



PUBLIC DEBT REPORT

Tabled in Parliament on 30 November 2023

By

Hon. Prof. Mthuli Ncube

Minister of Finance, Economic Development and Investment Promotion

Zimbabwe Public Debt Management Office

MINISTRY OF FINANCE, ECONOMIC DEVELOPMENT AND INVESTMENT PROMOTION



ZIMBABWE

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¹ Cover picture is the upgraded R. G. Mugabe International Airport, funded by a US\$153 million loan from China Exim Bank. Picture- courtesy of the Airports Company of Zimbabwe (ACZ)

This Statement of the status of Zimbabwe’s Public Debt is published in compliance with the Constitution of Zimbabwe Amendment (No.20) of 2013, Act (1 of 2013) Section 300 (4a+4b) and the Public Debt Management Act (Chapter 22:21), Section 36, which obligates the Minister responsible for finance as follows-:

“The Minister responsible for finance must –

- a) at least twice a year, report to parliament on the performance of-*
 - (i) loans raised by the State; and*
 - (ii) loans guaranteed by the State;*
- b) at the same time as the estimates of revenue and expenditure are laid before the National Assembly in terms of Section 305, of the Constitution of Zimbabwe table in Parliament a comprehensive statement of the public debt of Zimbabwe”*

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LIST OF ACRONYMS

ACZ	Airports Company of Zimbabwe
AFC	Agriculture Finance Corporation
AfDB	African Development Bank
Afreximbank	African Export- Import Bank
BADEA	Arab Bank for Economic Development in Africa
BIPPA	Bilateral Investment Protection and Promotion Agreements
CMED	Central Mechanical Equipment Department Private Limited
COFACE	Compagnie Française d'Assurance pour le Commerce Extérieur (French Export Credit Agency)
DOD	Debt Outstanding and Disbursed
EDDC	External and Domestic Debt Committee
EIB	European Investment Bank
FFO	Former Farm Owners
GCD	Global Compensation Deed
GDP	Gross Domestic Product
HEEP	Horticulture Enterprise Enhancement
HERF	Horticulture Export Revolving Fund
IDA	International Development Association
IDBZ	Infrastructure Development Bank of Zimbabwe
IFAD	International Fund for Agricultural Development
IFIs	International Financial Institutions
IMF	International Monetary Fund
IPEC	Insurance and Pensions Commission
IRA	Interest Arrears
NDF	Nordic Development Fund
NDS1	National Development Strategy 1
OFID	OPEC Fund for International Development
OPEC	Organisation of the Petroleum Exporting Countries
PA	Principal Arrears
PPG	Public and Publicly Guaranteed
RBZ	Reserve Bank of Zimbabwe
SACP	Smallholder Agriculture Cluster Project
SDP	Structured Dialogue Platform
SDRs	Special Drawing Rights
SIIDF	Small Irrigation Infrastructure Development Fund
SINOSURE	China Export and Credit Insurance Corporation
SMP	Staff Monitored Program
SOEs	State-Owned Enterprises
SWG	Sector Working Group
TBA	To Be Advised

TBs	Treasury Bills
TFDURF	Tourism Facilities/Services Development and Upgrading Revolving Fund
UNDP	United Nations Development Programme
VFEX	Victoria Falls Securities Exchange
WB	World Bank
Z\$	Zimbabwe Dollar
ZEP-RE	PTA Reinsurance Company
ZERA	Zimbabwe Energy Regulatory Authority
ZETDC	Zimbabwe Electricity Transmission and Distribution Company
ZINARA	Zimbabwe National Roads Administration
ZMDC	Zimbabwe Mining Development Corporation
ZPC	Zimbabwe Power Company
ZPDMO	Zimbabwe Public Debt Management Office
ZZEE	Zimbabwe ZhongXin Electrical Energy (Pvt) Limited

STOCK OF TOTAL PUBLIC AND PUBLICLY GUARANTEED DEBT

Stock of Total Public and Publicly Guaranteed Debt

1. The stock of total Public and Publicly Guaranteed (PPG) debt as at end September 2023, amounted to Z\$96.7 trillion, representing 81.3 per cent of GDP. The total PPG debt is comprised of external debt amounting to Z\$69.4 trillion and domestic debt amounting to Z\$27.4 trillion, representing 58.3 per cent of GDP and 23 per cent of GDP, respectively.

Table 1: Total Public and Publicly Guaranteed Debt Stock - end September 2023 (Z\$ billions)

	DOD	PRA	IRA	Penalties	PRA+IRA+Penalties	Total
Total PPG Debt (a+b)	58,433	16,163	9,120	12,998	38,281	96,714
a. External Debt (1+2+3)	31,256	15,990	9,120	12,998	38,108	69,364
Bilateral and Multilateral External Debt (1+2)	11,815	15,990	9,120	12,998	38,108	49,923
1. Bilateral Creditors	8,556	9,573	3,016	11,706	24,295	32,851
Paris Club	447	7,310	2,512	11,113	20,935	21,382
Non-Paris Club	8,109	2,263	504	593	3,360	11,469
2. Multilateral Creditors	3,259	6,417	6,104	1,292	13,813	17,072
World Bank	624	3,936	3,876	-	7,812	8,435
African Development Bank	140	1,514	2,070	-	3,584	3,724
European Investment Bank	53	780	126	1,292	2,198	2,251
Afreximbank	2,187	-	-	-	-	2,187
Others ²	256	187	33	-	219	475
3. Liabilities on the RBZ Balance Sheet	19,441	-	-	-	-	19,441
Assumed by Treasury in 2023 ³	9,933				-	9,933
Other Liabilities in the RBZ Balance Sheet	9,508				-	9,508
b. Domestic Debt	27,177	172	-	-	172	27,349
Government Securities	8,043	-	-	-	-	8,043
Of which Blocked Funds	7,984	-	-	-	-	7,984
Domestic Arrears (to Service Providers)	-	172	-	-	0.17	0.17
Compensation of Former Farm Owners	19,134	-	-	-	-	19,134

Source: Zimbabwe Public Debt Management Office and the Reserve Bank of Zimbabwe

DOD: Disbursed Outstanding Debt

PRA: Principal Arrears

IRA: Interest Arrears

Exchange rate - 29 September 2023: US\$1: Z\$5,466.75

Nominal GDP at market prices 2023: Z\$119,017,892 (millions)

The end of September 2023 debt figures are preliminary pending validation and reconciliation

2. Out of the stock of total PPG debt of Z\$96.7 trillion, the stock of external debt accounts for 71.7 per cent, while, 28.3 per cent is the stock of domestic debt. Within the stock of domestic

² Other multilateral creditors include BADEA, IFAD, OFID, NDF

³ The assumption is in line with the policy announcement of May 2023 on measures to stabilise the economy

debt, Blocked Funds (8.3 per cent of total PPG debt) and the compensation of Former Farm Owners (19.8 per cent of total PPG debt), are denominated in foreign currency. This implies a high foreign exchange risk, given that 99.8 per cent of the total stock of PPG debt is denominated in foreign currency.

3. In Z\$ terms, the total stock of PPG debt increased by 684 per cent, from Z\$12,3 trillion as at end December 2022, to Z\$96.7 trillion as at end September 2023. The major source of this increase is the 699 per cent depreciation of the local currency, the Z\$ against the US\$, from US\$1: Z\$684.3, to US\$1: Z\$5,466.8, as at end December 2022 and end September 2023, respectively.
4. Out of the Z\$69.4 trillion of the total stock of external debt, bilateral debt accounts for 47.4 per cent, with multilateral debt at 24.6 per cent, and liabilities on the RBZ balance sheet at 28 per cent.
5. In US\$ terms, total PPG debt stood at US\$17.7 billion, as at end September 2023, of which external debt amounted to US\$12.7 billion (72 per cent) and domestic debt of US\$5.0 billion (28 per cent).

Table 2: Total Public and Publicly Guaranteed Debt Stock - end September 2023 (US\$ millions)

	DOD	PRA	IRA	Penalties	PRA+IRA+Penalties	Total
Total PPG Debt (a+b)	10,689	2,957	1,668	2,378	7,002	17,691
a. External Debt (1+2+3)	5,717	2,925	1,668	2,378	6,971	12,688
Bilateral and Multilateral External Debt (1+2)	2,161	2,925	1,668	2,378	6,971	9,132
1. Bilateral Creditors	1,565	1,751	552	2,141	4,444	6,009
Paris Club	82	1,337	459	2,033	3,830	3,911
Non-Paris Club	1,483	414	92	108	615	2,098
2. Multilateral Creditors	596	1,174	1,117	236	2,527	3,123
World Bank	114	720	709	-	1,429	1,543
African Development Bank	26	277	379	-	656	681
European Investment Bank	10	143	23	236	402	412
Afreximbank	400	-	-	-	-	400
Others	47	34	6	-	40	87
3. Liabilities on the RBZ Balance Sheet	3,556	-	-	-	-	3,556
Assumed by Treasury in 2023	1,817					
Other Liabilities on the RBZ Balance Sheet	1,739					
b. Domestic Debt	4,971	32	-	-	32	5,003
Government Securities	1,471	-	-	-	-	1,471
<i>Of which Blocked Funds</i>	1,461					1,461
Domestic Arrears (to Service Providers)	-	32	-	-	32	32
Compensation of Former Farm Owners	3,500	-	-	-	-	3,500

Source: Zimbabwe Public Debt Management Office and the Reserve Bank of Zimbabwe

DOD: Disbursed Outstanding Debt

PRA: Principal Arrears

IRA: Interest Arrears

Domestic Debt Stock

6. The stock of total domestic debt, as at end September 2023 amounted to Z\$27.4 trillion, comprising of Government securities of Z\$8 trillion, domestic arrears to service providers of Z\$172 billion and compensation of Former Farm Owners of Z\$19.1 trillion. The stock of domestic debt increased by Z\$23.8 trillion, in nominal terms, from Z\$3.6 trillion, as at end December 2022.

Table 3: Total Domestic Debt - end September 2023 (Z\$ billions)

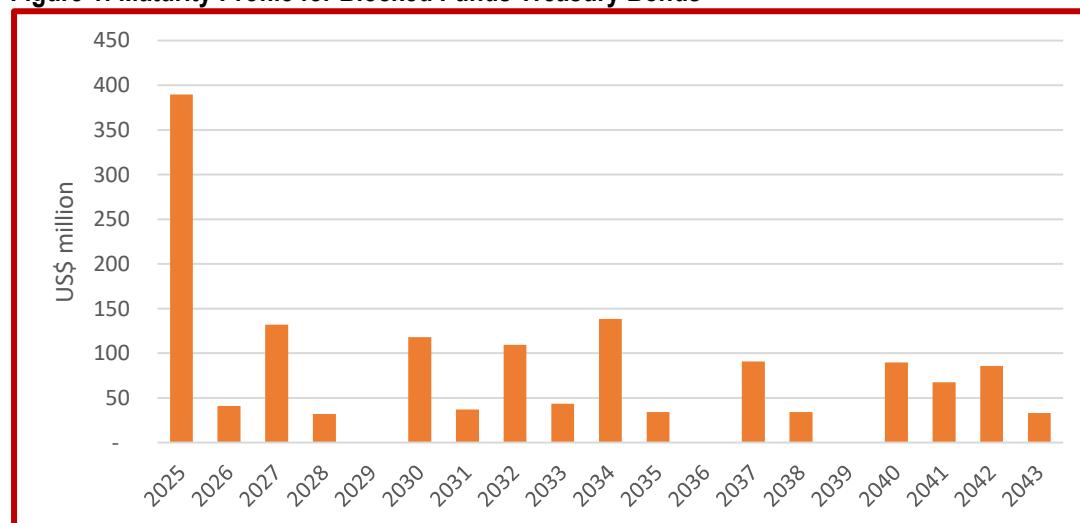
Category	2023
Government securities	8,043
<i>of which Blocked Funds</i>	7,984
Domestic arrears to service providers	172
Compensation of Former Farm Owners*	19,134
Total	27,349

Source: Zimbabwe Public Debt Management Office

*Interim relief payments made to FFOs will be netted off to final compensation

7. In order to expunge the claims under the Blocked Funds, Government issued long-term US\$ denominated interest free securities⁴ and the maturity profile is indicated in Figure 1. The first maturity in 2025, amounts to US\$390 million. In this regard, Government has established a Debt Redemption Fund to service these maturing bonds.

Figure 1: Maturity Profile for Blocked Funds Treasury Bonds



Source: Zimbabwe Public Debt Management Office

⁴ See Annexure 6 for details

Domestic Debt Service

8. During the period January to September 2023, maturing Treasury bills and bonds amounting to Z\$503.3 billion were paid, including an interest bill of Z\$299.3 billion – a total of Z\$802.5 billion.

