: Improved through increasing the number of small claims court from 2 to 10 and establishment of commercial courts from 0 to 4.

371. Furthermore, the country has made improvements under Trading Across Borders: by reviewing checkpoints for both imports and exports clearance processes at Beitbridge Border post and achieving a 41 % reduction in compliance checkpoints.

372. Government has now moved from the first phase into the second phase of ease of doing business reforms wherein it is now amending different pieces of legislation to facilitate ease of doing business. The following Acts listed in the table are undergoing parliamentary processes:

Table 42: Acts undergoing Amendment

Act	Main Objective	Act	Main Objective
Deeds Registry	Facilitates the use of an online deeds registry and streamlines the process.	Movable Property Security Interests	Facilitate the use of movable properties as security for borrowing and enables the creation of the collateral registry.
Shop Licenses Amendment	Streamlines processes for compliance with post registration regulations for businesses.	Manpower Act Amendment Bill & NSSA Act Amendment	Permit the centralization of collection of manpower development levies NSSA Obligations and PAYE and thereby streamline payments under the Paying Taxes indicator
Estate Administrators Amendment	Introduces eligibility criteria and a robust code of conduct to ensure accountability of insolvency practitioners.	Regional Town and Country Planning Act Amendment Bill	Streamline processes for Construction Permitting.
Judicial Laws Ease of Settling Commercial Disputes	To facilitate the settlement of certain suits or actions, especially suits or actions of a commercial nature.	Companies and Other Business Entities	Facilitate starting a Business and Protection of Minority Investors

Zimbabwe Investment Development Agency

373. Zimbabwe Investment Development Agency (ZIDA) is now a fully functional entity, following the promulgation of the ZIDA Act in February 2020.

374. Six Special Economic Zones were gazetted and these include Sunway City in Ruwa, Fernhil in Mutare, Beitbridge, Masuwe in Victoria Falls, Imvumela

in Bulawayo and the Belmont, Donnington, Westondale and Kelvin Industrial Corridor in Bulawayo.

375. Of these, Sunway City and Beitbridge Special Economic Zones have been partially developed and the developed areas are ready for occupation by qualifying investors. The rest of the zones are still at development stages which include the conducting of economic and infrastructure feasibility studies and the development of bulk utility infrastructure such as water, electricity, sewer, internet connectivity and roads.
376. Priority has been given to the Victoria Falls and Masuwe SEZ, of which ZIDA is working on the pre-feasibility studies to ascertain the financial requirements for the development. A Working Committee was established in December 2020 comprising key Ministries, government entities and other stakeholders to spearhead the development process.
377. In 2020, Treasury released ZWL\$1.5 billion to ZIDA towards recurrent expenditure and ZW\$52.8 million for capital programmes.

Governance

Alignment of laws

378. Government has made progress in aligning laws to the Constitution. To date, 159 out of the 206 laws have been aligned since 2013, of which 8 were enacted in 2020 alone.
379. Notable were the Access to Information and Protection of Privacy Act (AIPPA) which was replaced by the Freedom of Information Act and the Zimbabwe Media

Commission Act and the Public Order and Security Act (POSA) which was replaced by the Maintenance of Peace and Order Act (MOPA).

380. Furthermore, the War Veterans Bill, the Education Amendment Bill and the International's Treaty Bill were also enacted while the Manpower Planning and Development Bill was passed by Parliament.
381. The remaining laws will be expedited in 2021 and already 18 laws have been prioritised to be completed during the first half of the year 2021. Some of the laws to attended include the Security Sector Complains Mechanism Bill, National Security Bill and the Prisons Amendment Bill. The Bills are expected to be approved by Cabinet during the first half of the year 2021.
382. This will pave way for the formation of a national security council and the independent complaints mechanism as well as making the Joint Monitoring Committee (JOC) being captured in the country's statutes.
383. In addition, the alignment of devolution related bills will also be part of the tight schedule to give further impetus to the implementation of developmental programmes. These include the Traditional Leaders Bill, the Provincial Administration Amendment Bill, the Urban Councils Amendment Bill and the Rural District Amendment Bill."

NATIONAL DEVELOPMENT STRATEGY 1

384. Government launched the second "leg" of the reform and development agenda – The National Development Strategy 1 (NDS1), running from 2021 to 2025 on the 16th of November 2020. NDS1 is running under the theme "*Towards a Prosperous and Empowered Upper Middle-Income Economy by 2030.*"

385. NDS 1 seeks to consolidate and advance stabilisation and supply strides made under the TSP and further give the economy momentum for faster growth, with capability to create jobs, increase economic resilience and create a more competitive economy.
386. The major thrust of NDS1 to “leave no-one and no place behind”, as it lays out policies, institutional reforms and fourteen priorities for the next five years in order for the country to achieve its upper middle-income economy status in line with Vision 2030.

NDS 1 Priorities

387. Through a broad based stakeholder consultative process, the following NDS1 National Priorities were identified:
- ✓ Economic Growth and Stability;
 - ✓ Food and Nutrition Security;
 - ✓ Governance;
 - ✓ Moving the Economy up the Value Chain & Structural Transformation;
 - ✓ Human Capital Development;
 - ✓ Environmental Protection, Climate Resilience and Natural Resource Management;
 - ✓ Housing Delivery;
 - ✓ Digital Economy;
 - ✓ Health and Well-being;
 - ✓ Infrastructure & Utilities;
 - ✓ Image Building and International Engagement and Re-engagement;

- ✓ Social Protection;
- ✓ Youth, Sport and Culture; and
- ✓ Devolution.

NDS 1 Targets

388. The macroeconomic targets for the NDS1 period are as follows:

- Average growth rates of above 5% each year.
- Achieve an average annual real GDP growth rate of above 5%;
- Maintain fiscal deficits averaging not more than 3% of GDP in line with SADC targets;
- Achieve and maintain single digit inflation;
- Increase international reserves to at least 6 months import cover by 2025;
- Establish a market determined and competitive foreign exchange rate regime;
- Maintain public and publicly guaranteed external and domestic debt to GDP at below 70% of GDP;
- Maintain a current account balance of not more than -3% of GDP;
- Create at least 760,000 formal jobs over the five-year NDS1 period;
- Improve infrastructure development and investment in energy, water, sanitation, roads, health, education, housing and social amenities; and
- Accelerate value addition and beneficiation of agriculture and mining production.

389. With the launch of the NDS1, Government is now in full drive of its implementation, underpinned by Managing for Development Results. Also embraced is a

Integrated Results Based Management (IRBM) System backed by robust monitoring and evaluation.

CONCLUSION

390. While economic performance was retarded by natural disasters and COVID-19 pandemic, Government interventions with the support of the private sector and development partners managed to ameliorate severe impact .
391. With the launch of the NDS1, Government will push forward the reform and development agenda on turning around the economy through ensuring accelerated, inclusive and sustainable growth, socio-economic transformation and development.

ANNEXURES

Annexure 1: 2020 GDP Growth Rates by Industry (%)

	2017	2018	2019	2020 Budget Proj.	2020 Rev Est.
Overall Growth	4.8	4.4	-6.0	3.0	-4.1
Agriculture and forestry	10.0	18.3	-17.8	8.2	-0.2
Mining and quarrying	3.5	8.7	-12.4	7.7	-4.7
Manufacturing	1.3	1.3	-8.7	1.1	-9.6
Electricity and water	4.0	22.5	-19.2	2.1	-7.9
Construction	3.9	2.0	-13.9	2.3	-11.4
Distribution, Hotels and restaurants	7.6	4.5	-8.2	0.9	-6.8
Supportive services	4.3	4.2	5.3	2.7	-0.2
Transportation and communication	5.1	2.6	12.9	2.9	3.4
Financial, banking and insurance activities	3.1	6.5	-6.1	2.4	-6.5
Government public administration, education and health	3.9	-4.2	1.4	2.7	-2.1
Private's education and health	6.7	-3.5	1.3	3.5	-3.5
Households-related services	1.7	2.2	-2.6	3.5	-2.0
Real estate activities	1.1	3.2	-1.6	2.3	-1.6
Other service activities	1.5	2.0	-3.7	4.1	-2.0
Private households with employed persons	9.5	-3.0	5.7	4.3	-5.0

Source: MoFED, RBZ, ZIMSTAT

Annexure 2: 2020 GDP Growth Rates by Expenditure (%)

	2016	2017	2018	2019	2020 Proj.
GDP by expenditure, constant prices	0.8	4.7	5.5	-6.0	-4.1
Final consumption	-8.1	2.2	0.3	-19.5	-12.2
Household	-10.5	0.9	0.8	-19.4	-12.8
Government	2.5	3.1	-2.1	0.1	0.6
NPISH	-0.2	0.3	-0.5	-0.1	-0.1
Gross capital formation	0.1	2.6	-3.1	1.9	7.1
Gross fixed capital formation	0.1	2.7	-3.1	1.9	7.1
Government	3.5	3.4	-4.6	-1.0	7.5
Other sectors	-3.5	-0.7	1.5	2.9	-0.4
Changes in inventories	0.0	0.0	0.0	0.0	0.0
Trade balance	8.8	-0.1	8.2	11.5	1.0
Exports of goods and services	6.8	1.9	-11.7	0.4	-2.2
Imports of goods and services	-2.1	2.0	-19.9	-11.1	-3.1

Source: MoFED, RBZ, ZIMSTAT

Annexure 3: Savings (ZWL\$ Million)

	2018	2019	2020
Total National Savings	(117.5)	13,443.0	95,934.8
% of GDP	(0.3)	8.3	9.0
Domestic Savings	(1,497.1)	23,678.6	163,495.7
External Savings	1,379.6	(10,235.6)	(67,560.8)

Annexure 4: 2020 Fiscal Outturn (ZWL\$ millions)

	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Cummulative Total
Total Revenue Including Retained Revenue, Transfers & Prepayments	4,281.6	3,853.1	6,049.3	4,010.6	4,735.7	11,803.6	12,683.6	18,915.2	26,526.0	24,974.5	23,793.5	48,085.4	189,712.0
Total Government Revenue (Net)	4,170.8	3,882.6	6,091.7	3,818.5	4,717.8	11,095.2	12,015.8	17,286.0	25,550.4	23,873.8	24,861.8	45,638.4	183,002.7
ZIMRA Retention	11.2	13.1	12.1	-	-	-	-	-	-	-	-	-	36.3
Total Revenue	4,182.0	3,895.7	6,103.8	3,818.5	4,717.8	11,095.2	12,015.8	17,286.0	25,550.4	23,873.8	24,861.8	45,638.4	183,039.1
Tax Revenue	4,118.2	3,785.1	5,955.8	3,743.2	4,566.0	10,785.5	11,894.9	16,931.3	24,859.9	23,083.3	24,467.7	42,308.1	176,498.9
Tax on Income and Profits	1,177.6	954.8	2,366.6	1,068.4	1,575.8	5,193.3	3,216.7	4,684.0	10,577.0	7,518.6	7,867.2	21,324.1	67,524.2
Individuals	861.7	614.2	820.4	856.9	1,079.5	1,526.3	2,290.4	2,904.4	3,434.1	4,062.2	4,832.5	5,226.7	28,509.4
Companies	259.8	264.5	1,466.3	170.0	443.1	3,534.4	785.3	1,272.1	6,258.2	2,198.3	2,708.9	14,508.1	33,868.8
Domestic dividend and interest	41.3	57.5	58.1	20.4	39.6	100.4	93.6	441.8	768.7	1,100.7	203.8	1,439.7	4,365.8
other income taxes	11.3	14.9	20.0	20.1	10.2	28.5	38.9	52.3	100.3	146.4	105.7	128.7	677.2
Presumptive tax	3.5	3.6	1.8	1.1	3.4	3.7	8.6	13.4	15.8	10.9	16.3	20.9	103.1
Customs duties	287.8	355.6	413.6	112.0	349.7	676.5	1,410.7	1,923.0	2,006.4	2,173.2	2,219.4	2,643.9	14,571.5
Oil products	-	-	-	-	-	-	-	-	-	-	-	-	-
Other(Prime & Surtax)	288.9	364.8	415.2	112.1	349.9	677.6	1,411.7	1,926.5	2,007.2	2,175.9	2,221.9	2,655.1	14,606.7
Refunds Duty	(1.1)	(9.2)	(1.6)	(0.1)	(0.2)	(1.1)	(1.0)	(3.5)	(0.8)	(2.7)	(2.6)	(11.2)	(35.1)
Excise duties	608.6	583.2	882.6	469.5	695.6	1,490.4	1,736.0	2,433.8	3,301.2	3,050.6	3,441.4	4,602.8	23,295.6
Beer	57.4	19.1	98.1	84.4	24.3	104.7	127.7	237.0	306.4	112.2	645.5	456.2	2,273.0
Wines and Spirits	10.6	4.5	5.5	4.1	31.4	20.4	8.1	43.2	106.1	48.0	45.5	27.4	354.7
Tobacco	6.9	2.4	2.6	1.1	5.9	1.9	8.0	64.6	20.6	8.7	57.6	230.2	410.4
Second Hand Motors Vehicles	2.3	2.2	2.0	0.0	0.2	1.3	1.6	1.6	2.1	2.9	2.5	2.1	20.6
Fuels	531.4	555.1	774.4	379.8	633.8	1,362.1	1,590.6	2,087.5	2,866.0	2,878.8	2,690.3	3,886.9	20,236.9
Taxes on Specific Services	5.9	5.8	13.8	7.0	6.6	41.3	145.0	83.9	227.2	229.9	216.8	1,327.2	2,310.4
Business Licences	0.2	0.1	0.0	0.4	0.0	0.0	21.0	27.4	16.3	7.5	7.1	1,033.7	1,113.8
Energy Taxes -Carbon Tax	5.7	5.7	13.7	6.6	6.6	41.3	123.9	56.5	210.8	222.4	209.7	293.5	1,196.6
Value Added Tax (VAT)	1,109.6	1,060.0	1,244.3	724.4	1,059.8	2,021.6	3,313.9	5,622.5	5,766.7	6,858.2	6,834.0	8,181.8	43,796.8
VAT on Domestic Goods	789.4	667.3	751.2	928.4	1,010.4	1,449.3	1,826.9	2,992.3	3,521.6	4,163.6	4,525.5	4,513.7	27,139.5
VAT on Withholding Tax	53.8	22.4	42.3	106.0	94.6	111.7	128.1	323.1	255.6	269.2	342.3	897.8	2,646.7
Imported Goods & Services	414.0	511.7	576.4	220.6	505.7	873.7	1,950.6	2,640.0	2,864.6	3,106.3	3,369.7	3,438.8	20,472.0
Refunds	(147.6)	(141.3)	(125.6)	(530.6)	(550.8)	(413.1)	(591.7)	(332.8)	(875.1)	(680.8)	(1,403.5)	(668.5)	(6,461.3)
tax on gross Revenue	341.5	264.8	475.1	562.4	317.9	522.4	986.0	917.4	1,368.9	1,520.5	1,659.8	2,026.4	10,963.1
Tobacco Levy	0.0	0.2	-	-	35.5	86.0	138.3	102.1	22.9	7.0	1.0	0.1	393.2
Royalties-mining	86.2	75.5	167.9	392.0	100.5	233.2	560.8	375.2	740.0	847.7	947.5	1,007.4	5,533.8
Airtime(including Health levy)	80.5	80.7	88.7	105.4	109.8	95.6	180.0	143.1	296.7	421.0	358.3	568.5	2,528.3
withholding tax on Tenders	174.8	108.5	218.6	65.0	72.1	107.6	107.0	297.1	309.2	244.8	353.0	450.4	2,507.9
Taxes on financial and capital transactions	576.5	537.2	548.4	791.1	550.9	821.3	1,070.3	1,241.3	1,590.9	1,697.6	2,180.9	2,162.3	13,768.8
IMTT	573.6	533.0	545.6	786.9	550.9	821.1	1,070.1	1,240.9	1,590.3	1,697.2	2,180.3	2,161.7	13,751.5
ATM Levy	3.0	4.3	2.8	4.3	0.1	0.2	0.2	0.3	0.6	0.3	0.6	0.6	17.3
Other Indirect taxes	10.7	23.8	11.3	8.5	9.7	18.7	16.3	25.3	21.7	34.8	48.2	39.5	268.4
Stamp duty	9.6	23.2	10.8	8.3	8.6	13.2	15.1	21.2	18.9	32.9	48.2	39.5	249.5
Other indirect taxes	1.1	0.6	0.4	0.1	1.1	5.5	1.2	4.2	2.8	1.9	-	-	18.9
Grants	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-tax Revenue	63.8	110.6	148.1	75.2	151.8	309.7	120.9	354.7	690.5	790.5	394.1	3,330.4	6,540.2
Property income	4.2	0.3	0.6	3.1	0.2	0.3	0.9	0.5	430.6	1.2	0.9	-	442.9
Interest	0.0	0.1	0.1	0.1	0.2	0.2	0.8	0.3	430.1	0.3	0.9	-	433.1
Dividends	0.1	0.1	0.3	0.0	-	-	0.1	-	-	-	-	-	0.7