Table 4: Domestic Debt Service - January to September 2023 (US\$ millions)

	Jan-Mar	Apr -Jun	Jul-Sep	Total
Interest	85,756	108,920	104,585	299,261
Principal	36	62,077	441,146	503,259
Total	85,792	170,997	545,731	802,520

Source: Zimbabwe Public Debt Management Office

9. In addition to the debt service for Treasury bills and bonds, Government, during the period January to September 2023, also made cash payments for Blocked Funds amounting to US\$22.3 million. Under the Blocked Funds Resolution Framework, creditors with outstanding balances above US\$1 million were issued with Treasury bonds, with maturities ranging between 3 and 20 years, while creditors with outstanding balances of less than US\$1 million are being paid in cash, over a period of five years.
10. Government, in the last quarter of 2023, is going to pay maturing Treasury bills and bonds amounting to Z\$153 billion (72 per cent of total maturities to be paid in 2023) and the respective interest bill of Z\$30.9 billion.

External Debt Stock

11. The total stock of PPG external debt as at end September 2023, amounted to US\$12.7 billion, including liabilities on the RBZ balance sheet of US\$3.6 billion.

Table 5: Public and Publicly Guaranteed External Debt Stock - end September 2023 (US\$ millions)

	DOD	PRA	IRA	Penalties	PRA+IRA+Penalties	Total
PPG External Debt (1+2+3)	5,717	2,925	1,668	2,378	6,971	12,688
Bilateral and Multilateral External Debt (1+2)	2,161	2,925	1,668	2,378	6,971	9,132
1. Bilateral Creditors	1,565	1,751	552	2,141	4,444	6,009
Paris Club	82	1,337	459	2,033	3,830	3,911
Non-Paris Club	1,483	414	92	108	615	2,098
2. Multilateral Creditors	596	1,174	1,117	236	2,527	3,123
World Bank	114	720	709	-	1,429	1,543
African Development Bank	26	277	379	-	656	681
European Investment Bank	10	143	23	236	402	412
Afreximbank	400	-	-	-	-	400
Others	47	34	6	-	40	87
3. Liabilities on the RBZ Balance Sheet	3,556	-	-	-	-	3,556
Assumed by Treasury in 2023	1,817					
Regional Multilateral Creditors	1,204					
Other Financial Institutions	613					
Other Liabilities on the RBZ Balance Sheet	1,739					
Regional Multilateral Creditors	701					
Bilateral Financial Institutions	121					
Airlines, Fuel and Grain Suppliers	376					
Other Financial Institutions	127					
Private Sector Blocked Funds	414					

Source: Zimbabwe Public Debt Management Office and the Reserve Bank of Zimbabwe

DOD: Disbursed Outstanding Debt

PRA: Principal Arrears

IRA: Interest Arrears

12. The overall total stock of PPG external debt decreased from US\$12.8 billion in December 2022, to US\$12.7 billion in September 2023. This was mainly due to the decrease in liabilities on the RBZ balance sheet by US\$684.8 million. Out of the total bilateral and multilateral PPG external debt amounting to US\$9.1 billion, debt denominated in EURO (EUR) constitutes 31 per cent. The appreciation of the US\$ against the EUR (from December 2022 to September 2023), reduced the bilateral and multilateral external debt component by US\$37.9 million. This reduction was however, offset by an increase in penalties of US\$227.6 million during the same period. An additional increase in total PPG external debt resulted from disbursements, including on the US\$400 million from Afreximbank.

13. Of the bilateral and multilateral debt amounting to US\$9.1 billion, US\$7.0 billion or 76 per cent are principal arrears, interest arrears and penalties. Bilateral external debt comprising of Paris and Non-Paris Club creditors amounted to US\$6.0 billion, with principal arrears, interest arrears and penalties amounting to US\$4.4 billion or 74 per cent.
14. The five biggest Paris Club creditors are Germany, France, United Kingdom, Japan and the USA, with a combined external debt stock amounting to US\$2.9 billion, accounting for 74 per cent of the total Paris Club external debt. Within the Paris Club external debt portfolio, penalties for these five biggest creditors accounts for 75 per cent (US\$1.5 billion) of total Paris-Club penalties.
15. China is the biggest Non-Paris Club creditor accounting for 95 per cent of the total Non-Paris Club external debt of US\$2 billion. China's stock of total external debt at US\$2 billion, is lower than Zimbabwe's total external debt owed to the five biggest Paris Club creditors, namely: Germany, France, United Kingdom, Japan and the USA. Non-Paris Club loans, including loans from China were contracted after year 2000, while Paris Club loans were contracted prior to year 2000, when the country started to accumulate external debt payment arrears on its debt.

Table 6: Bilateral and Multilateral External Debt - end September 2023 (US\$ millions)

	DOD	PRA	IRA	Penalties	PRA+IRA+Penalties	Total
Bilateral and Multilateral External Debt (1+2)	2,161	2,925	1,668	2,378	6,971	9,132
1.Bilateral Creditors	1,565	1,751	552	2,141	4,444	6,009
Paris Club	82	1,337	459	2,033	3,830	3,911
Austria	-	13	3	53	70	70
Belgium	0	22	2	145	168	169
Brazil	20	14	1	-	16	36
Finland	-	72	8	35	114	114
France	3	187	36	590	813	816
Germany	34	360	214	354	927	961
Israel	-	2	0	11	13	13
Italy	3	94	10	52	156	158
Japan	4	134	45	186	365	369
Netherlands	3	58	14	17	89	92
Norway	-	23	0	90	114	114
Spain	2	32	6	36	74	76
Sweden	-	51	1	41	93	93
Switzerland	-	20	3	41	64	64
United Kingdom	2	129	31	277	437	439
United States of America	10	126	84	105	315	326
Non-Paris Club	1,483	414	92	108	615	2,098
China	1,409	393	90	95	578	1,987
India	72	13	0	-	13	85
Kuwait	3	-	-	-	-	3
South Africa	-	8	2	14	24	24
2.Multilateral Creditors	596	1,174	1,117	236	2,527	3,123
World Bank	114	720	709	-	1,429	1,543
African Development Bank	26	277	379	-	656	681
European Investment Bank	10	143	23	236	402	412
Afreximbank	400	-	-	-	-	400
Others	47	34	6	-	40	87

Source: Zimbabwe Public Debt Management Office

16. The accumulation of external debt payment arrears since 2000, has resulted in the attraction of penalties on Zimbabwe's PPG external debt. It should be noted that the average interest rate for the PPG external debt portfolio is 6.3 per cent, with multilaterals averaging 4.16 per cent, while bilateral creditors average 4.4 per cent. The average penalty interest rate for multilateral creditors is 6.6 per cent, while for bilateral creditors it is at 6.2 per cent.

17. The highest penalty rate for bilateral creditors is 12.2 per cent, from the French COFACE, while the highest penalty rate for multilateral creditors is 10.5 per cent from the European Investment Bank (EIB). Given the above, it is clear that the penalties have exacerbated

Zimbabwe's external debt overhang position due to the prohibitive penalty rates, hence the need to urgently resolve the country's external debt distress situation.

External Debt Service

18. Government, made external debt service payments amounting to US\$55.6 million over the period January to end September 2023, for the active portfolio, legacy debts and token payments.
19. To support and trigger disbursements for ongoing projects/programmes, Government made payments to the active portfolio creditors amounting to US\$26.4 million over the same period. In addition, as a sign of commitment to the country's international engagement and re-engagement thrust, Government made token payments to all International Financial Institutions and Paris Club creditors amounting to US\$10.7 million over the same period.

Table 7: External Debt Service - January to September 2023 (US\$ millions)

	Jan-Mar	Apr-Jun	Jul-Sep	Total
Active Portfolio				
China Exim Bank	2.0	4.0	2.0	8.00
India Exim Bank	-	2.3	-	2.27
Kuwait	-	0.3	0.2	0.47
Sinosure	2.0	4.0	-	6.00
Afreximbank	-	-	7.0	7.00
BADEA	-	0.6	-	0.64
OFID	-	1.8	-	1.79
IFAD	-	0.2	-	0.19
	4.00	13.14	9.21	26.36
Legacy Debts	8.83	8.83	0.89	18.55
Token Payments				
World Bank Group	2.00	1.00	1.00	4.00
African Development Bank Group	1.00	0.50	0.50	2.00
European Investment Bank	0.20	0.10	0.10	0.40
Paris Club	2.96	0.10	1.26	4.33
	6.16	1.70	2.86	10.73
Grand Total	18.99	23.67	12.97	55.63

Source: Zimbabwe Public Debt Management Office

External Loans Concluded in 2023

20. Government, in February 2023, secured a US\$400 million loan from Afreximbank for budget support and the financing of trade related infrastructure. The US\$400 million Afreximbank loan is repaid using 35 percent of Zimplats' export proceeds, which are managed by RBZ.
21. In May 2023, Government also concluded a US\$37.1 million concessional loan with the International Fund for Agricultural Development (IFAD), for the Horticulture Enterprise Enhancement Project, to support horticultural production and sales by smallholder farmers and micro, small and medium enterprises.

Table 8: External Loans Concluded in 2023

Borrower	Lender	Loan Amount (US\$ millions)	Purpose	Financing Terms	Signature Date
Government of Zimbabwe	Afreximbank	400	Budget support and the financing of trade related infrastructure.	Interest rate: 10.216% Arrangement Fees: 2.75% Commitment fee: 0.5% Default Interest: 12.216% Repayments: monthly Grace Period: none Maturity: 6 years	23-Feb-23
Government of Zimbabwe	IFAD	37.1	Horticulture Enterprise Enhancement Project-to support horticultural production and sales by smallholder farmers and micro, small and medium enterprises	Interest rate: 4.5% year 11-30 1% year 31- 40. Repayments: 2 per annum Grace period: 10 years Maturity: 40 years	07-May-23

Source: Zimbabwe Public Debt Management Office

2023 BUDGET FINANCING

2023 Annual Borrowing Plan

22. The 2023 National Budget had an overall deficit of Z\$336.8 billion (1.5 per cent of GDP) and total financing requirements of Z\$575.5 billion, which included amortisation of loans and Government securities, amounting to Z\$248.6 billion. The initial 2023 Borrowing Plan was as follows:

Table 9: 2023 Initial Annual Borrowing Plan (Z\$ millions)

Tenor	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Total
90-days	-	-	4,800	4,900	9,700
180-days	-	3,200	6,200	13,100	22,500
270-days	2,200	4,900	7,300	9,800	24,200
365-days	6,100	8,200	6,100	5,352	25,752
Total Treasury Bills	8,300	16,300	24,400	33,152	82,152
Treasury Bonds VFEX (3-7 years)	-	47,581	47,581	-	95,162
External Loans	-	385,648	8,779	3,779	398,205
Total	8,300	449,529	80,760	36,931	575,519

Source: Zimbabwe Public Debt Management Office

23. Due to inflationary pressures experienced in the economy, which peaked during the period May to June 2023, the Macroeconomic Fiscal Framework was revised, widening the budget deficit in nominal terms to Z\$3.6 trillion. Following from the above, the 2023 Annual Borrowing Plan was also revised, as reflected in Table 10.

Table 10: Revised 2023 Annual Borrowing Plan (Z\$ millions)

Tenor	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Total
90-days	-	-	52,000	78,000	130,000
180-days	-	3,200	65,000	97,500	165,700
270-days	2,200	4,900	65,000	97,500	169,600
365-days	6,100	8,200	78,000	117,414	209,714
Total Treasury Bills	8,300	16,300	260,000	390,414	675,014
US\$ Denominated TBs	-	-	-	75,300	75,300
Total Government Securities	8,300	16,300	260,000	465,714	750,314
External Loans	-	-	-	4,349,153	4,349,153
Total	8,300	16,300	260,000	4,814,867	5,099,467

Source: Zimbabwe Public Debt Management Office

24. During period January to September 2023, Government, through the issuance of Treasury bills, managed to mobilise resources amounting to Z\$305.9 billion, against a Revised Borrowing Plan target of Z\$276.3 billion.
25. The target was surpassed during the first half of 2023, as Government made deliberate efforts to mop up excess liquidity in the market, to curtail the growth in money supply and hence the rate of inflation, as well as for budgetary cashflow smoothening.