	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Cummulative Total
Withdrawals quasi-corporations	3.0	0.1	-	3.0	-	-	-	-	-	0.9	-	-	7.0
Rent	1.1	-	0.1	0.0	-	0.0	0.0	0.3	0.5	-	-	-	2.0
Sales of Goods and Services	47.6	90.2	137.5	50.6	124.8	294.0	87.0	306.0	210.8	734.9	312.5	3,123.4	5,519.5
Administrative fees	40.6	85.9	129.5	49.7	38.5	138.8	84.5	118.1	207.0	400.1	295.8	1,201.7	2,790.2
Incidental sale By Non market Establishments	3.0	0.9	4.2	0.2	0.2	150.1	1.1	185.0	1.7	331.7	10.8	1,890.5	2,579.5
Rentals	4.0	3.4	3.8	0.7	86.1	5.1	1.5	2.9	2.0	3.1	5.9	31.3	149.8
Fines ,penalties and forfeits	12.0	20.1	10.0	21.5	26.7	15.4	33.0	48.1	49.2	54.4	80.7	206.9	577.9
Retained & Prepaid Revenue (Others)	99.5	(42.6)	(54.5)	192.1	17.9	708.4	667.8	1,629.2	975.6	1,100.7	(1,068.3)	2,447.0	6,673.0
Ministries	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepayment Account	99.5	(42.6)	(54.5)	192.1	17.9	708.4	667.8	1,629.2	975.6	1,100.7	(1,068.3)	2,447.0	6,673.0
Total Expenditure	3,072.3	3,664.2	7,014.3	4,237.0	4,702.5	6,275.1	17,506.8	15,710.2	22,671.7	26,043.3	21,681.4	29,849.7	162,428.7
Expenses	1,822.5	2,519.3	4,420.5	3,340.3	3,702.3	3,875.0	12,867.0	10,603.5	10,509.2	16,521.3	14,223.7	22,425.1	106,829.6
compensation of Employees	837.7	1,183.0	1,798.0	1,721.0	1,631.0	1,707.8	7,847.2	5,854.8	4,012.1	8,353.2	9,034.9	11,220.8	55,201.4
	837.7	1,183.0	1,798.0	1,721.0	1,631.0	1,707.8	7,847.2	5,854.8	4,012.1	8,353.2	9,034.9	11,220.8	55,201.4
Use of Goods and Services	369.6	580.3	716.2	713.5	604.7	979.7	1,126.3	2,007.7	1,610.1	2,224.0	2,939.3	4,641.5	18,512.8
Domestic Travel Expenses	28.0	30.4	42.9	20.7	26.6	33.6	94.3	88.8	128.2	188.5	214.9	294.9	1,191.9
Foreign Travel Expenses	22.0	85.9	30.6	38.7	15.5	52.0	51.6	6.2	29.3	37.7	141.0	266.0	776.4
Communication, Supplies and Services	18.8	22.8	30.4	41.4	46.9	135.3	68.3	88.0	61.3	124.1	248.9	240.4	1,126.7
Education supplies and Services	1.4	1.6	3.8	27.4	0.2	2.5	1.8	4.5	25.1	0.6	3.2	6.4	78.5
Medical Supplies and services	12.1	7.8	14.4	70.7	37.5	127.1	45.8	643.8	31.4	198.7	119.9	383.6	1,692.7
Office supplies and services	16.4	14.4	29.0	17.3	45.1	31.2	23.1	38.8	43.1	43.0	85.8	231.9	619.1
Training expenses	2.2	6.9	116.0	157.1	80.6	130.8	126.6	90.5	420.8	69.3	75.8	114.7	1,391.2
Rental and other service charges	37.4	72.8	129.6	100.8	86.3	177.4	146.3	148.4	166.0	332.7	629.9	558.3	2,585.9
Institutional provisions	112.5	105.7	111.8	95.8	103.5	64.2	200.4	284.2	258.2	292.1	223.5	1,041.6	2,893.6
Other Good and Services	39.5	113.3	106.6	37.1	72.6	93.4	147.4	320.7	96.7	484.6	660.1	660.4	2,832.4
Maintenance	79.2	118.7	101.1	106.5	89.9	132.2	220.6	293.9	349.8	452.7	536.3	843.4	3,324.4
Interest on debt	26.7	110.7	169.5	21.5	51.6	28.5	13.9	34.9	23.2	37.3	43.4	410.8	972.0
Foreign	14.5	91.6	147.4	-	-	-	-	-	-	-	-	391.5	645.0
Domestic	12.2	19.1	22.2	21.5	51.6	28.5	13.9	34.9	23.2	37.3	43.4	19.3	327.0
Subsidies	-	26.9	290.7	162.1	147.0	493.4	451.9	467.2	673.6	493.8	112.2	1,587.0	4,905.7
Subsidy	-	26.9	290.7	162.1	147.0	493.4	451.9	467.2	673.6	493.8	112.2	1,587.0	4,905.7
Grants	198.1	423.4	828.8	548.9	658.9	555.0	1,853.1	1,280.7	1,220.7	1,846.7	1,611.0	2,542.0	13,567.3
o/w extra budgetary units -salaries	165.4	258.2	364.8	434.9	370.0	378.8	1,547.6	979.9	731.3	1,443.1	1,299.6	1,421.3	9,394.9
- operations	32.7	165.2	464.0	114.0	288.9	176.2	305.5	300.8	489.4	403.6	311.3	1,120.7	4,172.3
Social Benefits	291.0	166.8	318.6	125.9	606.2	90.0	1,304.6	951.0	2,754.6	2,711.6	254.3	2,747.3	12,321.9
Social Benefits	291.0	166.8	318.6	125.9	606.2	90.0	1,304.6	951.0	2,754.6	2,711.6	254.3	2,747.3	12,321.9
Other Expenses	99.4	28.2	298.7	47.4	2.9	20.5	270.1	7.4	214.9	854.7	228.8	(724.4)	1,348.6
Transfers to Provincial Councils and local Authorities	98.0	2.0	297.7	36.0	-	19.5	230.3	-	5.0	851.2	227.5	(722.2)	1,045.0
Foreign Subscriptions	1.4	26.2	1.0	11.4	2.9	1.0	39.8	7.4	209.9	3.5	1.3	(2.3)	303.6
Non Financial Assets	1,249.9	1,144.9	2,593.8	896.7	1,000.3	2,400.1	4,639.9	5,106.6	12,162.5	9,522.0	7,457.8	7,424.7	55,599.1
Building and Structures	73.6	323.8	725.3	204.4	262.7	915.1	1,434.4	2,213.9	2,694.2	3,275.8	415.6	2,403.7	14,942.5
Machinery and Equipment	212.7	146.0	188.4	104.3	132.5	48.0	171.2	250.9	399.5	270.8	363.0	710.0	2,997.3
Other fixed assets	0.8	-	13.9	-	18.5	15.4	-	1.4	24.2	63.5	3.5	31.4	172.5
Non produced Assets	-	-	-	1.0	-	-	-	-	-	-	77.3	-	78.3
Capital Grants to other General Gvt units	714.3	494.6	1,086.9	583.0	560.7	1,141.3	2,920.2	2,485.2	2,213.8	5,151.6	4,003.4	3,122.1	24,477.1
Loans	248.4	178.4	534.4	3.8	25.9	230.3	6.2	33.7	196.9	574.6	140.4	1,097.7	3,270.8
Equity and Investments Fund Shares	-	2.0	45.0	0.3	-	50.0	107.9	121.4	6,633.9	185.7	2,454.6	59.8	9,660.5
Surplus/Deficit	1,109.7	231.4	(910.5)	(418.5)	15.2	4,820.2	(5,491.0)	1,575.8	2,878.7	(2,169.5)	3,180.3	15,788.7	20,610.4

Annexure 5: Public Finances Summary Table: 2018 - 2025

	2018	2019	2020 Est.	2021 Proj.	2022 Proj.	2023 Proj.	2024 Proj.	2025. Proj
Revenues (excluding Retained Revenue) (Million ZWL\$)	5,533.5	22,970.7	183,039.1	390,803.5	512,434.2	632,639.5	742,112.9	861,930.8
% of GDP	15.0	14.2	17.1	16.3	16.8	17.8	18.5	19.3
Expenditures & Net Lending (Million ZWL\$)	7,744.8	22,533.7	162,428.7	421,616.3	559,451.8	693,191.1	779,371.9	894,176.7
% of GDP	21.0	13.9	15.2	17.6	18.4	19.5	19.5	20.0
Recurrent Expenditures (Million ZWL\$)	5,196.8	13,823.0	106,829.6	290,020.0	387,305.4	485,891.5	541,117.1	627,411.5
% of GDP	14.1	8.5	10.0	12.1	12.7	13.6	13.5	14.0
Compensation of Employees (Million ZWL\$)	3,934.7	7,118.7	55,201.4	172,635.0	220,360.0	255,107.0	298,456.0	345,728.0
% of GDP	10.7	4.4	5.2	7.2	7.2	7.2	7.5	7.7
% Total Expenditure	50.8	31.6	34.0	40.9	39.4	36.8	38.3	38.7
% of Revenue	71.1	31.0	30.2	44.2	43.0	40.3	40.2	40.1
Non Financial Assets (Million ZWL\$)	2,548.0	8,710.7	55,599.1	131,596.3	172,146.5	207,299.6	238,254.8	266,765.2
% of GDP	6.9	5.4	5.2	5.5	5.7	5.8	6.0	6.0
Overall Balance (Million ZWL\$)	(2,211.3)	437.0	20,610.4	(30,812.8)	(47,017.6)	(60,551.6)	(37,259.0)	(32,245.9)

Annexure 6: Agriculture Output (000 tons)

	2015	2016	2017	2018	2019	2020
Growth (%)	14.0	-6.9	35.3	7.9	-17.8	-0.2
Tobacco (Flue Cured)	199	202	190	252	260	192
Maize	742	511	2155	1831	777	907
Beef	76	86	72	75	63	57
Cotton	105	30	75	144	77	101
Sugar cane	4399	4044	4350	3903	4000	4100
Horticulture	69	65	70	71	77	94
Poultry	151	138	135	161	152	149
Groundnuts	89	74	139	127	71	87
Wheat	62	62	160	161	95	178
Dairy (m lt)	72	78	83	92	96	92
Soybeans	58	48	36	54	60	47
Tea	14	18	19	20	19	21
Pork	11	11	10	11	12	12
Wildlife	51	30	32	33	33	26
Sorghum	40	36	182	70	41	103
Barley	18	13	15	33	29	25
Sheep & goats	6	11	9	10	7	8

Source: Macroeconomic Working Group (MOFED, RBZ, ZIMSTAT)

Annexure 7: Agriculture International Commodity Prices

	Groundnut oil(\$/mt)	Soybeans(\$/mt)	Maize(\$/mt)	Sorghum(\$/mt)	Orange(\$/kg)	Beef(\$/kg)	Sugar, EU	Sugar, US	Sugar, world
Dec-19	1404.96	383.20	166.96	163.91	0.52	5.56	0.36	0.57	0.30
Jan-20	1371.35	387.23	171.79	166.23	0.51	5.04	0.36	0.57	0.31
Feb-20	1393.46	375.63	168.71	164.13	0.52	4.72	0.36	0.59	0.33
Mar-20	1412.91	372.61	162.42	164.35	0.55	4.47	0.36	0.60	0.26
Apr-20	1527.27	361.26	146.91	166.67	0.58	4.45	0.35	0.57	0.23
May-20	1588.02	359.17	143.91	175.93	0.65	5.08	0.36	0.57	0.24
Jun-20	1712.82	369.58	147.99	170.86	0.65	5.10	0.37	0.57	0.27
Jul-20	1876.87	381.07	152.55	174.94	0.66	4.70	0.37	0.59	0.27
Aug-20	1876.96	384.55	149.34	189.49	0.62	4.63	0.39	0.60	0.29
Sep-20	1880.71	423.41	166.08	..	0.61	4.60	0.39	0.59	0.28
Oct-20	1877.59	454.25	186.75	..	0.61	4.42	0.38	0.61	0.30
Nov-20	1878.61	499.98	190.38	..	0.65	4.40	0.39	0.65	0.31
Dec-20	..	510.94	198.77	..	0.64	4.40	0.40	0.63	0.31

Source: World Bank Pink Sheet

Annexure 8: Mineral Performance

	2018 Est	2019 Est	2020 Budget Proj	2020 Outturn
Overall Growth	15.3	-12.4	4.7	-4.7
Black Granite \t	213	155	210	645
Chrome \t	1756	1550	1800	1272
Coal \t	3348	2730	3500	2751
Cobalt \t	402	402	430	956
Copper \t	9076	8678	9510	7933
Gold \kg	35054	29429	28000	20873
Iridium \t	586	845	620	837
Nickel \t	17810	16278	17500	16336
Palladium \kg	12094	11640	12400	12890
Phosphate \t	51393	27148	62000	45084
Platinum \kg	14,703	13857	15400	15004
Rhodium \kg	1334	1224	1400	1367
Ruthenium \kg	1155	792	1210	1026
Diamonds	3252	2119	2200	2670

Source: Ministry of Mines

Annexure 9: Volume of Manufacturing Index

	Est	Est	2020 Budget Proj	2020 Outturn
Foodstuffs	119	109	111.5	90.0
Drinks, Tobacco and Beverages	95	77	77.5	72.7
Textiles and Ginning	104	91	95.1	91.5
Clothing and Footwear	31	27	27.0	25.4
Wood and Furniture	257	214	235.6	203.7
Paper, printing and Publishing	100	90	92.0	72.1
Chemical and Petroleum Products	83	76	77.3	83.9
Non metallic mineral products	132	130	131.6	104.2
Metals and Metal products	62	60	61.2	53.7
Transport, Equipment	57	57	58.3	50.9
Other manufactured goods	94	95	96.6	85.7
Manufacturing Index	95.8	87.4	89.1	79.1