Table 11: Status of the Revised 2023 Annual Borrowing Plan - January to September 2023 (Z\$ millions)

Tenor	Jan-Mar		April-June		Jul-Sep		Total (Jan- Sep)	
	Target	Actual	Target	Actual	Target	Actual	Target	Actual
90-days	-	60,550	-	61,705	52,000	108,900	52,000	231,155
180-days	-	16,100	3,200	16,100	65,000	5,433	68,200	37,633
270-days	2,200	15,000	4,900	4,300	65,000	-	69,900	19,300
365-days	6,100	16,100	8,200	1,750	78,000	-	86,200	17,850
Total Treasury Bills	8,300	107,750	16,300	83,855	260,000	114,333	276,300	305,938
External Loans	-	-	-	2,347,577	4,349,153	-	4,349,153	2,347,577
Total	8,300	107,750	16,300	2,431,431	4,609,153	114,333	4,625,453	2,653,514

Source: Zimbabwe Public Debt Management Office

26. The issuances were done through private placement, with 90-day and 180-day having an average coupon rate of 81 and 82 per cent respectively, while 270-day and 365-day had average coupon rates of 83 per cent and 88 per cent, respectively. Ninety-nine (99) per cent of these resources were raised from the banking sector, while the non-banking sector provided only 1 per cent. This is notwithstanding the requirement that pension funds should comply with the prescribed asset status of 20 per cent, against current levels of 7 per cent.
27. The issuance of treasury bonds on the Victoria Falls Stock Exchange (VFEX) was not successful due to the limited appetite by potential international subscribers and the high cost of the Afreximbank bond guarantee fee (30 per cent of the face value of the bond). Going forward, Government will explore cheaper options of issuing a US\$ bond which will be listed on the VFEX, to enhance its tradability.

External Loan Disbursements - January to September 2023

28. In addition, the budget deficit was financed through external loan disbursements amounting to US\$409 million (equivalent to Z\$2.3 trillion) comprising of US\$9 million disbursements from existing loans (BADEA and OFID) and a new loan of US\$400 million from Afreximbank. This Afreximbank external loan was a huge success for Government, given that it has been over two decades of limited access to external finance, especially for budget support.

29. Disbursements to State-Owned Enterprises (SOEs) through on-lent loans amounted to US\$78 million. These disbursements are for Government projects and programmes being implemented by State Owned Enterprises. Out of the US\$78 million, China Exim Bank disbursed a total of US\$71 million towards the construction of ACZ Robert G. Mugabe International Airport and NetOne Network Expansion Phase III, while India Exim Bank disbursed a total of US\$7 million towards ZPC Deka Pumping Station & River Water Intake System.
30. In the last quarter of 2023, China Exim Bank, is expected to disburse US\$375.1 million towards ZPC Hwange Units 7 and 8 Thermal Power Station Project. Hwange Units 7 and 8 were commissioned in August 2023, and are now contributing an additional 600 Mega Watts onto the national power grid, significantly improving power supplies to the economy.

Table 12: External Loan Disbursements for the Period January to September 2023 (US\$ millions)

Loan Facility	Creditor	Purpose	Date signed	Loan Amount	Currency	Jan- Mar	Apr- Jun	Jul- Sep	Total Jan-Sep	Projected Disbursements Oct-Dec
Smallholder Irrigation Revitalisation Project	OFID	To support 27 500 rural households to achieve food and nutrition security, and also ensure that they are resilient to climate change effects and economic shocks. This is to be achieved by revitalizing 5 202ha communal and old resettlement areas in Manicaland, Masvingo, Matabeleland South, and Midlands Provinces, targeting women (50%) and youths (30%). The project comprises: Component 1: Sustainable smallholder irrigation development; irrigation management & capacity building Component 2: Climate-smart agriculture and market access - enhanced agricultural practices & organization capacity, market access and rural financial services.	08.03.18	15	US\$	1	1	2	4	
Urgent Response Operation to Fight Covid-19	BADEA	To support of the rapid response teams and enable them to apply good practices to reduce outbreaks at health centres around Zimbabwe. It covers the following components: a) Prevention and fighting Covid-19 including procurement of diagnostic equipment and medical supplies; b) Equipping of laboratories including procurement of equipment and personal protective supplies; and c) Procurement of medicines	28.08.20	10	US\$	-	5	-	5	
Afreximbank US\$400 million	Afreximbank	Budget financing and to finance trade related infrastructure	23.02.23	400	US\$	-	400	-	400	
Sub Total						1	406	2	409	
On-lent loans to SOEs				-		-	-	-	-	
ZPC-Hwange 7 & 8 Thermal Power Station Project	China Exim Bank	The construction of Hwange 7 & 8 Units for additional 300 MW each (600MW) to the existing six (6) units.	30.06.16	998	US\$	-	-	-		375.1
ACZ-Robert G. Mugabe International Airport	China Exim Bank	The rehabilitation of the Robert G. Mugabe International Airport land side and air side that includes the terminal building and runway	04.04.18	153	RMB	-	14	13	27	
ZPC-Deka Pumping Station & River Water Intake System	India Exim Bank	The construction of an additional 42km water pipeline from Deka to Hwange Power Station with the associated intake works for the pump station. The pipeline that draws water from Zambezi River to the Hwange Power Station, the water is used in the power generation process	21.06.13	41	US\$	4	3	-	7	
Net*One Network Expansion Phase III	China Exim Bank	The expansion and upgrade of the mobile broadband network for NetOne to adequately cover the country. The NMBB Phase III project comprises of physical base station sites (15x 5G, 304 x4G, 345 x3G and 89 x2G	26.06.19	71	RMB	44	-	-	44	

Loan Facility	Creditor	Purpose	Date signed	Loan Amount	Currency	Jan- Mar	Apr- Jun	Jul- Sep	Total Jan-Sep	Projected Disbursements Oct-Dec
		technologies), 1x Base Station Controller (BSC) in Bulawayo, 1 x Radio Network Controller (RNC) subsystem upgrade in Harare, 4x Core network routers (installed two in Bulawayo and two in Harare), and Power upgrades at the Harare and Bulawayo Data Centres.								
Sub Total						48	17	13	78	375.1
Grand Total						49	423	15	487	375.1

Source: Zimbabwe Public Debt Management Office

2024 NATIONAL BUDGET FINANCING AND ANNUAL BORROWING PLAN

31. In line with the October/November Macroeconomic Fiscal Framework, the fiscal deficit is estimated at Z\$4.3 trillion (1.5 per cent of GDP) in 2024. The overall budget financing, which includes amortisation of loans and maturing Government securities is estimated at Z\$9.2 trillion. The 2024 financing gap will be financed from both domestic and external sources as follows:

- Issuance of Treasury bills and bonds amounting to Z\$5.8 trillion from the market, using both private placements and the auction system;
- Active portfolio disbursements of US\$40.8 million from existing loans under BADEA, IFAD, OFID, and KUWAIT; and
- New external loans (under negotiation) from Broughton Capital Group - US\$100 million; Dinosaur - US\$125 million; and ABSA & Standard Bank South Africa - US\$105 million.

32. Given the above, the 2024 Annual Borrowing Plan will be as follows.

Table 13: 2024 National Budget Annual Borrowing Plan (Z\$ millions)

	Jan-March	April-Jun	Jul-Sep	Oct-Dec	Total
90- days	-	-	268,900	179,300	448,200
180- days	313,700	470,600	470,500	313,800	1,568,600
270- days	358,500	537,800	537,800	358,600	1,792,700
365- days	134,400	201,700	201,600	134,511	672,211
Sub Total	806,600	1,210,100	1,478,800	986,211	4,481,711
Treasury bills and bonds (US\$ denominated)	269,582	404,373	404,373	269,582	1,347,910
Total Treasury bills and bonds	1,076,182	1,614,473	1,883,173	1,255,793	5,829,621
Existing loan disbursements	-	-	366,587	-	366,587
New external loans disbursements	-	943,537	2,021,865	-	2,965,402
Total	1,076,182	2,558,010	4,271,624	1,255,793	9,161,610

Source: Zimbabwe Public Debt Management Office

2024 Projected External Loan Disbursements

33. In 2024, external loan disbursements for budget support and for central Government projects are projected at US\$370.8 million as shown in Table 14 and 15.

Table 14: 2024 Projected Existing External Loan Disbursements (US\$ millions)

Loan Facility	Creditor	Date signed	Loan Amount US\$	Projections 2024
Smallholder Irrigation Revitalisation Project	OFID	8-Mar-18	15	1.9
Smallholder Agriculture Cluster Project (SACP)	IFAD	17-May-21	36	12.3
Smallholder Agriculture Cluster Project (SACP)	OFID	12-Jul-22	15	6.3
Horticulture Enterprise Enhancement (HEEP)	IFAD	07-May-23	37	5.3
Zhove Irrigation scheme	Kuwait	24-Mar-17	20	10
Urgent Response Operation to Fight Covid-19	BADEA		10	5
Total				40.8

Source: Zimbabwe Public Debt Management Office

Table 15: 2024 External Loans in Pipeline

Loan Facility	Lender	Amount US\$ Millions	Purpose
BCG Facility	Broughton Capital Group (BCG)	100	Trade related Infrastructure development
Dinosaur Facility	Dinosaur Merchant Bank	125	Infrastructure development
Zimbabwe Healthcare Facilities Programme	ABSA, Standard Bank Limited Zimbabwe and Standard Bank Limited South Africa	105	Construction of healthcare centres and district hospitals
Total		330	

Source: Zimbabwe Public Debt Management Office

34. Government is also negotiating for new budget financing and lines of credit for the local banks and institutions with BADEA, IFAD, and OFID. In addition, Government is also exploring innovative ways of mobilising domestic resources leveraging and ringfencing of US\$ denominated revenues for infrastructure development.

35. In order to create fiscal space in the 2024 National Budget, Government is engaging Africa 50 for asset recycling of projects. The asset recycling process, enables unlocking the value of existing Government projects, and in this regard the following three airports have been identified for asset recycling: which are the Robert G. Mugabe International Airport, Victoria

Falls International Airport and Joshua M. Nkomo International Airport. In addition, the refinancing of the Harare - Masvingo - Beitbridge Highway, will also be included in the asset recycling program, which has been identified as a low hanging fruit, given that it is being funded from the fiscus.

36. The asset recycling process will allow Government to channel the resources mobilised from this process to other high priority infrastructure projects, critical for sustainable economic development.
37. Furthermore, given the challenges in attracting external financing for thermal power projects, Government has commenced engagements with regional financial institutions to explore innovative ways of financing coal power generation projects.

Prescribed Asset Status for Pension Funds and Insurance Companies

38. Treasury has noted with concern the non-compliance of pension funds to the prescribed asset status requirements, which is currently at 7 per cent, against the prescribed minimum of 20 per cent as required by law. The industry’s compliance level with the prescribed assets is indicated in Table 16.

Table 16: Pension and Insurance Industry Prescribed Asset Compliance Level - December 2022

Sector	Compliance Level (%)	Minimum Prescribed Threshold (%)
Pension Funds	7	20
Short-term insurers	4.96	10
Life assurers	11.47	15
Funeral assurers	0.07	10
Short-term reinsurers	13.54	10
Life reassurers	13.78	15

Source: IPEC 2022 Annual Report

39. Treasury, together with the Insurance and Pensions Commission (IPEC), will start enforcing compliance of the prescribed asset status. To promote compliance, and for resource mobilisation, Government offers various projects that are conferred with the prescribed asset status, in order for insurance companies and pension funds to subscribe to. Insurance and pension funds need to enhance their contribution to economic development through the funding of infrastructure projects such as roads, renewable energy, irrigation, health and university accommodation. Pension funds and insurance companies that do not meet the prescribed asset ratio as required by the law, will be subjected to regulatory measures in line with the provisions of SI 206 of 2019.

Projected Debt Service for 2024

40. The projected total debt service for 2024 amounts to Z\$4.2 trillion, comprising of payments for all maturing Treasury bills and bonds of Z\$3.3 trillion, and external loan payments of Z\$868.7 billion. External loan payments are for the active portfolio to unlock disbursements for ongoing projects/programmes, while token payments will continue to be made to the International Financial Institutions (IFIs) and the Paris Club creditors, in support of the engagement and re-engagement process.

Table 17: Projected 2024 Debt Service (Z\$ millions)

	Principal	Interest	Total
Treasury bills and bonds	2,515,343	814,337	3,329,680
External loans	865,059	3,593	868,652
Total	3,380,402	817,930	4,198,332

Source: Zimbabwe Public Debt Management Office

CONTINGENT LIABILITIES

Guarantees Issued During the Period January to September 2023

41. During the period January to September 2023, Government issued guarantees amounting to US\$28.7 million and Z\$10.2 billion. Guarantees issued to finance the servicing of residential stands in Bulawayo by the Infrastructure Development Bank of Zimbabwe (IDBZ) amounted to Z\$1.7 billion. In addition, Government issued, using the Special Drawing Rights (SDRs) Horticulture Export Revolving Facility, partial guarantees of 80 per cent amounting to US\$8.7 million. To finance the 2023 winter wheat agricultural season, Government issued guarantees to the Agricultural Finance Corporation (AFC) amounting to US\$20 million (disbursed in Z\$) and Z\$8.5 billion.
42. All these guarantees were approved by the External and Domestic Debt Committee (EDDC) in 2023, in line with the Public Debt Management Act. Government is managing the risk of default by the borrowers by monitoring their compliance with the terms and conditions of the borrowings to ensure timely debt servicing.