Annexure 10: Communication

	2018	2019	2020
Fixed Telephony Subscriptions (active)	268,849	265,734	252,067
Fixed Network Traffic (minutes)	450,875,758	471,999,543	381,814,422
Mobile Telephony Subscriptions (active)	12,908,992	13,195,902	13,191,708
Mobile Voice Traffic (minutes)	4,894,130,779	5,682,811,905	5,713,869,288
Total Traffic (Voice-minutes)	5,497,155,742	6,154,811,448	6,095,683,710
Mobile Data and Internet (TB)	27,279	35,733	48,780
Active Internet subscriptions	8,723,242	8,836,299	8,875,649
Used International Incoming Internet bandwidth (Mbps)	84,683	87,720	188,093
Postal and Courier Volumes (Items)	7,764,640	1,482,207	2,270,080

Source: Potraz

Annexure 11: Inflation

	Inflation Rate (%) Monthly	Inflation Rate (%) Annual
2013		1.6
2014		-0.2
2015		-2.4
2016		-1.6
2017		0.9
2018		10.6
2019		255.3
2020		557.2
2019 Jan Rebased	10.8	56.9
Feb	1.7	59.4
Mar	4.4	66.8
Apr	5.5	75.9
May	12.5	97.9
Jun	39.3	175.7
Jul	21.0	230.4
Aug	18.1	288.6
Sep	17.7	353.3
Oct	38.7	440.2
Nov	17.5	481.1
Dec	16.6	521.1
2020 Jan Rebased	2.2	473.3
Feb	13.5	540.2
Mar	26.6	676.4
Apr	17.6	765.6
May	15.1	785.5
Jun	31.7	737.3
Jul	35.5	837.5
Aug	8.4	761.0
Sep	3.8	659.4
Oct	4.4	471.3
Nov	3.2	401.7
Dec	4.2	348.6

Source: ZIMSTAT

Annexure 12: Formal Employment

	2018	2019	2020
Formal employments (000)	854.8	829.3	812.1

Source: ZIMSTAT

Annexure 13: Capital Flows

	2015	2016	2017	2018	2019	2020*
Direct Investment	-399.2	-343.0	-306.3	-717.1	-247.1	-153.9
Net acquisition of financial assets	0.0	0.0	0.9	0.8	2.4	-3.5
Net incurrence of liabilities	399.2	343.0	307.2	717.9	249.5	150.4
Portfolio Investment	-122.8	80.1	100.9	-54.7	-3.7	135.4
Net acquisition of financial assets	0.0	0.0	0.0	0.0	0.0	0.0
Net incurrence of liabilities	122.8	-80.1	-100.9	54.7	3.7	-135.4
Other Investment	-844.4	-635.3	-904.5	-112.4	594.7	905.2
Net Acquisition of Financial Assets	-125.5	-61.8	-31.4	149.7	366.1	278.6
Net Incurrence of Liabilities	718.9	573.4	873.1	262.1	-228.5	-626.6
O/W Other equity	0.0	0.0	0.0	0.0	0.0	0.0
Net acquisition of financial assets	0.0	0.0	0.0	0.0	0.0	0.0
O/W Currency and deposits	105.6	22.0	-219.1	82.2	692.8	275.6
Net acquisition of financial assets	-125.5	-61.8	-31.4	139.7	366.1	278.6
Net incurrence of liabilities	-231.1	-83.8	187.7	57.5	-326.7	3.0
Loans	-950.0	-559.3	-685.4	-194.6	-27.1	678.8
Net acquisition of financial assets	0.0	0.0	0.0	10.0	15.0	20.0
Central bank	0.0	0.0	0.0	10.0	15.0	20.0
O/w General Government	0.0	0.0	0.0	0.0	0.0	0.0
Other Sectors (Private sector)	0.0	0.0	0.0	0.0	0.0	0.0
Net incurrence of liabilities	950.0	559.3	685.4	204.6	42.1	-658.8
Central bank	-71.3	534.5	499.1	86.6	-9.2	-384.0
Short-term	-71.3	534.5	499.1	86.6	-9.2	-384.0
General Government	199.9	17.6	82.8	158.2	76.4	-137.8
Other sectors	821.5	7.2	103.6	48.3	57.9	-53.0
Short-term	198.0	60.4	74.6	14.7	37.7	-78.2
Long-term	623.4	-53.1	29.0	33.7	20.2	25.1
Insurance, pension, and standardized guarantee schemes	0.0	0.0	0.0	0.0	0.0	0.0
Trade credit and advances	0.0	0.0	0.0	-66.9	-63.0	-57.0
Other accounts receivable/payable	0.0	0.0	0.0	-21.7	-20.0	-27.0

Source: RBZ, * Preliminary figures

Annexure 14: Forex Auctions Results and Exchange Rates (June -Dec 2020): (1 US\$/ZWL\$)

/	Amount Allotted (US\$m)	Highest Rate	Lowest Rate	Lowest Accepted Rate	Weighted Ave Rate
Week 1	10.35	100.0	25.5		57.4
Week 2	16.32	92.0	37.8		63.7
Week 3	13.60	90.0	30.0	55.0	65.9
Week 4	15.99	85.0	40.0	64.2	68.9
Week 5	14.85	82.2	55.0	70.0	72.1
Week 6	14.36	82.0	70.0	75.0	76.8
Week 7	18.99	87.0	70.0	78.0	80.5
Week 8	18.77	90.0	75.0	75.0	82.6
Week 9	14.20	88.4	78.0	78.0	82.9
Week 10	15.03	88.0	75.0	75.0	83.4
Week 11	16.02	87.5	76.0	76.0	83.3
Week 12	19.21	88.0	73.0	73.0	82.7
Week 13	21.17	88.0	75.0	75.0	81.7
Week 14	31.64	86.7	78.0	78.0	81.5
Week 15	24.51	86.0	78.0	78.0	81.4
Week 16	26.13	87.0	79.0	79.0	81.3
Week 17	29.23	88.1	79.0	79.0	81.3
Week 18	28.80	87.1	79.0	79.0	81.3
Week 19	27.85	89.0	80.0	80.0	81.4
Week 20	28.30	90.0	79.1	79.1	81.7
Week 21	31.79	86.3	80.0	80.0	81.7
Week 22	29.74	90.0	79.0	79.0	81.7
Week 23	32.96	88.3	80.0	80.0	81.8
Week 24	32.96	86.0	80.0	80.0	81.9
Week 25	30.27	90.0	80.0	80.0	81.9
Week 26	31.95	86.0	80.0	80.0	81.7
Week 27	29.58	86.0	80.0	80.0	81.8
Grant Total	624.54				

Source: RBZ

Annexure 15: Merchandise Exports (US\$)

Months	2016	2017	2018	2019	2020
January	249,177,812	292,278,570	321,501,217*	292,634,809	397,725,350
February	209,551,852	290,663,955	346,324,395	349,522,183	365,540,281
March	166,496,632	266,252,363	288,558,285	295,885,458	272,055,796
April	157,829,850	225,829,942	329,620,970	276,974,275	200,475,841
May	165,201,012	268,629,622	267,186,749	343,185,656	298,730,268
June	176,206,074	264,506,181	384,669,386	239,808,719	329,607,935
July	184,205,752	261,960,879	340,269,186	299,470,056	286,452,636
August	202,136,918	356,472,165	449,343,142	345,522,071	389,317,142
September	250,415,912	324,813,676	354,120,248	378,423,905	398,855,124
October	318,453,191	352,804,369	445,263,590	483,345,998	439,431,771
November	460,727,573	577,844,484	467,739,712	485,541,800	528,386,570
December	291,870,763	418,487,510*	364,849,153	489,068,621	488,255,198
SUB Total	2,832,273,340	3,900,543,715	4,359,446,030	4,279,383,551	4,394,833,912

Source: ZIMSTAT, *Projections

Annexure 16: Merchandise Imports (US\$)