Table 18: Guarantees Issued - January to September 2023

Borrower	Purpose	Amount (US\$ millions)	Amount (Z\$ millions)	Date Approved	Expiry Date
IDBZ	To finance site servicing of Willsgrove Park Phase II Housing Development in Bulawayo. The funds will be raised through the issuance of US\$- linked Infrastructure Bonds known as IDB Series 1 2023.		700	12-Jan-23	30-Jan-29
IDBZ	To finance site servicing of Willsgrove Park Phase II Housing Development in Bulawayo. The funds will be raised through the issuance of US\$- linked Infrastructure Bonds known as IDB Series 2 2022B.		1,000	12-Jan-23	13-Nov-28
CBZ Bank (Cicada Katiyo)	Financing avocado and macadamia nuts farming operations.	1.6		12-Jan-23	Shall remain valid and in force until all amounts due under the terms and conditions of the Facility are paid.
NMB Bank (Forest Lodge Flowers)	Financing the expansion of the flower horticulture operations from the current 15 hectares to 22 hectares.	0.2		12-Jan-23	Shall remain valid and in force until all amounts due under the terms and conditions of the Facility are paid.
CBZ Bank (New Africa Agri (Pvt) Ltd)	Financing the procurement of raw materials, intermediate goods and accessories of sugar snap (peas) and chillies production and export.	0.2		12-Jan-23	Shall remain valid and in force until all amounts due under the terms and conditions of the Facility are paid.
CBZ Bank (Shumba Tafari (Pvt) Ltd)	Financing the procurement of raw materials, intermediate goods and accessories for chilli production and export	0.4		12-Jan-23	Shall remain valid and in force until all amounts due under the terms and conditions of the Facility are paid.

Borrower	Purpose	Amount (US\$ millions)	Amount (Z\$ millions)	Date Approved	Expiry Date
NMB Bank (Ripe On (Pvt) Ltd)	Financing the production of cherry peppers and peas from the current 15 hectares to 30 hectares.	0.1		12-Jan-23	Valid until all amounts due under the terms and conditions of the Facility are paid.
AFC Holdings	To finance the 2023 winter wheat agricultural activities	20.0	8,500	24-Apr-23	30-Apr-24
CABS (Clevers (Pvt) Ltd)	Financing working capital and capital requirements for the expansion of the Clevers Lakeview Resort	1.2		27-Jun-23	Valid until all amounts due under the terms and conditions of the Facility are paid.
Banc ABC (Zimbabwe Mining Development Corporation)	Setting up of 6 Gold Service Centres	5.0		25-Jul-23	Valid until all amounts due under the terms and conditions of the Facility are paid.
Total		28.7	10,200		

Source: Zimbabwe Public Debt Management Office

43. For the 2023/24 summer cropping season, Government will consider guarantees only for the agricultural land under irrigation in view of the anticipated El Nino weather phenomenon, which is associated with below normal rainfall. Farmers with a proven track record of repayment and meet the guarantee terms and conditions will be eligible.

Borrowing Power Authorities Issued During the Period January to September 2023

44. Government authorised the borrowings by the Zimbabwe Energy Regulatory Authority (ZERA), Central Mechanical Equipment Department Private Limited (CMED) and Mutare City Council amounting to US\$6.1 million (Z\$5 billion), US\$1.3 million (Z\$1.2 billion), and US\$2.3 million (Z\$10.5 billion), respectively.

Table 19: Borrowing Power Authorities - January to September 2023

Borrower	Purpose	Amount (US\$) millions	Date Approved
ZERA	To finance the construction of the ZERA Head Office in Mount Pleasant	6.10	6-Feb-23
CMED	To finance the purchase of vehicles for Easy-Go Car Hire and Travel under the 2022 CMED recapitalisation program	1.34	28-Feb-23
Mutare City Council	Procurement of capital equipment	2.25	7-Sept -23
Total		9.69	

Source: Zimbabwe Public Debt Management Office

Performance of Outstanding Guarantees

45. Outstanding guarantees as at end September 2023, amounted to US\$223 million and Z\$20.2 billion. IDBZ, AFC Holdings and Sable Chemicals paid up guarantees amounting to Z\$20.6 billion over the period January to September 2023 and all these facilities were Z\$ denominated. Repayments are on track for guarantee facilities issued to IDBZ, Clevers Investment (Pvt) Ltd and Steel Makers (Pvt) Ltd amounting to US\$13.8 million (*Table 20*).
46. Guarantees to CBZ Agroyield for the 2020/21 agriculture summer season and 2021 winter wheat season amounting to US\$217 million were called-up and Government to date has paid US\$40 million. CBZ Agroyield is following up on defaulting farmers to recover the outstanding balances and these farmers are not eligible to continue accessing agricultural facilities. Guarantees to Sub-Sahara Tobacco (Pvt) Limited, ZETDC and CBZ Agroyield amounting to US\$25.2 million and Z\$15.4 billion matured and the beneficiaries are making repayments, following restructuring arrangements (*Table 21*).
47. Out of the outstanding amount, guarantees issued using the SDRs Facilities amounting to US\$7.5 million are still in the grace period, as well as US\$20 million and Z\$8.5 billion issued to AFC Holdings for the 2023 winter wheat season (*Table 22*).
48. In order to ensure timely debt service payments, the issuance of Government guarantees is conditional on the opening of Sinking Funds by the borrowers, from the cash flows generated by the guaranteed projects.

Table 20: Guarantees Fully Paid-Up and On-Track - end September 2023

Borrower	Lender	Amount Millions		Maturity Date	Resources Mobilised	Amount Outstanding		Guarantee Called-Up Status
		US\$	Z\$			US\$ millions	Z\$ million	
IDBZ	Banc ABC, Steward Bank, Pension Funds		200	August 2023	Z\$200 million			The loan is fully paid up
AFC Holdings (2021/22)	Various Investors		15,000	January 2023	Z\$5.9 billion			The loan is fully paid up
AFC Holdings	Various Investors		5,000	August 2023	Z\$4.34 billion			The loan is fully paid up
Sable Chemicals	ZB Bank		390	March 2023	Z\$390 million			The loan is fully paid up
Clevers Investment (Pvt) Ltd	CABS	1.2		May 2025	US\$1.2 million	1.2		Repayments are on track
Steel Makers (Pvt) Ltd	CBZ Bank	11.18		February 2027	US\$11.18 million	11.18		Repayments are on track
AFC Holdings (2022/23)	Various Investors	154.63		December 2023	Z\$19.14 billion		12,600	Recovery rate-is at 89 per cent
AFC Holdings (2023 winter wheat)	Various Investors	20	8,500	December 2023	Z\$4.2 billion		4,500	The season has just ended, and deliveries are still on-going.
Total						12.38	17,100	

Source: Zimbabwe Public Debt Management Office

Note: See Annexure 8 for the detailed performance of outstanding guarantees as at end September 2023

Table 21: Non-Performing Guarantees - end September 2023

Borrower	Lender	Amount Millions		Maturity Date	Resources Mobilised	Amount Outstanding		Guarantee Called-Up Status
		US\$	Z\$			US\$ millions	Z\$ million	
Maize Farmers (2020/21, summer maize and soya-bean)	CBZ Bank- CBZ Agroyield	275		December 2021	US \$275 million	168		US\$188 million Called-Up and Treasury to date has paid up US\$20 million through the issuance of Promissory Notes maturing June 2025. (Recovery rate-20.5 per cent)
Wheat Farmers (2021)	CBZ Bank- CBZ Agroyield	66.6		April 2022	US\$66.6 million	20.51		US\$29 million Called-Up and Treasury to date has paid up US\$20 million. (Recovery rate-40 per cent)
Maize & Soya Farmers (2021/22)	CBZ Bank- CBZ Agroyield		15,429	September 2022	Z\$15.4 billion		3,100	Recovery rate is at 72.4 per cent
Sub-Sahara Tobacco (Pvt) Ltd	CBZ Bank	3.5		December 2021	US\$5.83 million	6.8		The company is projecting to clear the outstanding balance by May 2024
ZETDC	Zimbabwe ZhongXin Electrical Energy Private Limited (ZZEE)	21.73		September 2022	US\$21.73 million	3.2		The facility was restructured and ZETDC is now paying in line with the restructuring arrangement
Total						198.01	3,100	

Source: Zimbabwe Public Debt Management Office

Note: See Annexure 8 for the detailed performance of outstanding guarantees as at end September 2023

Table 22: Guarantees in Grace Period - end September 2023

Borrower	Lender	Amount Millions		Maturity Date	Resources Mobilised	Amount Outstanding		Guarantee Called-Up Status
		US\$	Z\$			US\$ millions	Z\$ million	
IDBZ	Banc ABC, Steward Bank, Pension Funds	0.5		March 2024	US\$3.75 million	3.75		Resources are being ringfenced into a dedicated sinking fund where revenues from sale of stands are being deposited.
IDBZ	Banc ABC, Steward Bank, Pension Funds	1		November 2026	US\$1.35 million	1.35		The project proceeds have been ringfenced into a dedicated sinking fund.
Forest Lodge Flowers	NMB Bank Limited	0.20		October 2025	US\$0.2 million	0.2		The facility is still in grace period and the scheduled first repayment date is 30 December 2023. The borrower deposited US\$283,000 in to an escrow account.
Ripe-On Private Limited	NMB Bank Limited	0.08		October 2025	US\$0.08 million	0.056		To date, the borrower paid US\$50,105 towards capital repayment and US\$5,725 towards interest payments.
Cicada Katiyo (Pvt) Ltd	CBZ Bank	1.6		Valid until all amounts due are paid.	US\$1.6 million	1.6		Facility is in grace period. Repayments will start in July 2024
Shumba Tafari (Pvt) Ltd	CBZ Bank	0.4		November 2023	US\$0.4 million	0.4		Resources are being ringfenced from sale of chillies for loan repayment.
New Africa Agri (Pvt) Ltd	CBZ Bank	0.24		April 2024	US\$0.24 million	0.24		A bullet repayment is due in April 2024.
ZMDC	Banc ABC	5.0		Valid until all amounts due are paid.	US\$5.0 million	5.0		Facility is in grace period
Total						12.596	-	

Source: Zimbabwe Public Debt Management Office

Note: See Annexure 8 for the detailed performance of outstanding guarantees as at end September 2023

49. In line with NDS 1 objectives, Government will consider guarantees and contracting loans for on-lending to key economic growth enablers, targeting energy, transport and water. Such projects should meet the bankability criterion. This will ensure debt service capacity by beneficiaries of these guarantees and on-lent loans and hence, the minimization of fiscal risks.

Guarantees for Special Drawing Rights (SDRs) Facilities

50. In 2024, Government will consider guarantees to the private sector under the following ongoing SDRs facilities:

US\$30 Million Horticulture Fund

The US\$30 million Horticulture Export Revolving Fund (HERF) - empower farmers to start horticulture projects, as well as procure value addition facilities that will enable dehydrating, freezing, canning, bottling, extracting, juicing and concentrating their produce. The Horticulture Fund is accessed through; FBC Bank, CBZ, NMB Bank, CABS Bank and the AFC Land and Development Bank.

During the period January to September 2023, US\$2.5 million was disbursed to finance the production of avocado, macadamia nuts, flowers, chilli, sugar snap peas and cherry peppers.

US\$7.5 million Tourism Facilities Services Development and Upgrading Revolving Fund (TFDURF)

The US\$7.5 million Tourism Facilities/Services Development and Upgrading Revolving Fund - targeting the resuscitation of companies in the tourism sector, which were affected during COVID-19 pandemic. The TFDURF is accessed through CABS, CBZ and Nedbank. A total US\$1.2 million was disbursed to through CABS in June 2023 for the upgrading and refurbishment of tourism facilities.

US\$20 million Small Irrigation Infrastructure Development Fund (SIIDF)

The US\$20 million Small Irrigation Infrastructure Development Fund (SIIDF) - will be disbursed in 2024 through the National Budget, to the identified 18 smallholder irrigation schemes spread in the 8 rural provinces, which excludes Harare and Bulawayo

Metropolitan Provinces. A total of 18 smallholder irrigation schemes, covering about 2854ha, will benefit 5708 households. The initiative will go a long way in enhancing climate proofing agricultural production for the vulnerable and ensuring food and nutrition security.

US\$10 million Gold Centres and Artisanal Miners Facility

The US\$10 million Gold Centres and Artisanal Miners Facility – this facility is for the establishment of six gold centres nationwide and support for the purchase of mining equipment by artisanal gold miners. The six gold centres would offer convenience for small scale miners to access Fidelity Printers and Refiners for gold sales.

- Gold Centres US\$5 million
- Artisanal Gold Miners US\$5 million

The facility is disbursed through the Ministry of Mines and Mining Development, into the Mining Development Loan Fund. Out of the US\$5 million for Artisanal Gold Miners, US\$2 million has already been disbursed in 2023, into the Mining Development Loan Fund and the balance will be disbursed in 2024. In addition, US\$2 million was disbursed in July 2023, through BancABC, to ZMDC, for the establishment of six gold centres in Mutoko, Penhalonga, Mazowe, Mount Darwin, Shamva and Silobela.

51. In order to enhance debt sustainability and to manage fiscal risks, all new borrowing requests are subject to the mandatory credit assessment in line with the Framework for Evaluating, Monitoring, and Managing Guaranteed and On-lent Loans. In this regard, new borrowing requests are assessed and recommended by the External and Domestic Debt Management Committee (EDDC) for approval by the Minister of Finance, Economic Development and Investment Promotion, before ratification by Parliament and gazetting.

ANNUAL BORROWING LIMITS

2023 Annual Borrowing Limits

52. The total borrowing, as at end September 2023, stood at 2.31 per cent of GDP, against an annual borrowing limit of 5.75 per cent of GDP. Central Government borrowing for budget financing accounted for 2.13 per cent of GDP, mobilised through issuances of Treasury bills and external loans disbursements. This is against a target of 3 per cent of GDP.
53. Guarantees to State-Owned Enterprises and the private sector at 0.14 per cent of GDP, are within the set combined annual limit of 0.25 per cent of GDP. These Guarantees were issued to finance the 2023 winter wheat season, the setting up of ZMDC gold service centres, and the servicing of Willsgrove Park Phase 2 IDBZ Housing project, in Bulawayo.
54. Government extended guarantees to the private sector under the US\$30 million Horticulture Export Revolving Fund and the US\$7.5 million Tourism Facilities Services Development and Upgrading Revolving Fund. These guarantees to the private sector accounted for 0.02 per cent of GDP, as at end September 2023. Private companies which meet the set credit assessment/vetting and selection criteria are eligible for these guaranteed facilities.
55. Government issued Borrowing Power Certificates to SOEs and Local Authorities equivalent to 0.04 per cent of GDP, against a combined target of 0.625 per cent of GDP. These Borrowing Power Certificates were issued to Mutare City Council (procurement of capital equipment), ZERA (construction of new ZERA Head Office) and CMED (purchase of Easy-Go hire vehicles)

Table 23: Status of Borrowing Limits - end September 2023

Category	2023 Borrowing Limit	Status- end September 2023
	(Per cent of GDP)	(Per cent of GDP)
Central Government, including borrowing for budget support	3	2.13
State-Owned Enterprises guarantees, including on-lending from Central Government	2	0.12
SOEs - Borrowing Power Authorities	0.5	0.03
Local Authorities -Borrowing Power Authorities	0.125	0.01
Guarantees to the private sector	0.5	0.02
Overall borrowing limit	5.75	2.31

Source: Zimbabwe Public Debt Management Office

56. Government will ensure the set borrowing limits are not breached by maintaining its policy thrust of ensuring that fiscal deficit remains at a maximum of 1.5 per cent of GDP, including

the policy stance of zero recourse to the central bank financing and non-tolerance of all unbudgeted expenditures, except for emergency expenditures.

2024 Annual Borrowing Limits

57. The borrowing limits for 2024 are guided by the fiscal deficit, the borrowing requirements of State-Owned Enterprises, Local Authorities and guarantees to the private sector.

58. Given the above, the borrowing limit for year 2024 has been set at 5.75 per cent of GDP, with the specific categories summarised in Table 24:

Table 24: 2024 Borrowing Limits

Category	2024 Borrowing Limit (Per cent of GDP)
Central Government, including borrowing for budget support (<i>for budget financing and amortisation of loans and securities</i>)	3
State-Owned Enterprises guarantees, including on-lending from Central Government - (<i>0.5 per cent for guarantees, 1 per cent for on-lending and 0.5 per cent borrowing power authorities</i>)	2
Local Authorities (<i>0.125 per cent guarantees, 0.125 per cent borrowing power authorities</i>). The borrowing is limited to 10 per cent of their respective previous year's revenues	0.25
Private Sector Guarantees	0.5
Overall borrowing limit	5.75

Source: Zimbabwe Public Debt Management Office

LIABILITIES ON THE BALANCE SHEET OF THE RESERVE BANK OF ZIMBABWE

59. Liabilities which are on the balance sheet of the Reserve Bank of Zimbabwe, as at end August 2023, amounted to US\$3.6 billion, broken down as reflected in Table 25.

Table 25: Liabilities on the RBZ Balance Sheet - end August 2023 (US\$ millions)

Creditor Category	
Running Facilities- Assumed by Treasury in 2023	
Multilateral Regional Banks	1,213
Other Financial Institutions	604
Sub Total	1,817
Other Liabilities on the RBZ Balance Sheet	
Airlines, fuel, and grain	376
Private Sector Blocked Funds	414
Bilateral Banks	121
Multilateral Regional Banks	701
Other Financial Institutions	127
Sub Total	1,739
Grand Total	3,556

Source: Reserve Bank of Zimbabwe

60. US\$1.8 billion has been assumed by Treasury, in line with the May 2023 policy announcement, as part and parcel of the measures to stabilise the economy. The policy measures included the following:

- Adoption of all external loans by Treasury;
- Funding of the Z\$ component of the 25 per cent foreign currency surrendered by exporters;
- Introduction of a 1 per cent tax on all foreign payments;
- Maintaining the US\$ cash withdrawal tax at 2 per cent; and
- Payment of fuel duty in foreign currency.

61. Although the US\$1.8 billion debt has been assumed by Treasury, these will remain on the RBZ balance sheet until fully paid, since the RBZ has the contractual obligation to service this debt.

62. A Technical Committee comprising of members from the Ministry of Finance, Economic Development and Investment Promotion and the Reserve Bank of Zimbabwe was established to validate and reconcile the debt before it was assumed by Treasury. In addition, Treasury is exploring the modalities for restructuring some of the assumed liabilities, taking

into account the fiscal capacity and debt sustainability. The debt service falling due in 2024 from these assumed liabilities is US\$338 million (principal - US\$258 million, interest - US\$80 million). These debt service payments have been provided for in the 2024 National Budget.

63. To service these assumed liabilities, Treasury has established a Debt Redemption Fund, funded by the foreign currency collected from the 25 per cent surrendered by exporters. This will be augmented, where necessary, by additional measures of mobilising debt service requirements of the assumed debt.

Table 26: Liabilities on the Reserve Bank of Zimbabwe Balance Sheet - end August 2023 (US\$ millions)

Name of Creditor	Purpose	Dec-22	Aug-23	Status
Airlines, fuel, and grain				
Equatorial Guinea	Strategic Imports	250	230	Assumed under 2015 RBZ Debt Assumption Act
Trafigura	Fuel	66	25	Assumed under Blocked Funds Finance Act No.7 of 2021
ASP Marketing	Grain	15	15	Assumed under Blocked Funds Finance Act No.7 of 2021
Holbud	Grain	86	48	Assumed under Blocked Funds Finance Act No.7 of 2021
South African Airways	Services	61	58	Assumed under Blocked Funds Finance Act No.7 of 2021
		477	376	
Private Sector Blocked Funds Total		534	414	Assumed under Blocked Funds Finance Act No.7 of 2021
Bilateral Banks				
Bank of Negara Malaysia	Strategic Imports	50	50	Assumed under 2015 RBZ Debt Assumption Act
SARB (Overdraft Facility)		1	-	Assumed under 2015 RBZ Debt Assumption Act
Banco De Mozambique	Deposit	26	25	To remain on the RBZ balance sheet
Libyan Foreign Bank	Strategic Imports	40	40	Assumed under Blocked Funds Finance Act No.7 of 2021
Islamic Republic of Iran	Strategic Imports	5	5	Assumed under Blocked Funds Finance Act No.7 of 2021
		121	121	
Multilateral Regional Banks				
Cottco DBSA	Strategic Imports	12	12	Assumed under Blocked Funds Finance Act No.7 of 2021
TDB Bank	Deposit	649	689	Assumed under Blocked Funds Finance Act No.7 of 2021
		661	701	
Other Financial Institutions				
Stanbic Bank/ Chinese Projects HUawei	Savings Bond/ HUawei	127	127	Assumed under Blocked Funds Finance Act No.7 of 2021
		1,920	1,739	
Running Facilities- To be assumed by Treasury 2023				
Afreximbank 1.4 billion Loan Facility	Strategic Imports	1,130	1,000	Assumed under the May 2023 policy announcement
Afreximbank In-Country Deposits	Blocked Funds	107	107	Assumed under the May 2023 policy announcement
FBC Afreximbank	Loan	90	95	Assumed under the May 2023 policy announcement
Cash cover Afreximbank		18	2	Assumed under the May 2023 policy announcement
Frontera Capital VBV	Loan	23	18	Assumed under the May 2023 policy announcement
GERMCORP	Loan	86	29	Assumed under the May 2023 policy announcement
ZEPRE	Loan	9	9	Assumed under the May 2023 policy announcement
Other US\$ Various Facilities		828	556	Assumed under the May 2023 policy announcement
		2,291	1,817	
Grand Total		4,211	3,556	

Source: Reserve Bank of Zimbabwe

Note: The Technical Committee after validation and reconciliation recommended liabilities to be transferred to Treasury and those that will remain on the RBZ balance sheet

RE-ENGAGEMENT, ARREARS CLEARANCE AND DEBT RESOLUTION PROCESS

Structured Dialogue Platform

64. The Government, in December 2022, established a Structured Dialogue Platform (SDP) with all its creditors and Development Partners, to institutionalize structured dialogue on economic and governance reforms to underpin Zimbabwe's Arrears Clearance and Debt Resolution process. The process is being Championed by the President of the African Development Bank (AfDB), Dr. A. A. Adesina, and H. E. J. A. Chissano, former President of the Republic of Mozambique, who is the High -Level Facilitator.
65. Since the establishment of the SDP in December 2022, there has been commendable progress, with growing consensus and confidence in the process, promoted by a transparent and inclusive consultative process. Since December 2022, five SDP meetings were held in Harare, including a High-Level Debt Resolution Forum. These meetings have been focusing on the following strategic three pillars:
- Economic Reforms;
 - Governance Reforms; and
 - Land Tenure Reforms, Compensation of Former Farm Owners and the Resolution of Bilateral Investment Protection and Promotion Agreements (BIPPAs).
66. The Structured Dialogue Platform meetings are ongoing, supported by three Sector Working Groups (SWGs), which have developed the Policy Reform Matrices under the three pillars. The three SWGs are co-chaired as follows:
- Economic Reforms – Ministry of Finance, Economic Development and Investment Promotion, World Bank (WB) and the International Monetary Fund (IMF);
 - Governance Reforms – Ministry of Justice Legal and Parliamentary Affairs and the European Union; and
 - Land Tenure Reforms, Compensation of Former Farm Owners and the Resolution of Bilateral Investment Protection and Promotion Agreements (BIPPAs) – Office of the President and Cabinet, United Nations Development Programme (UNDP) and Switzerland.
67. Government takes full ownership of the SDP process, and is committed to the Arrears Clearance and Debt Resolution process, through the implementation of reforms outlined in these three Matrices.

68. Following from the above, a Roadmap has been developed which clearly outlines the next course of action going forward and the following are some of the identified low-hanging fruits in terms of concrete policy actions by the Government, and which form part of the Arrears Clearance and Debt Resolution Roadmap:

- The conduct of free, fair and peaceful elections in August 2023;
- Signing off an IMF Staff Monitored Program (SMP);
- Combating corruption;
- Draft legislation to provide for transferable and bankable 99-year leases;
- Payment of compensation of Former Farm Owners based on the Global Compensation Deed; and
- Resolution of BIPPAs.

69. In line with the Roadmap, in June 2023, upon the Government of Zimbabwe's request, the International Monetary Fund (IMF) agreed to start the process of engagement on a Staff Monitored Programme. The technical work on the SMP has started, with the recent IMF Mission during the period 18-25 October 2023. The Mission to commence negotiations for an SMP will be in the country in January 2024. The SMP is expected to commence during the first quarter of 2024. To cushion the vulnerable groups during the SMP implementation period, Government is seeking a 'wet' SMP, for which funding is required for the priority areas in social protection, education, health, agriculture/food security and climate change.