Months	2016	2017	2018	2019	2020
January	395,345,549	394,234,861	591,885,141*	366,435,069	383,675,806
February	427,727,802	432,748,688	595,661,049	408,110,223	455,394,909
March	478,057,015	469,698,834	627,529,437	329,933,273	449,846,469
April	356,480,839	412,201,761	552,464,937	418,739,091	225,007,649
May	408,489,077	476,340,953	545,252,285	438,364,415	361,148,403
June	429,408,274	513,545,721	612,122,972	458,947,868	407,494,757
July	394,228,397	498,551,921	574,343,143	357,388,180	359,266,578
August	445,026,069	464,972,082	581,194,582	384,747,103	405,135,835
September	443,888,349	457,898,390	601,655,524	403,958,305	441,719,525
October	468,064,343	491,588,757	612,693,553	401,122,682	458,829,683
November	475,332,866	507,161,604	618,578,538	405,686,971	509,774,659
December	489,366,109	485,549,584*	533,265,723	420,487,449	527,213,644
Sub Total	5,211,414,689	5,118,943,572	7,046,646,883	4,793,920,628	4,984,507,917

Source: ZIMSTAT, *Projections

Annexure 17: Trade Balance (US\$)

	Merchandise Exports	Merchandise Imports	Trade Balance
2016	2,832,273,340	5,211,414,689	-2,379,141,349
2017	3,900,543,715	5,118,943,572	-1,218,399,857
2018	4,359,446,030	7,046,646,883	-2,687,200,853
2019	4,279,383,551	4,793,920,628	-514,537,077
2020	4,394,833,912	4,984,507,917	-589,674,005

Source: ZIMSTAT

Annexure 18: Current Account (US\$ Millions)

	2015	2016	2017	2018	2019	2020 Est
Current Account	-1596.7	-697.5	-271.2	-1379.6	920.5	1096.0
Goods and Services	-3250.6	-2129.6	-1581.1	-2464.0	-131.4	-226.2
Exports	3964.2	4059.7	4640.2	5178.2	5266.9	5263.3
Imports	7214.8	6189.3	6221.3	7642.2	5398.4	5489.5
Balance on Goods	-2113.5	-1262.6	-927.0	-1938.4	174.4	212.0
Exports	3577.5	3662.9	4163.6	4677.6	4663.7	4931.9
Imports	5691.0	4925.5	5090.6	6616.0	4489.3	4719.9
Balance on Services	-1137.1	-867.1	-654.1	-525.6	-305.9	-438.2
Exports	386.7	396.7	476.6	500.5	603.2	331.4
Imports	1523.8	1263.8	1130.7	1026.2	909.1	769.6
Balance on Primary Income	-366.1	-395.3	-387.5	-311.2	-338.8	-472.9
Credits	3.4	3.3	4.0	7.9	15.4	7.6
Debits	369.5	398.6	391.5	319.1	354.2	480.5
Balance on Secondary Income	2020.1	1827.5	1697.4	1395.6	1390.7	1795.2
Credits	2043.6	1853.1	1726.5	1424.2	1413.4	1828.3
Personal Transfers	1253.2	1102.8	1013.4	897.9	921.7	1209.7
Transfers to NPISHs (Inward Remittances)	790.4	750.3	713.1	526.3	491.7	618.6
Debits	23.6	25.6	29.1	28.6	22.7	33.1

Source: RBZ, BOP

Annexure 19: Reserves (US\$ Millions)

	2016	2017	2018	2019	2020 Estimate
Gross Official Reserves (US\$m)	421.3	385.4	291.7	256.4	325.2
Import Cover (months) - At 100% (Goods only)	1.0	0.9	0.5	0.7	0.8
Import Cover (months) - At 50% (Goods & Services)	0.8	0.7	0.5	0.6	0.7

Source: RBZ, BOP

Annexure 20: Public Finances Summary Table: 2018 - 2025

	2018	2019	2020 Est.	2021 Proj.	2022 Proj.	2023 Proj.	2024 Proj.	2025. Proj
Revenues (excluding Retained Revenue) (Million ZWL\$)	5,533.5	22,970.7	183,039.1	390,803.5	512,434.2	632,639.5	742,112.9	861,930.8
% of GDP	15.0	14.2	17.1	16.3	16.8	17.8	18.5	19.3
Expenditures & Net Lending (Million ZWL\$)	7,744.8	22,533.7	162,428.7	421,616.3	559,451.8	693,191.1	779,371.9	894,176.7
% of GDP	21.0	13.9	15.2	17.6	18.4	19.5	19.5	20.0
Recurrent Expenditures (Million ZWL\$)	5,196.8	13,823.0	106,829.6	290,020.0	387,305.4	485,891.5	541,117.1	627,411.5
% of GDP	14.1	8.5	10.0	12.1	12.7	13.6	13.5	14.0
Compensation of Employees (M ZWL\$)	3,934.7	7,118.7	55,201.4	172,635.0	220,360.0	255,107.0	298,456.0	345,728.0
% of GDP	10.7	4.4	5.2	7.2	7.2	7.2	7.5	7.7
% Total Expenditure	50.8	31.6	34.0	40.9	39.4	36.8	38.3	38.7
% of Revenue	71.1	31.0	30.2	44.2	43.0	40.3	40.2	40.1
Non Financial Assets (Million ZWL\$)	2,548.0	8,710.7	55,599.1	131,596.3	172,146.5	207,299.6	238,254.8	266,765.2
% of GDP	6.9	5.4	5.2	5.5	5.7	5.8	6.0	6.0
Overall Balance (Million ZWL\$)	(2,211.3)	437.0	20,610.4	(30,812.8)	(47,017.6)	(60,551.6)	(37,259.0)	(32,245.9)

Annexure 21: Summary of COVID-19 Payments to Beneficiaries

PROVINCE	BENEFICIARIES	AMOUNT (ZWL\$)
Harare	91,468	24,753,147
Mashonaland West	13,130	3,066,022
Manicaland	18,349	3,959,952
Matabeleland North	3,586	707,692
Mashonaland East	5,273	1,119,560
Midlands	8,123	1,500,088
Matabeleland South	7,270	1,448,199
Mash Central	10,085	1,820,847
Masvingo	14,113	2,548,102
Bulawayo	30,680	8,120,114
TOTAL	202,077	49,043,722

Annexure 22: Summarized Progress in the Implementation of SEPs Reforms

Parastatal	Progress
Grain Marketing Board (GMB)	<ul style="list-style-type: none"> Completion of the unbundling of the Grain Marketing Board (GMB) and establishment of Silo Foods (Pvt) Ltd which is now fully operational.
Allied Timbers.	<ul style="list-style-type: none"> Procurement of Transactional Advisor for the partial privatization of Allied Timbers.
Air Zimbabwe	<ul style="list-style-type: none"> Government, working with the Administrator, is working on the restructuring of Air Zimbabwe
National Oil Company (NOIC)	<ul style="list-style-type: none"> Cabinet approved the merger of Petrotrade and Genesis, a subsidiary of the National Oil Company (NOIC) into fuel retailing business, as well as CMED Fuels. Thereafter, the consolidated entity is to be privatized through strategic partnership with an established offshore petroleum major player.
ZUPCO	<ul style="list-style-type: none"> Engagement of Transactional Advisors for the partial privatisation of ZUPCO is being concluded.
Agribank	<ul style="list-style-type: none"> Government has finalised approval processes for the transformation of Agribank into a Land Bank. Implementation of this approved reform is under way.
CAAZ	<ul style="list-style-type: none"> CAAZ has been unbundled into the Civil Aviation Authority of Zimbabwe and the Airports Company. The two entities are now fully operational.
NRZ	<ul style="list-style-type: none"> The NRZ recapitalization transaction with Transnet/DIDG Consortium was cancelled. NRZ and the PRAZ are regularising the cancellation process whilst a new recapitalization strategy is being worked on.
CSC	<ul style="list-style-type: none"> On CSC, Boustead Beef Limited has already set in motion processes targeted at enhancing the current operations and honouring some of the outstanding obligations to former CSC employees.
Zimbabwe Investment and Development Agency (ZIDA)	<ul style="list-style-type: none"> The Zimbabwe Investment and Development Agency (ZIDA) is now fully functional.
ZMDC	<ul style="list-style-type: none"> The partial privatization of ZMDC specific projects is underway-though engagement of private sector investment in ZMDC subsidiaries and new mining concessions. Issuance of concessions for identified projects is also underway, with Cabinet having approved issuance of 7 concessions under ZMDC to investors.
Kingstons	<ul style="list-style-type: none"> Liquidation of Kingstons subsidiaries is under way.
Chemplex Holdings	<ul style="list-style-type: none"> Partial Privatisation of Chemplex Holdings is under way, with shortlisting of EOIs for investors having been submitted to the Ministry of Industry for approval.
Willowvale Mazda Industries	<ul style="list-style-type: none"> The partial privatization of Willowvale Mazda Industries (WMI) and Deven Engineering is under way.
SEPs	<ul style="list-style-type: none"> The Rebel Group of South Africa were appointed as the Consultant to undertake the Review of the SEPs Ownership Model in Zimbabwe through funding from the African Development Bank (AfDB). Recommendations for the review are being considered by Government for possible implementation. Cabinet will soon make a decision on the SEP Ownership Model to be adopted by Zimbabwe