70. Reflecting Government's commitment to the reform agenda, Government has started implementing the reforms contained in the three Policy Reforms Matrices, especially those in the Economic Reforms Matrix, through policy measures for macroeconomic stabilisation to instil confidence, strengthen demand for the local currency, and foster market discipline.

71. In addition, Government has engaged the African Legal Support Facility which is providing technical assistance in the drafting of the 99- year lease legal instrument, to ensure it meets the criteria of transferability and bankability, as set out in the NDS1 (2021-2025).

72. The success of the Arrears Clearance and Debt Resolution process is critical for the country to unlock new external financing, needed to achieve NDS1 development objectives. The country's sustainable economic recovery agenda requires the support of Development Partners and International Financial Institutions, through a comprehensive Arrears Clearance and Debt Resolution process.

73. Following a break during the August 2023 harmonised election period, the Structured Dialogue Platform meetings will resume in January 2024. Meanwhile, the meetings of the technical Sector Working Groups are ongoing, to finalise the three Policy Matrices and to implement the reforms where consensus has been reached.

74. In addition, Government will continue making quarterly token payments to the IFIs and Paris Club Creditors.

Compensation of Former Farm Owners

75. In line with the Roadmap of the Arrears Clearance and Debt Resolution process, Treasury has allocated US\$55 million in the 2024 National Budget for the compensation of Former Farmers Owners, with US\$35 million earmarked for farms under the Global Compensation Deed, while US\$20 million is the compensation for farms that were protected by BIPPAs which were affected by the land reform programme.

PUBLIC DEBT TRANSPARENCY AND ACCOUNTABILITY

Reporting of Public Debt During 2023

76. In compliance with the Constitution of Zimbabwe Section 300(4) and the Public Debt Management Act, Section 5 and 36, the following reports were published in 2023:

- Annual Public Debt Bulletin - Financial Year 2022;
- 2023 Annual Borrowing Plan; and
- Report to Parliament on Public Debt - Financial Year 2022.

77. The above reports are published to enhance transparency and accountability in Public Debt and Public Finance Management.

Ratification of External Loans and Guarantees

78. Section 327 (3) of the Constitution of Zimbabwe, requires the ratification by Parliament of all external loans and guarantees, which imposes fiscal obligations on Zimbabwe. The following external loan was ratified by Parliament on 31 March 2023:

Table 27: Ratified Loans and Guarantees for the Period January to September 2023

Borrower	Lender	Purpose	Amount	Date Ratified
Government of Zimbabwe	OFID	Co-financing the Smallholder Agriculture Cluster Project (SACP) with IFAD to increase household incomes and improved food security in Matabeleland North, Mashonaland Central, Mashonaland East, Harare, and Mashonaland West, through the construction of small scale climate resilient irrigation schemes, repair of 90 kilometers of feeder roads and the installation of water and sanitation facilities	US\$15 million	31 Mar 2023

Source: Zimbabwe Public Debt Management Office

Gazetting of Loans and Guarantees

79. Gazetting of all loans and guarantees is a requirement in terms of Section 300 (3) of the Constitution of Zimbabwe, and the Public Debt Management Act, Chap 22.21. In compliance with this requirement, the following loans and guarantees were gazetted during the period January to September 2023.

Table 28: Loans and Guarantees Gazetted During the Period January - September 2023

Borrower	Lender	Amount	Purpose	Date Gazetted
Government of Zimbabwe	PIM Nominees (Pvt) Ltd	US\$360.5 million	Rehabilitation and upgrading of the Harare Kanyemba Road	8 Feb 2023
Government of Zimbabwe	Fossil Mines	US\$88 million	Construction of Mbudzi Interchange and Divergence Routes Road Infrastructure Project.	8 Feb 2023
Government of Zimbabwe	IFAD	US\$37.1 million	To increase incomes, food security and empowerment of smallholder farmers engaged in profitable and sustainable horticulture value chains.	10 Nov 2023
ZETDC	Zhong Xin Electrical Energy (ZZEE)	US\$21.73 million	Guarantees ZETDC payment obligations and ZETDC compliance as the sole off-taker of electricity under the project agreement with Zhong Xin Private Limited.	8 Feb 2023
Wheat Farmers	AFC Holdings Ltd	Z\$1 billion	To finance the 2022 winter wheat agricultural program.	8 Feb 2023
Wheat Farmers	AFC Holdings Ltd	Z\$4 billion	Agro-Bills issued by the bank for the 2022 winter wheat season	8 Feb 2023
IDBZ	Various Investors	Z\$500 million	The infrastructure bonds are for the construction of two four storey blocks of flats under the Waneka Phase 3 Housing Development in Graniteside, Harare	8 Feb 2023
ZINARA	Various Investors	Z\$4 billion	Construction and rehabilitation of roads under the Emergency Road Rehabilitation Programme (ERRP) Phase 2 Project	8 Feb 2023
ZINARA	Various Investors	Z\$600 million	Composite bridging facility for the road rehabilitation works for ERRP Phase 2 Project.	8 Feb 2023

Source: Zimbabwe Public Debt Management Office

Reporting by Line Ministries, Departments, Agencies, State Owned Entities (SOEs), Local Authorities and Private Sector

80. In line with the Constitution, Section 300 (4a) and the Public Debt Management Act, Section 36 (1), the Minister of Finance, Economic Development and Investment Promotion is required to report to Parliament on the performance of loans raised and loans guaranteed by the State, twice a year.

81. In order to fulfil the provisions of the Constitution and the Public Debt Management Act, the following beneficiaries of loans raised and/guaranteed, as well as borrowing authority granted by the State are required to report to the Ministry of Finance, Economic Development and Investment Promotion:

- State Owned Enterprises;
- Local Authorities; and
- Private sector.

82. The above-mentioned beneficiaries should report on the following information, on a monthly basis, in line with Section 30 of the Public Debt Management Act.

- Detailed terms of the facility;
- Disbursements;

- Project implementation progress;
- Repayment status;
- Project implementation challenges and mitigation measures; and
- Latest Audited Financial Statements and Management Accounts.

83. Treasury has noted with concern that SOEs and Local Authorities are behind with their Audited Statements as indicated in the 2022 Auditor General's Report.

84. The reporting to the Ministry of Finance, Economic Development and Investment Promotion by the beneficiaries in line with the Public Debt Management Act, will ensure the comprehensive reporting of the Public and Publicly Guaranteed Debt which is critical for transparency and accountability in public debt management. In addition, the reporting will assist Treasury in making public debt management decisions, to limit called-up guarantees and other contingent liabilities, which exert pressure on the already constrained fiscal space. The reporting of such debts is a pre-requisite for the issuance of borrowing certificates and Government guarantees.

ANNEXURES

Annexure 1: Total PPG External Debt, Incl. Liabilities on the RBZ B/Sheet - end Sep 2023 (US\$ millions)

	DOD	PRA	IRA	Penalties	PRA+IRA+Penalties	Total
Total PPG Debt (a+b)	10,689	2,957	1,668	2,378	7,002	17,691
a.PPG External Debt (1+2+3)	5,717	2,925	1,668	2,378	6,971	12,688
Bilateral and Multilateral External Debt (1+2)	2,161	2,925	1,668	2,378	6,971	9,132
1.Bilateral Creditors	1,565	1,751	552	2,141	4,444	6,009
Paris Club	82	1,337	459	2,033	3,830	3,911
Austria	-	13	3	53	70	70
Belgium	0	22	2	145	168	169
Brazil	20	14	1	-	16	36
Finland	-	72	8	35	114	114
France	3	187	36	590	813	816
Germany	34	360	214	354	927	961
Israel	-	2	0	11	13	13
Italy	3	94	10	52	156	158
Japan	4	134	45	186	365	369
Netherlands	3	58	14	17	89	92
Norway	-	23	0	90	114	114
Spain	2	32	6	36	74	76
Sweden	-	51	1	41	93	93
Switzerland	-	20	3	41	64	64
United Kingdom	2	129	31	277	437	439
United States of America	10	126	84	105	315	326
Non-Paris Club	1,483	414	92	108	615	2,098
China	1,409	393	90	95	578	1,987
India	72	13	0	-	13	85
Kuwait	3	-	-	-	-	3
South Africa	-	8	2	14	24	24
2.Multilateral Creditors	596	1,174	1,117	236	2,527	3,123
World Bank	114	720	709	-	1,429	1,543
IBRD	-	402	640	-	1,042	1,042
IDA	114	318	69	-	387	501
African Development Bank	26	277	379	-	656	681
ADB	4	254	373	-	627	631
ADF	22	23	6	-	29	51
European Investment Bank	10	143	23	236	402	412
Afreximbank	400	-	-	-	-	400
Others	47	34	6	-	40	87
BADEA	1	4	5	-	9	9
NDF	7	11	-	-	11	18
OPEC	34	-	-	-	-	34
IFAD	5	-	0	-	-0	5

	DOD	PRA	IRA	Penalties	PRA+IRA+Penalties	Total
T.D.B./P.T.A.	-	20	1	-	21	21
3. Liabilities on the RBZ Balance Sheet	3,556	-	-	-	-	3,556
Assumed by Treasury in 2023	1,817					
<i>Regional Multilateral Creditors</i>	1,204					
<i>Other Financial Institutions</i>	613					
Other Liabilities on the RBZ Balance Sheet	1,739					
<i>Regional Multilateral Creditors</i>	701					
<i>Bilateral Financial Institutions</i>	121					
<i>Airlines, Fuel and Grain Suppliers</i>	376					
<i>Other Financial Institutions</i>	127					
<i>Private Sector Blocked Funds</i>	414					
b. Domestic Debt	4,971	32	-	-	32	5,003
Government Securities	1,471	-	-	-	-	1,471
<i>Of which Blocked Funds</i>	1,461					1,461
Domestic Arrears (to Service Providers)	-	32	-	-	32	32
Compensation of Former Farm Owners	3,500	-	-	-	-	3,500

Annexure 2: Total PPG External Debt, Incl. Liabilities on the RBZ B/Sheet - end Sep 2023 (Z\$ billions)

	DOD	PRA	IRA	Penalties	PRA+IRA+Penalties	Total
Total PPG Debt (a+b)	58,433	16,163	9,120	12,998	38,281	96,714
a.PPG External Debt (1+2+3)	31,256	15,990	9,120	12,998	38,108	69,364
Bilateral and Multilateral External Debt (1+2)	11,815	15,990	9,120	12,998	38,108	49,923
1.Bilateral Creditors	8,556	9,573	3,016	11,706	24,295	32,851
Paris Club	447	7,310	2,512	11,113	20,935	21,382
Austria	-	73	18	292	382	382
Belgium	2	120	9	792	920	921
Brazil	112	78	8	-	86	198
Finland	-	394	41	189	624	624
France	19	1,021	196	3,226	4,444	4,462
Germany	187	1,966	1,168	1,934	5,068	5,254
Israel	-	9	0	62	72	72
Italy	14	515	55	282	852	866
Japan	20	732	248	1,015	1,995	2,015
Netherlands	15	318	79	93	489	504
Norway	-	128	2	494	624	624
Spain	13	174	35	195	405	417
Sweden	-	277	8	224	509	509
Switzerland	-	111	16	224	351	351
United Kingdom	9	706	169	1,516	2,392	2,401
United States of America	57	688	460	576	1,725	1,781
Non-Paris Club	8,109	2,263	504	593	3,360	11,469
China	7,701	2,149	492	518	3,160	10,861
India	391	70	1	-	71	462
Kuwait	17	-	-	-	-	17
South Africa	-	44	11	74	129	129
2.Multilateral Creditors	3,259	6,417	6,104	1,292	13,813	17,072
World Bank	624	3,936	3,876	-	7,812	8,435
IBRD	-	2,195	3,501	-	5,696	5,696
IDA	624	1,741	375	-	2,116	2,739
African Development Bank	140	1,514	2,070	-	3,584	3,724
ADB	20	1,391	2,036	-	3,427	3,447
ADF	120	123	33	-	157	277
European Investment Bank	53	780	126	1,292	2,198	2,251
Afeximbank	2,187	-	-	-	-	2,187
Others	256	187	33	-	219	475
BADEA	3	19	28	-	47	50
NDF	40	58	-	-	58	98
OFID	185	-	-	-	-	185
IFAD	28	-	0	-	0	28
T.D.B./P.T.A.	-	109	5	-	115	115
3. Liabilities on the RBZ Balance Sheet	19,441	-	-	-	-	19,441

	DOD	PRA	IRA	Penalties	PRA+IRA+Penalties	Total
Assumed by Treasury in 2023	9,933				-	9,933
<i>Regional Multilateral Creditors</i>	6,584				-	6,584
<i>Other Financial Institutions</i>	3,349				-	3,349
Other Liabilities on the RBZ Balance Sheet	9,508				-	9,508
<i>Regional Mutilateral Creditors</i>	3,832				-	3,832
<i>Bilateral Financial Institutions</i>	660				-	660
<i>Airlines, Fuel and Grain Suppliers</i>	2,058				-	2,058
<i>Other Financial Institutions</i>	695				-	695
<i>Private Sector Blocked Funds</i>	2,263				-	2,263
b. Domestic Debt	27,177	172	-	-	172	27,349
Government Securities	8,043	-	-	-	-	8,043
<i>Of which Blocked Funds</i>	7,984	-	-	-	-	7,984
Domestic Arrears (to Service Providers)	-	172	-	-	0.17	0.17
Compensation of Former Farm Owners	19,134	-	-	-	-	19,134

Annexure 3: Total Public and Publicly Guaranteed Debt Stock - end December 2022 (Z\$ billions)

	DOD	PRA	IRA	Penalties	Arrears + Penalties	Total
Total PPG Debt (1+2) (External + Domestic)	8,428	1,956	1,139	1,472	4,567	12,337
1.External Debt (a+b+c) (Including RBZ)	4,869	1,956	1,139	1,472	4,567	8,778
External Debt (a+b) (Excluding RBZ)	1,309	1,956	1,139	1,472	4,567	5,876
a. Bilateral Creditors	1,160	1,171	375	1,325	2,870	4,031
Paris Club	65	932	321	1,257	2,509	2,574
Non-Paris Club	1,096	239	54	67	361	1,457
b. Multilateral Creditors	149	785	764	147	1,696	1,845
World Bank	92	485	481	-	966	1,058
African Development Bank	19	192	263	-	454	474
European Investment Bank	7	99	17	147	263	270
Others	31	9	3	-	13	44
c. Liabilities on the RBZ B/Sheet	2,902	-	-	-	-	2,902
2.Domestic Debt	3,559	-	-	-	-	3,559
Treasury Bills/Bonds	129					129
Blocked Funds	1,027					1,027
Arrears to service providers	8					8
Compensation of Former Farm Owners	2,395					2,395
<i>Total PPG Debt as a per cent of GDP (%)</i>						99.6

Annexure 4: Total Public and Publicly Guaranteed Debt Stock - end December 2022 (US\$ millions)

	DOD	PRA	IRA	Penalties	Arrears + Penalties	Total
Total PPG Debt (1+2) (External + Domestic)	7,114	2,858	1,665	2,150	6,673	18,028
1. External Debt (a+b+c) (including RBZ debt)	1,913	2,858	1,665	2,150	6,673	12,827
External Debt (a+b) (excluding RBZ debt)	1,913	2,858	1,665	2,150	6,673	8,586
a. Bilateral Creditors	1,695	1,711	548	1,936	4,194	5,890
Paris Club	94	1,361	468	1,837	3,667	3,761
Non-Paris Club	1,601	349	80	99	527	2,128
b. Multilateral Creditors	218	1,147	1,117	215	2,479	2,697
World Bank	134	709	703	-	1,412	1,546
African Development Bank	28	280	384	-	664	692
European Investment Bank	11	144	25	215	384	395
Others	45	14	5	-	19	64
c. Liabilities on the RBZ B/Sheet	4,241	-	-	-	-	4,241
2. Domestic Debt	5,201	-	-	-	-	5,201
Treasury Bills/Bonds	188					188
Blocked Funds	1,501					1,501
Arrears to service providers	12					12
Compensation of Former Farm Owners	3,500					3,500

Annexure 5: Treasury Bills Issuances for budget financing - January to September 2023

Date	Type	Amount (Z\$ millions)	Amount (US\$ millions)	Interest (%)	Tenor (days)	Bank/Non Bank
16/1/2023	Private Placement	2,000		100	365	Bank
16/1/2023	Private Placement	1,000		93	180	Bank
16/1/2023	Private Placement	500		96	270	Bank
16/1/2023	Private Placement	500		100	365	Bank
17/1/2023	Private Placement	10,000		90	90	Bank
17/1/2023	Private Placement	1,000		90	90	Bank
17/1/2023	Private Placement	1,300		90	90	Bank
18/1/2023	Private Placement	2,000		90	90	Bank
18/1/2023	Private Placement	2,000		93	180	Bank
18/1/2023	Private Placement	2,000		96	270	Bank
19/1/2023	Private Placement	2,500		100	365	Bank
20/1/2023	Private Placement	2,000		90	90	Bank
20/1/2023	Private Placement	2,000		93	180	Bank
20/1/2023	Private Placement	2,000		96	270	Bank
20/1/2023	Private Placement	2,000		100	364	Bank
20/1/2023	Private Placement	2,000		100	365	Bank
20/1/2023	Private Placement	100		92	180	Bank
23/1/2023	Private Placement	1,000		90	90	Bank
23/1/2023	Private Placement	1,000		93	180	Bank
23/1/2023	Private Placement	1,000		96	270	Bank
23/1/2023	Private Placement	100		99	365	Bank
24/1/2023	Private Placement	1,000		100	365	Bank
25/1/2023	Private Placement	1,000		90	90	Bank
27/1/2023	Private Placement	5,000		90	90	Bank
31/1/2023	Private Placement	1,000		90	90	Bank
31/1/2023	Private Placement	1,000		93	180	Bank
Total January		47,000				
1/2/2023	Private Placement	1,000		100	365	Bank
2/2/2023	Private Placement	2,000		80	90	Bank
3/2/2023	Private Placement	6,000		80	90	Bank
8/2/2023	Private Placement	2,000		80	90	Bank
8/2/2023	Private Placement	600		80	90	Bank
8/2/2023	Private Placement	200		80	90	Bank
9/2/2023	Private Placement	1,000		85	365	Bank
10/2/2023	Private Placement	200		80	90	Non-Bank
16/2/2023	Private Placement	10,000		80	90	Bank
16/2/2023	Private Placement	250		80	90	Bank
24/2/2023	Private Placement	8,000		75	91	Bank
Total February		31,250				
1/3/2023	Private Placement	1,000		80	365	Bank
1/3/2023	Private Placement	1,000		76	180	Bank
1/3/2023	Private Placement	3,000		78	269	Bank
1/3/2023	Private Placement	3,000		89	365	Bank
7/3/2023	Private Placement	800		78	270	Bank
8/3/2023	Private Placement	600		76	180	Bank
9/3/2023	Private Placement	600		75	180	Bank
16/3/2023	Private Placement	1,000		76	270	Bank
16/3/2023	Private Placement	5,000		75	180	Bank
20/3/2023	Private Placement	1,000		76	270	Bank
16/3/2023	Private Placement	7,000		74	90	Bank
22/3/2023	Private Placement	1,000		76	271	Bank
22/3/2023	Private Placement	200		74	180	Bank
22/3/2023	Private Placement	200		76	271	Bank
24/3/2023	Private Placement	1,000		76	270	Bank

Date	Type	Amount (Z\$ millions)	Amount (US\$ millions)	Interest (%)	Tenor (days)	Bank/Non Bank
27/3/2023	Private Placement	500		76	270	Bank
27/3/2023	Private Placement	500		76	270	Bank
27/3/2023	Private Placement	1,600		74	180	Bank
30/3/2023	Private Placement	500		76	270	Bank
Total March		29,500	-			
3/4/2023	Private Placement	2,000		74	180	Bank
3/4/2023	Private Placement	1,000		76	270	Bank
5/4/2023	Private Placement	3,000		72	90	Bank
5/4/2023	Private Placement	5,000		74	90	Bank
6/4/2023	Private Placement	500		76	270	Bank
21/4/2023	Private Placement	1,500		78	364	Bank
21/4/2023	Private Placement	10,000		72	90	Bank
21/4/2023	Private Placement	400		72	90	Bank
26/4/2023	Private Placement	700		74	180	Bank
26/4/2023	Private Placement	250		72	90	Bank
26/4/2023	Private Placement	250		74	180	Bank
27/4/2023	Private Placement	5,000		72	90	Bank
Total April		29,600	-			
4/5/2023	Private Placement	1,000		74	180	Bank
4/5/2023	Private Placement	2,000		72	90	Bank
5/5/2023	Private Placement	1,000		72	90	Bank
5/5/2023	Private Placement	250		76	270	Bank
5/5/2023	Private Placement	250		78	364	Bank
5/5/2023	Private Placement	600		74	180	Bank
8/5/2023	Private Placement	250		74	180	Bank
8/5/2023	Private Placement	250		76	270	Bank
9/5/2023	Private Placement	2,000		72	90	Bank
9/5/2023	Private Placement	2,000		74	180	Bank
9/5/2023	Private Placement	2,000		76	270	Bank
10/5/2023	Private Placement	1,700		74	180	Bank
10/5/2023	Private Placement	800		72	90	Bank
11/5/2023	Private Placement	1,000		72	91	Bank
16/5/2023	Private Placement	10,000		74	92	Bank
16/5/2023	Private Placement	10,000		74	105	Bank
16/5/2023	Private Placement	10,000		74	120	Bank
17/5/2023	Private Placement	1,000		72	91	Bank
19/5/2023	Private Placement	1,000		74	180	Bank
19/5/2023	Private Placement	255		72	90	Bank
22/5/2023	Private Placement	1,300		74	180	Bank
26/5/2023	Private Placement	3,000		74	180	Bank
26/5/2023	Private Placement	300		74	180	Bank
26/5/2023	Private Placement	300		76	270	Bank
Total May		52,255	-			
6/6/2023	Private Placement	2,000		74	181	Bank
Total June		2,000				
4/7/2023	Private Placement		0.5	7	182	Bank
25/7/2023	Private Placement	1,000		73	125	Bank
25/7/2023	Private Placement	1,000		74	156	Bank
28/7/2023	Private Placement	2,000		72	90	Bank
28/7/2023	Private Placement	2,000		72	90	Bank
28/7/2023	Private Placement	1,000		72	90	Bank
Total July		7,000	0.5			

Date	Type	Amount (Z\$ millions)	Amount (US\$ millions)	Interest (%)	Tenor (days)	Bank/Non Bank
29/8/2023	Private Placement	3,400		72	90	Bank
29/8/2023	Private Placement	1,000		72	93	Bank
29/8/2023	Private Placement	1,000		72	122	Bank
Total August		5,400	-			
8/9/2023	Private Placement	30,000		72	90	Bank
22/9/2023	Private Placement	40,000		71	88	Bank
27/9/2023	Private Placement	500		74	180	Bank
28/9/2023	Private Placement	25,000		72	90	Bank
28/9/2023	Private Placement	2,000		72	90	Bank
28/9/2023	Private Placement	1,200		74	180	Bank
28/9/2023	Private Placement	500		72	90	Bank
Total September		99,200	-			
Grand Total		303,205	0.5			

Annexure 6: Treasury Bonds Issuance for Blocked Funds – end September 2023 (US\$ millions)

Tenor (Years)	Year of Maturity	Amount
3	2025	390
4	2026	41
5	2027	132
6	2028	36
7	2029	-
8	2030	99
9	2031	37
10	2032	109
11	2033	44
12	2034	138
13	2035	34
14	2036	-
15	2037	91
16	2038	34
17	2039	-
18	2040	90
19	2041	67
20	2042	86
21	2043	33
Total		1,461

Annexure 7: Liabilities on the RBZ Balance Sheet - end December 2022 and end August 2023 (US\$ millions)