Annexure 23: Road Funds Disbursement

Road Authority	Budget 2020	Total Allocation	Actual Disbursed	% Disbursed
MANICALAND				
Buhera	1,842,346	3,928,943	3,928,953.90	100%
Chimanimani	2,918,495	5,091,337	3,387,863.41	67%
Chipinge	1,842,570	3,929,421	3,929,421.19	100%
Makoni	1,841,887	3,927,965	1,841,887.00	47%
Mutare	2,327,845	6,096,883	2,333,083.20	38%
Mutasa	1,841,545	3,927,235	1,841,545.00	47%
Nyanga	2,146,049	4,576,613	626,067.03	14%
Rural District Councils Total	14,760,737	31,478,398	17,888,820.73	57%
Mutare City	7,930,950	14,690,493	14,690,492.80	100%
Rusape Municipality	2,063,527	3,822,270	3,822,270.00	100%
Chipinge Town	2,387,700	4,422,735	4,422,681.00	100%
Urban Councils	12,382,177	22,935,498	22,935,443.80	100%
TOTAL	27,142,914	54,413,896	40,824,264.53	75%
MASHONALAND CENTRAL				
Bindura	1,842,313	3,928,873	732,100.00	19%
Chaminuka	1,841,942	3,928,082	1,841,882.94	47%
Gurube	1,842,444	3,929,152	1,842,444.00	47%
Mazowe	1,842,818	3,929,950	1,842,818.00	47%
Mbire	1,841,386	3,926,896	2,669,233.43	68%
Muzarabani	1,841,594	3,927,340	3,643,920.00	93%
Pfura	1,841,520	3,927,182	3,927,182.00	100%
Rushinga	1,843,873	3,932,200	3,932,200.64	100%
Rural District Councils Total	14,737,890	31,429,675	20,431,781.01	65%
Bindura Municipality	2,740,827	5,076,832	4,964,794.25	98%
Mvurwi Town	1,922,922	3,561,827	1,922,922.00	54%
Urban Councils	4,663,749	8,638,659	6,887,716.25	80%
TOTAL	19,401,639	40,068,334	27,319,497.26	68%
MASHONALAND EAST				
Chikomba	1,841,811	3,927,803	3,072,152.50	78%
Goromonzi	1,841,676	3,927,515	2,896,257.00	74%
Hwedza	1,841,349	3,926,817	1,841,348.99	47%
Manyame	1,861,525	3,969,844	3,970,204.00	100%
Marondera	2,034,438	4,338,594	3,534,439.00	81%
Mudzi	1,841,646	3,927,451	3,927,451.00	100%
Murehwa	1,844,026	3,932,526	3,932,526.00	100%
Mutoko	2,312,751	4,932,118	2,312,750.75	47%
UMP Zvataida	1,841,459	3,927,052	1,841,549.00	47%
Rural District Councils Total	17,260,681	36,809,720	27,328,678.24	74%
Chitungwiza UC	3,937,597	7,293,608	3,937,597.00	54%
Epworth LB	1,847,885	3,422,836	1,385,913.75	40%
Harare UC	46,504,212	86,139,719	86,104,212.00	100%
Marondera Municipality	5,014,596	9,288,533	6,192,795.82	67%
Ruwa LB	1,844,959	3,417,416	1,844,959.00	54%
Urban Councils	59,149,249	109,562,113	99,465,477.57	91%
TOTAL	76,409,930	146,371,833	126,794,155.81	87%
MASHONALAND WEST				
Chegutu	1,995,769	4,256,130	4,256,130.00	100%
Hurungwe	2,045,389	4,361,948	4,361,948.00	100%

Road Authority	Budget 2020	Total Allocation	Actual Disbursed	% Disbursed	
Sanyati	1,843,683	3,931,795	1,843,683.00	47%	
Makonde	1,842,851	3,930,020	3,930,020.00	100%	
Mhondoro-Ngezi	1,841,982	3,928,167	3,928,167.00	100%	
Nyaminyami	1,844,491	3,933,518	1,844,491.00	47%	
Zvimba	2,176,671	4,641,917	2,176,671.00	47%	
Rural District Councils Total	13,590,836	28,983,495	22,341,110.00	77%	
Chegutu Municipality	3,183,559	5,896,904	5,896,904.00	100%	
Chinhoyi Municipality	3,414,363	6,324,422	6,324,422.00	100%	
Chirundu LB	1,910,298	3,538,444	1,910,298.00	54%	
Kadoma Municipality	3,612,189	6,690,855	3,612,189.00	54%	
Kariba Municipality	2,701,010	5,003,079	2,701,010.00	54%	
Karoi Town Council	2,579,945	4,778,830	2,579,945.00	54%	
Norton Town Council	2,660,780	4,928,561	2,660,780.00	54%	
Urban Councils	20,062,144	37,161,095	25,685,548.00	69%	
TOTAL	33,652,980	66,144,590	48,026,658.00	73%	
MASVINGO					
Bikita	1,843,469	3,931,338	3,931,338.00	100%	
Chiredzi	1,843,353	3,931,091	1,843,353.00	47%	
Chivi	1,844,806	3,934,190	1,844,806.00	47%	
Gutu	1,842,781	3,929,871	1,842,781.00	47%	
Masvingo	1,841,967	3,928,135	2,097,359.33	53%	
Mwenezi	1,842,371	3,928,997	3,928,997.00	100%	
Zaka	1,843,350	3,931,085	1,843,350.00	47%	
Rural District Councils Total	12,902,097	27,514,707	17,331,984.33	63%	
Chiredzi	2,429,456	4,500,080	2,429,455.98	54%	
Masvingo City	4,636,003	8,587,265	4,636,003.50	54%	
Urban Councils	7,065,459	13,087,345	7,065,459.48	54%	
TOTAL	19,967,556	40,602,051	24,397,443.81	60%	
MATABELELAND NORTH					
Binga	2,406,704	5,132,480	2,406,704.00	47%	
Bubi	1,814,585	3,869,741	2,426,972.77	63%	
Hwange	2,220,793	4,736,011	2,220,793.27	47%	
Kusile	1,812,098	3,864,437	1,575,892.25	41%	
Nkayi	2,036,406	4,342,791	508,935.77	12%	
Tsholotsho	2,019,372	4,306,465	1,700,028.14	39%	
Umguza	3,124,561	6,663,365	3,605,739.50	54%	
Rural District Councils Total	15,434,519	32,915,290	14,445,065.70	44%	
Bulawayo City	16,402,648	30,382,613	16,402,648.00	54%	
Hwange Town	2,250,020	4,167,710	2,250,020.00	54%	
Lupane Town	1,889,565	3,500,040	557,299.84	16%	
Victoria Falls Municipality	3,250,537	6,020,967	4,550,615.00	76%	
Urban Councils	23,792,770	44,071,331	23,760,582.84	54%	
TOTAL	39,227,289	76,986,621	38,205,648.54	50%	
MATABELELAND SOUTH					
Beitbridge	1,851,180	3,947,783	3,947,711.06	100%	
Bulilima	1,846,241	3,937,250	3,937,250.00	100%	
Gwanda	2,024,151	4,316,657	789,206.74	18%	
Insiza	2,082,427	4,440,935	4,440,929.00	100%	
Mangwe	1,980,797	4,224,201	4,223,968.17	100%	
Matobo	1,845,223	3,935,079	1,845,223.00	47%	

Road Authority	Budget 2020	Total Allocation	Actual Disbursed	% Disbursed	
Umzingwane	2,026,024	4,320,651	2,026,024.00	47%	
Rural District Councils Total	13,656,043	29,122,554	21,210,311.97	73%	
Beitbridge Town	2,879,266	5,333,262	2,879,266.00	54%	
Gwanda Municipality	3,064,231	5,675,873	3,989,798.98	70%	
Plumtree Town	2,098,145	3,886,393	3,886,393.00	100%	
Urban Councils	8,041,642	14,895,528	10,755,457.98	72%	
TOTAL	21,697,685	44,018,082	31,965,769.95	73%	
MIDLANDS					
Chirumanzu	1,908,560	4,070,150	1,336,615.25	33%	
Gokwe North	1,811,629	3,863,437	732,569.80	19%	
Gokwe South	2,198,897	4,689,316	2,279,088.26	49%	
Mberengwa	1,829,024	3,900,533	3,900,991.00	100%	
Runde	1,817,804	3,876,606	1,817,803.46	47%	
Tongogara	1,842,509	3,929,291	1,871,500.25	48%	
Vungu	2,193,365	4,677,518	2,112,383.82	45%	
Zibagwe	1,815,408	3,871,496	2,672,114.43	69%	
Rural District Councils Total	15,417,196	32,878,347	16,723,066.27	51%	
Gweru City Council	9,517,145	17,628,601	9,517,264.36	54%	
Gokwe Town	2,524,361	4,675,872	1,624,136.00	35%	
Kwekwe Municipality	3,889,770	7,205,018	7,205,279.80	100%	
Redcliff Municipality	2,714,069	5,027,268	5,027,268.00	100%	
Shurugwi Town	2,341,910	4,337,918	4,337,918.00	100%	
Zvishavane Town	2,575,554	4,770,696	4,770,695.60	100%	
Urban Councils	23,562,809	43,645,373	32,482,561.76	74%	
TOTAL	38,980,005	76,523,720	49,205,628.03	64%	
DEPARTMENT OF ROADS					
PRE Manicaland	18,353,693	18,353,693	17,969,041.06	98%	
PRE Mashonaland Central	11,980,436	11,980,436	18,015,918.30	150%	
PRE Mashonaland East	32,119,918	32,119,918	15,883,458.91	49%	
PRE Mashonaland West	15,875,204	15,875,204	13,687,835.25	86%	
PRE Masvingo	14,272,234	14,272,234	14,272,233.58	100%	
PRE Matabeleland North	19,757,097	19,757,097	21,257,097.00	108%	
PRE Matabeleland South	14,926,726	14,926,726	14,731,092.26	99%	
PRE Midlands	16,074,771	16,074,771	14,796,264.00	92%	
TOTAL	143,360,080	719,248,039	345,304,916.36	48%	
DISTRICT DEVELOPMENT FUND					
DDF - Manicaland	11,127,711	18,492,573	18,492,573.00	100%	
DDF - Mashonaland Central	12,416,798	20,634,841	20,634,841.00	100%	
DDF - Mashonaland East	13,408,882	22,283,534	22,283,534.00	100%	
DDF - Mashonaland West	10,593,905	17,605,468	17,605,468.30	100%	
DDF - Masvingo	10,918,479	18,144,861	18,144,861.00	100%	
DDF - Matabeleland North	10,474,615	17,407,226	17,407,226.00	100%	
DDF - Matabeleland South	9,728,648	16,167,542	16,167,542.30	100%	
DDF - Midlands	13,490,962	22,419,939	22,419,939.00	100%	
TOTAL	92,160,000	153,155,985	153,155,984.60	100%	
SUMMARY					
Road Authorities					
Rural District Councils	117,759,999	251,132,186	157,700,818.25	63%	
Urban Councils	158,719,999	293,996,942	229,038,247.68	78%	
Department of Roads	143,360,080	719,248,039	345,304,916.36	48%	

Road Authority	Budget 2020	Total Allocation	Actual Disbursed	% Disbursed	
District Development Fund	92,160,000	153,155,985	153,155,984.60	100%	
Sub Total Direct Road Authorities	512,000,078	1,417,533,152	885,199,966.89	62%	
Emergency Projects	-	194,865,926	104,280,371.54	54%	
Sub Total Road Works	512,000,078	1,612,399,078	989,480,338.43	61%	

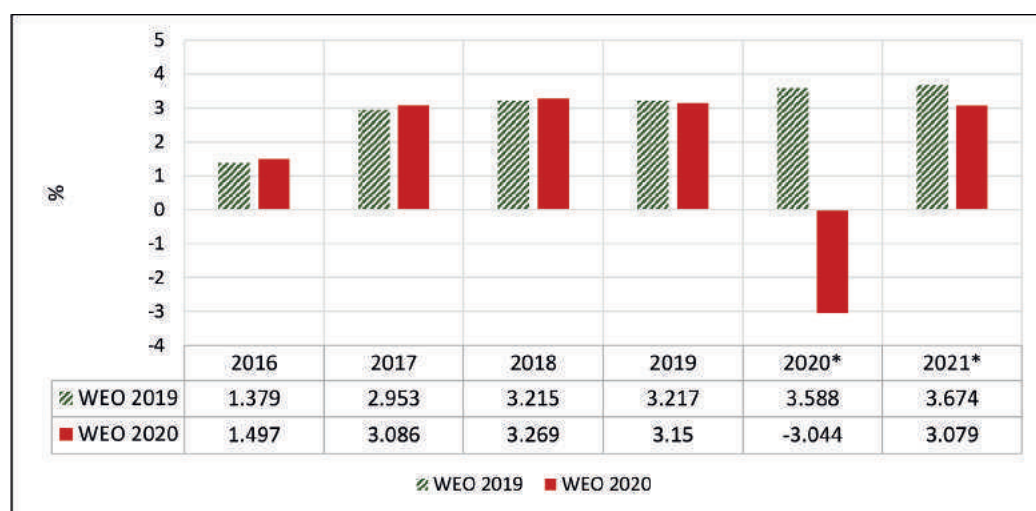
Annexure 24: GDP Growth

Country Group Name	2018	2019	2020*	2021*
World	3.6	2.9	-4.4	5.2
Advanced Economies	2.2	1.7	-5.8	3.9
United States	2.9	2.3	-4.3	3.1
Euro Area	1.9	1.3	-8.3	5.2
United Kingdom	1.3	1.4	-9.8	5.9
Other Advanced Economies (excluding G7)	2.7	1.7	-3.8	3.6
Emerging Market and Developing Economies	4.5	3.7	-3.3	6.0
Emerging and Developing Asia	6.3	5.5	-1.7	8.0
China	6.7	6.1	1.9	8.2
India	6.1	4.2	-10.3	8.8
Emerging and Developing Europe	3.2	2.1	-4.6	3.9
Latin America and the Caribbean	1.1	0.1	-8.1	3.6
Middle East and Central Asia	1.8	1.0	-4.1	3.0
Sub-Saharan Africa	3.2	3.1	-3.0	3.1
Nigeria	1.9	2.2	-4.3	1.7
South Africa	0.8	0.2	-8.0	3.0

Global Economic Growth (%)

Source: IMF World Economic Outlook, October 2020 * Projection

Annexure 25: Sub-Saharan Africa Real GDP Growth Rates (%)



Source: IMF World Economic Outlook, October 2020 and October 2019 * Projection