Name of Creditor	Purpose	Dec-22	Aug-23	Status
Airlines, fuel, and grain				
<i>Equatorial Guinea</i>	<i>Strategic Imports</i>	250	230	<i>Assumed under 2015 RBZ Debt Assumption Act</i>
<i>Trafigura</i>	<i>Fuel</i>	66	25	<i>Assumed under Blocked Funds Finance Act No.7 of 2021</i>
<i>ASP Marketing</i>	<i>Grain</i>	15	15	<i>Assumed under Blocked Funds Finance Act No.7 of 2021</i>
<i>Holbud</i>	<i>Grain</i>	86	48	<i>Assumed under Blocked Funds Finance Act No.7 of 2021</i>
<i>South African Airways</i>	<i>Services</i>	61	58	<i>Assumed under Blocked Funds Finance Act No.7 of 2021</i>
		477	376	
Private Sector Blocked Funds Total		534	414	
Bilateral Banks				
Bank of Negara Malaysia	<i>Strategic Imports</i>	50	50	<i>Assumed under 2015 RBZ Debt Assumption Act</i>
<i>SARB (Overdraft Facility)</i>		1	-	<i>Assumed under 2015 RBZ Debt Assumption Act</i>
<i>Banco De Mozambique</i>	<i>Deposit</i>	26	25	<i>To remain on the RBZ balance sheet</i>
<i>Libyan Foreign Bank</i>	<i>Strategic Imports</i>	40	40	<i>Assumed under Blocked Funds Finance Act No.7 of 2021</i>
<i>Islamic Republic of Iran</i>	<i>Strategic Imports</i>	5	5	<i>Assumed under Blocked Funds Finance Act No.7 of 2021</i>
		121	121	
Multilateral Regional Banks				
<i>Cottco DBSA</i>	<i>Strategic Imports</i>	12	12	<i>Assumed under Blocked Funds Finance Act No.7 of 2021</i>
<i>TDB Bank</i>	<i>Deposit</i>	649	689	<i>Assumed under Blocked Funds Finance Act No.7 of 2021</i>
		661	701	
Other Financial Institutions				
<i>Stanbic Bank/ Chinese Projects HUAWEI</i>	<i>Savings Bond/ HUAWEI</i>	127	127	<i>Assumed under Blocked Funds Finance Act No.7 of 2021</i>
		1,920	1,739	
Running Facilities- To be assumed by Treasury 2023				
Afreximbank 1.4 billion Loan Facility	<i>Strategic Imports</i>	1,130	1,000	<i>Assumed under the May 2023 policy announcement</i>
<i>Afreximbank In-Country Deposits</i>	<i>Blocked Funds</i>	107	107	<i>Assumed under the May 2023 policy announcement</i>
<i>FBC Afreximbank</i>	<i>Loan</i>	90	95	<i>Assumed under the May 2023 policy announcement</i>
<i>Cash cover Afreximbank</i>		18	2	<i>Assumed under the May 2023 policy announcement</i>
<i>Frontera Capital VBV</i>	<i>Loan</i>	23	18	<i>Assumed under the May 2023 policy announcement</i>
<i>GERMCORP</i>	<i>Loan</i>	86	29	<i>Assumed under the May 2023 policy announcement</i>
<i>ZEPRE</i>	<i>Loan</i>	9	9	<i>Assumed under the May 2023 policy announcement</i>
<i>Other US\$ Various Facilities</i>		828	556	<i>Assumed under the May 2023 policy announcement</i>
		2,291	1,817	
Grand Total		4,211	3,556	

Annexure 8: Detailed Performance of Outstanding Guarantees - end September 2023

Borrower	Lender	Purpose	Amount Millions		Financing Terms	Performance Status - end September 2023
			US\$	Z\$		
Maize Farmers	CBZ Bank- CBZ Agroyield	Financing of the 2020/2021 summer maize and soya bean cropping season (80% Partial Guarantee)	275		Interest Rate: Z\$:45%pa US\$: 10%pa Tenor: 360 days Approval Date: 21 December 2020 Maturity Date: December 2021	Of the US \$275 million disbursed, US\$56.4 million has been recovered representing 20.5% recovery as at end of September 2022. The Government Guarantee claim of US\$188 million has since been called up. Treasury settled the guarantee through issuance of a promissory note maturing quarterly up to 30 June 2025. To date Treasury has settled an amount of US\$20 million for quarter ending 30 April 2023 and 30 June 2023.
Wheat Farmers	CBZ Bank- CBZ Agroyield	Financing of 2021 winter wheat cropping season (73% Guarantee)	66.6		Interest Rate: 17% Insurance Fee: 1.5% Tenor: 360 days Approval Date: 15 November 2021 Maturity date: April 2022	Of the US\$66.6 million disbursed, US \$26.09 million has been recovered representing 40% recovery rate. The Government Guarantee claim of US\$29 million has since been called up. Treasury settled the guarantee through issuance of Promissory note maturing quarterly up to 30 June 2025. Treasury has settled an amount of US\$20 million quarter ending 30 April 2023 and 30 June 2023.
Maize & Soya Farmers	CBZ Bank- CBZ Agroyield	Financing of the 2021/2022 summer maize and soya bean cropping season (73% Partial Guarantee)		15,429	Interest Rate: 39% Insurance Fee: 2% Tenor: 360 days Approval Date: 27 June 2022 Maturity date: 30 September 2022	Of the Z\$15.4 billion disbursed, Z\$11.2 billion has been recovered representing 72.43% recovery rate. The Government Guarantee claim of Z\$3.1 billion is outstanding.
Steel Makers (Pvt) Ltd	CBZ Bank	Working capital requirements (65% Partial Guarantee)	11.18		Interest Rate: <i>Libor plus 9% margin</i> Annual Fee: 1.5% Arrangement Fee: 1.5% Tenor: 5 years Grace Period: 26 months Approval Date: 21 December 2020 Maturity date: February 2027	The facility has a five-year tenor, which matures in 2027. Interest payments are on track, and US\$2.6 million has been paid to date in line with the amortisation schedule. The first principal repayment instalment is due in February 2024.

Borrower	Lender	Purpose	Amount Millions		Financing Terms	Performance Status - end September 2023
Sub-Sahara Tobacco (Pvt) Ltd	CBZ Bank	Financing of Export and Contract Order (40% Partial Guarantee)	3.5		Interest Rate: 12% Facility Fee: 2% Tenor: 12 months Approval Date: 21 December 2020 Maturity date: 21 December 2021	The Facility matured on 21 December 2021 and the company has paid US\$1.745 million and the balance outstanding is US\$6.8 million. The company projects to clear the arrears by May 2024
IDBZ	Banc ABC, Steward Bank, Pension Funds	Second tranche for financing the development of a Sumben low-density residential area in Mt Pleasant		200	Interest Rate: 7.75% Tenor: 2 years Approval Date: 20 August 2021 Maturity date: August 2023	The bonds are fully paid up.
IDBZ	Banc ABC, Steward Bank, Pension Funds	Financing the development of Waneka Housing Project a in Graniteside		500 to be converted to US\$ at mobilisation, while repayment will be done in Z\$	Interest Rate: 7.75% Tenor: 2 years Approval Date: 24 March 2022 Maturity date: March 2024	The Bank managed to raise an equivalent of US\$3.75 million and the bonds will mature in March 2024. Resources are being ringfenced into a dedicated sinking fund where revenues from sale of stands are being deposited.
IDBZ	Banc ABC, Steward Bank, Pension Funds	Financing the development of Willsgrove Housing Project a in Bulawayo		1000 to be converted to US\$ at mobilisation, while repayment will be done in Z\$	Interest Rate: 7.75% Tenor: 2 years Approval Date: 12 January 2023 Maturity date: November 2026	The facility is in grace period and project proceeds have been ringfenced into a dedicated sinking fund
AFC Holdings	Various Investors (Pension and Provident Funds, Insurance companies, commercial and merchant banks)	Financing of the 2021/22 summer agricultural season		15,000	Interest Rate: 40%-55% Tenor: 270 days and 365 days Approval Date: 16 November 2021 Maturity date: January 2023	Out of the Z\$15 billion, Z\$5.9 billion was mobilised and repayments of Z\$7.77 billion inclusive of interest payments have been made in full

Borrower	Lender	Purpose	Amount Millions		Financing Terms	Performance Status - end September 2023
AFC Holdings	Various Investors (Pension and Provident Funds, Insurance companies, commercial and merchant banks)	Financing of the winter 2022 winter wheat agricultural season		5,000	Interest Rate: 102%-125% Tenor: 270 days and 365 days Approval Date: 6 May 2022 Maturity date: August 2023	Out of the Z\$5 billion, Z\$4.34 billion was mobilised and repayments with a total value of Z\$7.5 billion including interest have been completed.
AFC Holdings	Various Investors (Pension and Provident Funds, Insurance companies, commercial and merchant banks)	Financing of the 2022/23 summer agricultural season	US\$154.626 disbursed equivalent in Z\$		Interest Rate: 70%-130% Tenor: 90 days and 270 days Approval Date: 16 November 2022 Maturity date: December 2023	Z\$19.14 billion was mobilised and repayments with a total value of Z\$29.73 billion including interest will fully mature in December 2023. Resources are being ringfenced in a dedicated sinking fund where revenues from proceeds of wheat will be deposited for the servicing of the facility. To date, repayments of Z\$17.1 billion have been made, leaving an outstanding balance of Z\$12.6 billion.
AFC Holdings	Various Investors (Pension and Provident Funds, Insurance companies, commercial and merchant banks)	Financing of the 2023 winter wheat agricultural season	US\$20 million to be disbursed in Z\$ at the prevailing interbank market rate	Z\$8.5 billion	Interest Rate: 73%-100% Tenor: 90 days and 270 days Approval Date: 24 April 2023 Maturity date: December 2023	Z\$4.2 billion was mobilised and repayments with a total value of Z\$5.3 billion including interest will fully mature in April 2023. Resources are being ringfenced in a dedicated sinking fund where revenues from proceeds of wheat will be deposited for the servicing of the facility. To date, repayments of Z\$792 million have been made, leaving an outstanding balance of Z\$4.5 billion.
Sable Chemicals	ZB Bank	Liquidity support for the financing of the fertilizer production for the 2022/23 cropping season. 60% partial Government Guarantee		390	Interest Rate: 53.6% Commitment Fee: 1.5% Establishment Fee: 1.5% Application Fees: Z\$65 000 Tenor: 270 days Approval Date: 5 August 2022 Maturity date: March 2023	The facility matured on the 31 st of March 2023 and is fully paid up.

Borrower	Lender	Purpose	Amount Millions	Financing Terms	Performance Status - end September 2023
ZETDC	Zimbabwe ZhongXin Electrical Energy Private Limited (ZZEE)	Uptake of generated power of 45.5 MW	21.73	Tenor: 6 months Approval Date: 9 March 2022 Maturity date: 30 September 2022	Payments of US\$3.2 million under the performance guarantee, are still outstanding. ZETDC is making the payments as and when resources are available.
Forest Lodge Flowers	NMB Bank Limited	Capital expenditure financing	0.20	Interest Rate: 10% Arrangement Fee: 2% Drawdown Fee: 1.50% Annual fee: 0.50% Tenure: 3 years Grace period: 12 months Approval Date: 12 January 2023 Maturity date: October 2025	The borrower has a 12-month grace period and their scheduled first repayment date is for 30 December 2023. However, the client has deposited a total of US\$283,000 which makes up 100% of export proceeds and is adhering to their deposit covenant.
Ripe-On (Pvt) Ltd	NMB Bank Limited	Financing Capital Expenditure and Working Capital	0.08	Interest Rate: 12% Arrangement Fee: 1.50% Drawdown fee: 1% Annual fee: 1% Tenure: 3 years Approval Date: 12 January 2023 Maturity date: October 2025	To date, the borrower has paid US\$50,105 towards capital repayment and US\$5,725 towards interest payments. The outstanding repayments on capital and interest are US\$49,895 and US\$6,493 respectively to make a total of US\$56,388.
Cicada Katiyo (Pvt) Ltd	CBZ Bank	Financing expansion of the avocado and macadamia nuts farming operations under the Horticulture Export Revolving Fund (HERF)	1.6	Interest Rate: 12% Establishment fees: 1.5% Penalty fees: 5% Approval Date: 12 January 2023 Maturity: 3 years Grace period: 1 year	The repayments will start in July 2024 and the facility will mature in 2026

Borrower	Lender	Purpose	Amount Millions		Financing Terms	Performance Status - end September 2023
Shumba Tafari (Pvt) Ltd	CBZ Bank	Financing procurement of raw materials, intermediate goods and accessories for chilli production and export, under the Horticulture Export Revolving Fund (HERF)	0.4		Interest Rate:12% Facility fees:1.5% Penalty fees:8% Approval Date: 12 January 2023 Maturity:1 year	The loan will mature on the 30 th of November and resources are being ringfenced from sale of chillies for loan repayment.
New Africa Agri (Pvt) Ltd	CBZ Bank	Financing procurement of raw materials, intermediate goods and accessories for sugarsnap (peas) and chillies production and export, under the Horticulture Export Revolving Fund (HERF)	0.24		Interest Rate:12% Facility fees:1.5% Penalty fees:8% Approval Date: 12 January 2023 Maturity:1 year	Loan not yet due for payment. Bullet repayment in April 2024.
Clevers Investment (Pvt) Ltd	CABS	Financing capital requirements for the expansion of the Clevers Lakeview Resort in Masvingo, under the Tourism Facilities/Services Development and Upgrading Revolving Fund	1.2		Interest Rate:11% Establishment fees:1.5% Drawdown fees:0.5% Annual management fee:0.5% Penalty fees:5% Approval Date: 27 June 2023 Maturity:2 years Grace period:3 months	The company is servicing interest only for the moratorium period on the principal amount of US\$300,000. Repayments on principal plus interest commenced on the 31st of October 2023 and the facility will mature in May 2025
TOTAL			536.4	46,019		

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